

After Recording Return to:
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11/22/2002 Page

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DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS

FOR
SANDS SHORT PLAT

ADDITION TO THE
CITY OF ANACORTES

Grantor: Richard L. Sands
Colleen L. Sands

Lots A, B & C, Sands Short Plat.

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR SANDS SHORT PLAT**

**Addition to the City of Anacortes
Section 27, Township 35 N, Range 1 E, W.M.**

DESCRIPTION OF DECLARATION

Declarant desires to create in Sands Short Plat as defined herein a community with residential use, services, and facilities, as well as other public and private uses, services, and facilities. Declarant also desires to create permanent open space areas, and other common facilities for the benefit of the Sands Short Plat community; to protect the aesthetic harmony of the Sands Short Plat community; preserve an open natural appearance; maintain the view and light of each property owner; and to provide for the maintenance of open spaces and other common facilities.

This Declaration establishes a plan for the private ownership of lots and buildings constructed thereon; for the dedication of certain areas to municipal corporations; and for the beneficial ownership through a non-profit corporation of all the remaining land and related easements, hereinafter defined and referred to as the "Common Areas". The non-profit corporation is the "Sands Short Plat Homeowners Association", hereinafter referred to and defined as the "Association". The Association shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas and facilities, and administering and enforcing the covenants, conditions, and restrictions; and collecting and disbursing the assessments and charges hereinafter created.

This Declaration contemplates a plan that the Sands Short Plat community may grow in an orderly fashion under a rational scheme of development. The Declaration further establishes the right and power of the Association to levy general and special assessments on each owner, as hereafter referred to and defined, in order to finance the construction and maintenance of improvements to the Common Areas and facilities; and in order to effectuate all the powers and duties of the Association, as described herein. The Declaration further establishes certain restrictions on the various uses and activities that may be permitted in the Sands Short Plat; and further establishes the right of the Association to promulgate rules and regulations which may further define and limit permissible uses and activities consistent with the provisions of this Declaration.

NOW, THEREFORE, the undersigned hereby covenants, agrees, and declares that all of the Sands Short Plat, as defined herein, and the buildings and structures hereafter constructed thereon are, and will be, held, sold and conveyed subject to and burdened by the following covenants, conditions, restrictions and easements, all of which are for the purpose of value, desirability, and attractiveness of Sands Short Plat; and all for the benefit of the Owners thereof; their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in the Sands Short Plat or any part thereof; and shall inure to the benefit of the Owners thereof and to the benefit of the Association; and are intended to be, and shall in all respects be regarded as covenants running with the land.



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**ARTICLE 1
DEFINITIONS**

Section 1.1 "Association" shall mean and refer to the Sands Short Plat Homeowners Association, a Washington non-profit corporation, its successors and assigns.

Section 1.2 "Association Action" shall mean and refer to a written corporate action of the Association in the form of either a by-law or resolution duly passed by either the Board, or the Owners.

Section 1.3 "Board" shall mean and refer to the board of directors of the Association.

Section 1.4 "Membership in Skyline Beach Club, Inc." The owner of each lot shall be deemed to be a member of Skyline Beach Club, Inc., a nonprofit Washington corporation. Membership in Skyline beach Club, Inc. shall be inseparably appurtenant to ownership of the lot. Each Owner shall pay, in addition to all assessments and other charges provided herein, the annual or other dues and assessments as shall be from time to time fixed by Skyline Beach Club, Inc. The secretary of Skyline Beach Club, Inc. is hereby appointed as attorney-in-fact for each Owner for the purpose of effecting transfer of membership upon such transfer.

Section 1.5 "Common Areas" shall mean and refer to all real property that is owned by the Association, or that is designated by Declarant for future ownership by the Association on a final plat or other recorded document creating a phase, including without limitation, open space areas and improvements thereon; pedestrian and equestrian trails, bicycle paths; lakes, ponds, wetlands, parking areas, landscaping, and other areas available for common use and enjoyment by members of the Association; and irrigation, sewer, water, storm drainage and other utility systems located on, or in, the Common Areas, or between the Common areas and the streets; or on, or in, other public or utility easements.

Section 1.6 "Declarant" shall mean and refer to Richard L. Sands, Inc. Profit Sharing Trust, its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in the event of succession or assignment, or other recorded instrument passed by operation of law. Certain rights and obligations of Declarant, as set forth herein, shall cease at the end of the Development Period.

Section 1.7 "Declaration" shall mean, and refer to this instrument; as the same may be supplemented or amended from time to time.

Section 1.8 "Development Period" shall mean and refer to that period of time beginning on the date of this Declaration and ending when the Declarant has transferred title to Purchasers of Lots representing fifty-one percent (51%) of the total voting power of all Owners of record as then constituted. Transfer shall occur no later than one (1) year after the transfer.



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Section 1.9 "Governing Documents" shall mean and refer to this Declaration; Supplementary Declarations; and the Articles of Incorporation and By-laws of the Association; and as any of the foregoing may be amended from time to time.

Section 1.10 "Sands Short Plat" shall mean and refer to that certain real property described in Exhibit 1-A attached hereto; and such additions thereto as may hereafter be brought within the terms and conditions hereof in accordance with Article 2 of this Declaration.

Section 1.11 "Living Unit" shall mean and refer to a building or structure, or any portion thereof, situated in Sands Short Plat, that is designed and intended for use and occupancy as a residence by a Single Family; together with the appurtenant landscaping, fences, garages, driveways, or parking areas occupying the lot on which a Living Unit is situated. The Living Unit shall also encompass the underlying Lot, but the definition shall not include any Lot on which a Living Unit has not yet received a certificate of occupancy, or analogous certificate from the applicable governmental authority.

Section 1.12 "Lot" shall mean and refer to any legally segmented portion of the Sands Short Plat created after the date of this Declaration, including Lots in the Sands Short Plat; whether or not such plat is recorded after the date of this Declaration, through subdivision, short subdivision, site plan approval, or any other legal process for dividing land; with the exception of streets and other public areas and Common Areas.

Section 1.13 "Mortgage" shall mean and refer to any recorded mortgage or deed of trust encumbering one or more of the Lots, or Living Units. A "First Mortgage" shall mean and refer to a Mortgage with priority over other Mortgages. "Mortgagee" shall mean and refer to the holder or beneficiary of any Mortgage, and shall not be limited to Institutional Mortgagees. As used herein, the term "Institutional Mortgagee" or "Institutional Holder" shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations, and any agency or department of the United States Government, or of any state or municipal government.

Section 1.14 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee interest in any Lot including Participating Builders, but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of an obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors.

Section 1.15 "Participating Builder" shall mean and refer to a person or entity that acquires a portion of the Sands Short Plat for the purpose of improving such portion in accordance with the Master Plan for resale to Owner, or lease to a tenant.

Section 1.16 "Single Family" shall mean and refer to a single family home that shall not include more than 4 adults who are legally unrelated.



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Section 1.17 "Supplementary Declaration" shall mean and refer to any recorded declaration of covenants, conditions, and restrictions which extends the provisions of this Declaration to a Phase, or which contains such complementary provisions for a Phase, as are deemed appropriate by Declarant.

ARTICLE 2

SANDS SHORT PLAT HOME OWNERS ASSOCIATION

Section 2.1 "Form of Association". The Owners of Lots shall constitute an owners association to be known as the Sands Short Plat Homeowners Association. The Association shall be organized as a nonprofit corporation, no later than the date the first Lot is conveyed. A Board of not fewer than three, nor more than five directors will govern it. The term of the initial directors shall expire at the first annual meeting of the Association following their appointment by Declarant. The Board shall elect officers of the Association from among the Board members, which shall include a president, who shall preside over meetings of the Board, and the Association, and the Board may elect other officers such as Vice President, Secretary and Treasurer. The provisions of the Declaration and the By-laws shall govern the rights and duties of the Board and of the Association.

Section 2.2 "By-laws". The Board will adopt By-laws to supplement the Declaration, and to provide for the administration of the Association, and the property, and for other purposes not inconsistent with the Declaration.

Section 2.3 "Association Membership". Every person or entity who is an Owner shall by reason thereof, be a member of the Association. The Owner of each Lot, or legal representative, shall have one vote. When a single entity owns more than one Lot or Living Unit, each vote may be cast separately. When more than one entity holds the beneficial interest in any Lot or Living Unit, the vote therefor, shall be cast as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to a single Lot or Living Unit. Such membership shall be appurtenant to, and held and owned in the same manner as the beneficial fee interest in the Lot or Living Unit to which it relates, and shall not be separated. However, an Owner may delegate his rights of membership in the Association, and rights of enjoyment in the Common Areas, to the members of his family, and to his tenants occupying his Living Unit.

Section 2.4 "Initial Number of Votes". From the commencement of the existence of the Association, there shall be a total of three (3) outstanding votes, representing one vote for each Lot in Sands Short Plat. During development, Declarant may cast 3 votes.

Section 2.5 "Adjustment to Number of Votes". If more than 3 Lots are authorized by the City of Anacortes in the future by means of subdivision of the Sands Short Plat initial 3 Lots, then the number of votes in the Association shall be adjusted at such time to reflect the increased number of Lots.



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Section 2.6 "Owner's Compliance with Governing Documents". By acceptance of a deed to a Lot, execution of a contract therefor, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to observe and comply with all terms of the Governing Documents of the Association; and all rules and regulations duly promulgated pursuant to Association Action.

Section 2.7 "Rules and Regulations". The Association shall have the power to adopt, and to enforce rules and regulations governing the use of the Sands Short Plat Lots and Common Areas. This is in addition to the use restrictions contained in this Declaration, and whether or not expressly contemplated herein, provided that such rules and regulations shall not be inconsistent with this Declaration. The rules and regulations may not discriminate among Owners. The Association may prescribe penalties for the violation of such rules and regulations, including but not limited to suspension of the right to use the common areas or portions thereof. Any such rules and regulations shall become effective 30 days after promulgation or amendment, and shall be made available to all Owners within 30 days after promulgation, or amendment. A copy of the rules and regulations then in force shall be retained by the secretary of the Association and be made available for any Owner during reasonable business hours. Such rules shall have the same force and effect as if set forth herein.

Section 2.8 "Architectural Control Committee". The Association shall establish and continuously maintain an Architectural Control Committee, composed of three or more representatives as provided in the By-laws of the Association. The Committee will review and approve or disapprove the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of the proposed home and/or accessory structures. The Committee will also review proposals for fences, walls, or other structures, exterior additions to, or changes or alterations thereon; clearing or excavation of Lots and cutting of trees within Lots; and the topping or removal of trees in the Common Areas. The purpose of the Architectural Control Committee is to achieve and maintain the aesthetic goals of the Declarant. The Association Action shall enforce guidelines, criteria, and procedures governing the Architectural Control Committee; and the Owners' compliance with the provisions of Section 2.7 hereof shall apply to such guidelines, criteria, and procedures, as if full set forth in this Section 2.8.

**ARTICLE 3
ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS**

Section 3.1 "Owners Covenant to Pay Assessments". By acceptance of a deed to a Lot, execution of a contract therefor, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to promptly pay the Association for all general and special assessments levied as provided herein.



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Section 3.2 "Association Budget". The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses. This estimate includes, but is not limited to, all management and administration costs, operating and maintenance expenses of the Common Areas, and services furnished to or in connection with the Common Areas. Also included are the taxes and assessments, liability and other insurance on the Common Areas, and the cost of funding all reserves by the Association. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Lot Owner of record as provided hereafter. The Association may revise the operating budget, as it deems necessary or advisable in order to take into account, and defray additional costs and expenses of the Association.

Section 3.3 "Levy of General Assessment". In order to meet the costs and expenses projected in its operating budget, the Association shall, by Association Action, determine and levy in advance on every Owner of record, a general assessment. The amount of each owner's assessment shall be the amount of the Association's operating budget divided by the number of existing Lots in the Sands Short Plat.

Section 3.4 "Payment of General Assessment". Upon Association Action, installment payments of the general assessment may be collected on a quarterly, semi-annual, or annual basis. An Owner may prepay one or more installments on any assessment levied, without premium or penalty.

Section 3.5 "Non-Discriminatory Assessment". Except as provided in Section 5.14 hereof, no assessment shall be made at any time that may unreasonably discriminate against any particular Owner, or group of Owners, in favor of other Owners. However, a special assessment may be made against a particular Owner by a two-thirds majority vote of the Board, or other Association committee, to which such oversight responsibility has been delegated. This is in the event that after notice to an Owner, from the Association, for failing to maintain their property in accordance with the standards established in the C.C.&R's, the Association elects to expend funds to bring the deficiency up to standard, and assess the owner.

Section 3.6 "Commencement of Assessments". Liability of an Owner for assessments levied shall be prorated as of date of closing of purchase.

Section 3.7 "Certificate of Assessment Payment". Upon request of an Owner or Mortgagee of a Lot, the Board shall furnish a written certificate stating the amount, if any, of unpaid assessments charged to the Lot. A reasonable fee may be charged to reimburse for the cost of preparation.

Section 3.8 "Special Assessments". In addition to the general assessments authorized by this Article, the Association may, by Association Action, levy a special assessment, or assessments, at any time against existing Lots only, applicable to that year only. Said assessment or assessments would be for the purpose of defraying, in whole or part, the



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cost of any construction or reconstruction, inordinate repair, or replacement of described capital improvement located upon or forming a part of the Common Areas. Such action by the Board must have a prior favorable vote of the Owners of record representing two-thirds of the existing Lots. The amount of each Owner's special assessment for any given year shall be the total special assessment divided by the number of Lots.

Section 3.9 "Effect of Non-Payment of Assessment". If any assessment payment is not paid in full within 60 days after it was first due and payable, the unpaid amount shall constitute a lien against the Lot assessed, together with a \$25.00 per month penalty so long as the assessment balance remains unpaid. The liens provided for in this Declaration shall be for the benefit of the Association as a corporate entity, and the Association shall have the power to foreclose a lien and/or bid in at any lien foreclosure sale, and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.

Section 3.10 "Lien to Secure Payment of Assessment". Declarant hereby creates in the Association perpetually the power to create a lien in favor of the Association against each Lot to secure the payment of all assessments, interest, penalties, costs, and attorney fees. Declarant hereby subjects all Lots perpetually to such power of the Association.

Section 3.11 "Suspension for Non-Payment of Assessment". If an Owner is in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the governing Documents of the Association for a period of 60 days, said Owner's voting rights shall, without the necessity of any further action by the Association, be suspended and remain suspended until all amounts due, including any interest or penalties imposed, are brought current; and any other default is remedied. No Owner is relieved of liability for assessments by non-use of the Common Areas, or by abandonment of a Lot or Living Unit.

Section 3.12 "Reserves for maintenance of Common Areas". As a Common expense, the Association shall establish and maintain a reserve fund for maintenance of the Common Areas, and any community improvements or facilities thereon. There shall be a payment to such reserve fund of an amount to be designated from time to time by the Association.

Section 3.13 "Certain Areas Exempt". The Common Areas and/or portions of Sands Short Plat dedicated to the public or a non-profit corporation exempt from real estate taxation under State Law shall also be exempt from assessment for such taxes.

Section 3.14 "Division of Assessments". All assessments by the Homeowners Association shall initially be divided equally by the three Lot Owners of record, either by transfer of ownership to a Purchaser, or the Declarant.

**ARTICLE 4
SUBORDINATION OF LIENS**

Section 4.1 "Intent of Provisions". The provisions of this Article apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot or Living Unit



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Section 4.2 "Mortgagee's Non-Liability". The holder of a Mortgage shall not, by reason of the security interest only, be liable for the payment of any assessment or charge; nor for the observance or performance of any covenant or restriction; excepting only those enforceable by equitable relief, and not requiring the payment of money, and except as hereafter provided.

Section 4.3 "Mortgagee's Rights During Foreclosure". During the pendency of any proceeding to foreclose a Mortgage, including any period of redemption, the holder of the Mortgage, or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the encumbered Lot or Living Unit; including but not limited to the right to vote in the Association to the exclusion of the Owners exercise of such rights and privileges.

Section 4.4 "Mortgagee as Owner". At such time as a Mortgagee shall become the record Owner of a Lot or Living Unit previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay all assessments and charges in the same manner as any other Owner.

Section 4.5 "Mortgagee's Title Free and Clear of Association Liens". A Mortgagee or other secured party acquiring title to a Lot or Living Unit through foreclosure, suit, deed of trust sale, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot or Living Unit free and clear of any lien authorized by, or arising out of the provisions of this Declaration; insofar as such lien secures the payment of any assessment or charge installment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption.

Section 4.6 "Survival of Assessment Obligation". After the foreclosure of a security interest in a Lot or Living Unit, any unpaid assessments shall continue to exist and remain as a personal obligation of the former Owner against whom the same was levied; and the Association shall use reasonable efforts to collect the same from such former Owner.

Section 4.7 "Subordination of Assessment Liens". The liens for assessments provided for in the Declaration shall be subordinate to the lien of any Mortgage or other security interest placed upon a Lot or Living Unit as a construction loan security interest, or as a purchase price security interest; and the Association will, upon demand, execute a written subordination document to conform to the particular superior security interest. The sale or transfer of any Lot or Living Unit, or any interest therein shall not affect the liens provided for in this Declaration, except as otherwise specifically provided for herein; and in the case of a transfer of a Lot or Living Unit for purposes of a security interest, liens shall arise against the Lot or Living Unit for any assessment payments coming due after the date of completion of foreclosure (including the expiration date of any period of redemption).



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ARTICLE 5
USE COVENANTS, CONDITIONS, AND RESTRICTIONS

Section 5.1 "Authorized Uses". The Sands Short Plat shall be used solely for the uses authorized in the Master Plan, a copy of which is attached to, and made a part of this instrument as Exhibit "A" hereof. Such uses are limited to residential use, utility stations, and other uses and facilities normally incidental to a residential plat. During the Initial Platting Period Sands Short Plat will consist of Lot "A", Lot "B", & Lot "C", and no Lot shall be further subdivided. Thereafter, Lot "A" (18.25 acres) shall not be further subdivided into more than nine (9) Lots/Homesites, and only the top plateau shall be utilized for Lots. The steep sloping western face of Lot "A" shall become Common Area to all Lot Owners in Sands Short Plat. Lot "B" (2.48 acres) shall not be further subdivided into more than two (2) Lots. Lot "C" (0.73 acre) shall not be further subdivided, however, a 10' easement within Lot A, located along the northern boundary of Lot "C" shall be granted to the City of Anacortes as a walkway access from Marine Heights Way to the forest lands to the east. All future Lot subdivisions shall be in accord with Anacortes Municipal Code title 16 regulating the subdivision and short subdivision of land. Said future subdivision restrictions shall be inserted into, and made a part of all deeds issued in Sands Short Plat, and shall run with the land. At such time as Lot "A" (18.25 acres) is developed, whether for one home, or up to nine homes, the maximum allowed, the street servicing Lot "A", whether a city street or a private street, shall have an all-weather emergency-vehicle-only access road constructed at Lot "A's" northern proximity to the existing city service road to the north. The existing city service road presently links Clyde Way to the City water tank installation. Said service road connection, of necessity, will be constructed through the Common Area and have a locked gate, to eliminate any through traffic for reasons due to steep grades, safety and liability, unless a city street is either dedicated, or platted through Lot "A" and it's common area. Prior to such a decision, the Sands Short Plat Homeowners Association will provide gate keys to all applicable agencies, and/or for City lock-box installation

Section 5.2 "Building or Lot Clearing Plan Approval required". No Living Unit, building, fence, or other structure shall be commenced, erected, or maintained upon a Lot, or any other portion of Sands Short Plat; nor shall any exterior addition to, or change, or alteration therein be made; nor shall a Lot be cleared or excavated for use, until after the details and written plans and specifications showing the nature, shape, height, materials, colors, and location of the same have been submitted to, and approved in writing by the Architectural Control Committee, as to the harmony of external design and location in relation to surrounding structures, vegetation, and topography. All building plans, approved by the Architectural Control Committee, shall also be submitted to the City of Anacortes Building Department for approval. All plans must be in accord with Anacortes Municipal Code Title 17 Zoning, Chapter 17.36 R2 (Residential District).

Section 5.3 "Leasing Restrictions". No Lot or Living Unit may be leased or rented by any party for a period of fewer than 30 days, and not less than the whole of any Lot or



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Living Unit be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease his/her Lot or Living Unit.

Section 5.4 "Animals". No animal, livestock, or poultry of any kind shall be raised, bred, or kept; provided however, that dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes. No domestic pet may be kept if it is a source of annoyance, or a nuisance. The Association shall have the authority to determine whether a particular pet is a nuisance or a source of annoyance. Such determination shall be final and conclusive. Pets shall be attended at all times, and shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Owners Lot, or Living Unit, pets within Sands Short Plat must be accompanied by a responsible person, and is in accordance with the Anacortes leash law.

Section 5.5 "Commercial Uses". No commercial enterprise, including itinerant vendors, shall be permitted on any Lot, or in any Living Unit; provided, however, that the Association may permit specified home occupations to be conducted if allowed by law (Cottage Industry), and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of the Sands Short Plat community.

Section 5.6 "Trailers and Campers". The Association may prohibit the storage within Sands Short Plat of all or any of the following: mobile homes, junk vehicles, or any other similar units of any kind or character. Vehicles, or parts thereof, being restored must be garaged or screened from view. However, an Owner may keep on a Lot, or in a Living Unit such equipment and machinery as may be reasonable, customary, and usual, in connection with the use and maintenance of any Lot or Living Unit. This is providing that such equipment and machinery when not in use are screened from view from the adjacent street, other Lots, and other Living Units. The Association may keep such equipment and machinery as it may require in connection with the maintenance and operation of the Common Areas.

Section 5.7 "Garbage, Yard Waste, and Recycle Material". No garbage, refuse, or rubbish shall be deposited or left in Sands Short Plat, unless placed in a suitable covered container. Trash and garbage containers shall not be permitted to remain in public view except on days of collection. No incinerator shall be allowed, and no burning of any trash,



refuse, brush, or scrap of any kind shall be permitted. No lawn clippings, other yard wastes, or uncontrolled fill of any type shall be placed on the property. Composting, when using an appropriate container or enclosure is permitted.

Section 5.8 "Utilities Underground". Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission lines shall be installed or maintained above the surface of the ground. Propane tanks shall be subject to the provisions of Paragraph 5.6 hereof.

Section 5.9 "Mining Prohibited". No portion of Sands Short Plat shall be used for the purpose of boring, mining, quarrying, or exploring for, or removing oil, or other hydrocarbons, minerals, gravel or earth.

Section 5.10 "Signs". Except for entrance, street, directional traffic control and safety signs, all signs of Participating Builders, or agents or contractors thereof, shall be pre-approved by the Association. One temporary real estate sign, or builders sign, as pre-approved by the Association, may be erected upon any Lot or attached to any Living Unit placed upon the market for sale or lease. Any such temporary sign shall be promptly removed following the sale or rental of such Lot or Living Unit.

Section 5.11 "No Obstruction of Easements". No structure, planting, or other material shall be placed or permitted to remain upon any property within Sands Short Plat which may damage or interfere with any easement or the installation or maintenance of utilities; or which may change, obstruct, or retard direction or flow of any drainage channels.

Section 5.12 "Antennae". All television and /or FM radio antennas must be physically attached to a structure and must comply with applicable governmental standards and guidelines, and by Association rules and regulations. Short wave, Citizens' Band, or Single Side Band radios, or the like, requiring freestanding antennae or a tower, may be allowed under certain circumstances by permission of the Association. Visibility and screening of such antennae or tower from other Lots or Living Units will be the major consideration.

Section 5.13 "Wells". No domestic water wells will be allowed on any Lots.



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Section 5.14 "Owners' Maintenance Responsibilities". The maintenance, upkeep, and repair of individual Lots and Living Units shall be the sole responsibility of the individual Owners thereto. Owners shall maintain the improvements on their premises and the grounds of such premises in a neat and attractive manner. Without limitation as to the foregoing, it is recognized that landscaping may consist of lawn, shrubs, and trees of all shapes and sizes. It is also recognized that native trees and underbrush may be an integral part of landscaping left in its natural state. Alder growth will not be allowed on any Lot whether occupied or vacant. If neglected, the Architectural Control Committee shall have the right to have said objectionable trees removed and assess the Owner. The provisions of this Declaration regarding collection of assessments shall apply thereto.

Section 5.15 "Weapons". No firearms of any kind or nature, including handguns, rifles, BB guns, air-rifles, slings, slingshots, traps, or any other similar weapon, shall be used or discharged within Sands Short Plat, in strict accordance with City ordinances.

Section 5.16 "Sales and Construction Facilities". Despite any other provisions of this Declaration, it is permissible for the Declarant and/or Participating Builders, agents or contractors thereto, to maintain on any portion of Sands Short Plat owned by the Declarant or Participating Builders, such Facilities as may be reasonably required, convenient, or incidental to the construction and sale of Lots and/or Living Units. Examples are a temporary business/sales office, portable or other toilet facilities, and signs, all maintained in a clean and orderly fashion. At the election of the Declarant and/or the Association, any sales and/or construction crew in violation of the terms of this paragraph may be immediately and forcibly removed from Sands Short Plat, and the Owner of said Lot shall hold harmless and indemnify the Declarant and/or the Association from any claim by the Owner of the Lot, or any third party, for said action.

Section 5.17 "Nuisances Prohibited". Noxious or offensive trade or activity shall not be conducted in any portion of Sands Short Plat, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington, Skagit County, City of Anacortes, or any other applicable governmental entity. Nothing shall be done or maintained which may be, or become an annoyance or nuisance to the neighborhood, or other Owners, or detract from the value of the community. The Association shall determine by Association Action whether any given use of a Lot or Living Unit unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots and Living Units, or of the Common Areas, and such determination shall be final and conclusive.



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Section 5.18 "Construction of Living Units; Conformity with Master Plan". All construction of Living Units, including use of construction material shall, in addition to being approved by the Architectural Control Committee, be in conformity with the "General Construction Standards" contained in the Master Plan at Exhibit "A" hereof.

Section 5.19 "Relief from Certain Provisions". In cases where an Owner has made a factual showing that strict application of the provisions of sections 5.4, 5.5, 5.6, 5.10, 5.12, and 5.15 only of this Article (regulating animals, commercial uses, trailers and campers, signs, antennae, and weapons, respectively) would work a severe hardship, the Board by Association Action may grant the Owner relief, under certain conditions, from any such provisions in addition to any exceptions or provisions already contained in those sections. Such relief, however, shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board violate the provisions of 5.17 of this Article. The decision of the Board in granting or denying such relief shall be final and conclusive.

ARTICLE 6

COMMON AND SHARED AREAS

Section 6.1 "Title to Common Areas". Declarant, whether the original, or subsequent Declarant subdividing Lot A of Sands Short Plat in the future, shall convey to the Association the Common area so specified in Article 5, Section 5.1. Upon its creation as a Common Area, and whether or not it shall have been conveyed as yet to the Association, every Common Area shall be subject to an easement of common use and enjoyment in favor of the Association and every Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents. Such easement shall be appurtenant to and shall not be separated from ownership of any Lot or Living Unit, and shall not be assigned or conveyed in any way except upon the transfer of title to such Lot or Living Unit, and then only to the transferee of such title, and shall be deemed so transferred and conveyed whether or not it shall be so expressed in the deed or other instrument conveying title. Certain rights of use, ingress, egress, occupation, and management authority in the Common Areas set forth elsewhere in the Declaration shall be reserved to Declarant for the duration of the Development Period. All Common Areas when conveyed to the Association shall be free and clear of financial liens and encumbrances. Assessments shall not be used to defray operating and maintenance costs of Common Areas that have not yet been conveyed to the Association.



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Section 6.2 "Maintenance of Common Areas". The Association shall maintain, repair replace, improve, and otherwise manage all of the Common Area so as to keep it in good repair and condition, and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action to promote the recreation, health, safety, and welfare of the Owners.

Section 6.3 "Maintenance of Detention Ponds". On a quarterly basis, any detention ponds that are required within Sands Short Plat shall be inspected by a professional engineer utilizing an approved checklist. The checklist shall be completed and submitted to the City of Anacortes Public Works Department for their review. Any work items to be performed under the checklist shall be performed within 7 working days, or as soon as is practical, after the date of the report. Upon the completion of any work items, the Anacortes Public Works Department shall be notified of said completed work items. The Homeowners Association shall maintain continuous documentation of all inspection reports and work items completed. Upon turnover of the facilities to the City of Anacortes, as prescribed in the conditions for platting, said documentation shall be made available to the City.

Section 6.5 "Private Street and/or Shared Driveways". Each Lot within Sands Short Plat, and/or Lots incorporated into the Sands Short Plat, served by a private street (a Common Area) shall be maintained by Association Action. The Lot owners served by a shared driveway shall maintain said-shared driveway on an equal share basis.

ARTICLE 7

INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 7.1 "Insurance coverage". The Association shall obtain and maintain at all times as a common expense, a policy or policies and bonds written by companies licensed to do business in Washington required to provide:

7.1.1 Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, with the Association named as insured as trustee for the benefit of Owners and Mortgagees as their interests appear, or such other fire and casualty insurance as the Association shall determine will give substantially equal or greater protection insuring the Owners and their Mortgagees, as their interests may appear.



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- 7.1.2 General comprehensive liability insurance insuring the Association, the Owners, Declarant, and any managing agent against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.
- 7.1.3 Worker's compensation insurance to the extent required by applicable laws.
- 7.1.4 Fidelity coverage naming the Association as an obligee to protect against dishonest acts by the Board, Association officers, committees, managers, and employees who are responsible for handling Association funds, in an amount equal to three months' general assessments on all Lots and Living Units, including reserves.
- 7.1.5 Insurance against loss of personal property of the Association by fire, theft, and other losses with deductible provisions as the Association deems advisable.
- 7.1.6 Such other insurance as the Association deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance, and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by FNMA, GNMA, FHLMC, FHA, and VA, so long as any of them is a Mortgagee or Owner, except to the extent that such coverage is not available, or has been waived in writing by FNMA, GNMA, FHLMC, FHA, or VA.

Section 7.2 "Casualty Losses". In the event of substantial damage to, or destruction of, any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.

Section 7.3 "Condemnation". In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the holders of all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

ARTICLE 8 ENFORCEMENT



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Section 8.1 "Right to Enforce". The Association, Declarant, or any Owner, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, condition, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.2 "Remedies Cumulative". Remedies provided by the Declaration are in addition to, cumulative with, and are not in lieu of other remedies provided by law. There shall be, and there is hereby created and declared to be, a conclusive presumption that any violation or breach, or attempted violation or breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 8.3 "Covenants Running With the Land". The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to, and shall run with the land, and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of Sands Short Plat, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot or Living Unit or all leases or subleases shall refer to this Declaration, and shall recite that it is subject to the terms hereof as if fully set forth therein. However, all terms and provisions of this Declaration are binding upon all successors in interest despite an absence of reference thereto in the instrument of conveyance, lease, or sublease.

ARTICLE 9

AMENDMENT AND REVOCATION

Section 9.1 "Amendment by Declarant or Association". Declarant may, during the Development Period, amend this Declaration on its sole signature, provided this does not change any City conditions of approval. This Declaration may also be amended by an instrument executed by the Association for and on behalf of the Owners; provided, however, that such amendments shall have received the prior approval of a vote of the Owners (except the Declarant) having 75 percent of the total outstanding votes in the Association; and provided further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant. Notwithstanding any of the foregoing, the prior written approval of 51 percent of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration, or the Association's By-laws of any of the



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following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; the boundaries of any Lot; reallocation of interest in the Common Areas, or rights to their use; convertibility of Lots into Common Areas, or of Common Areas into Lots; leasing of Lots or Living Units, other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his Lot or Living Unit; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Sands Short Plat development after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages.

Section 9.2 "Effective Date". Amendments shall take effect only upon recording with the Skagit County Department of Records and Elections, or any successor recording office.

ARTICLE 10

GENERAL PROVISIONS

Section 10.1 "Taxes". Each Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against his/her Lot or Living Unit; or personal property located on or in the Lot or Living Unit. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments and charges, levied or assessed against the Common Areas.

Section 10.2 "Transfer of Certain Utilities, Utility Repair Easement". Declarant, and the Association after conveyance thereto, may transfer and convey any sewer, water, storm drainage, or other general utility in Sands Short Plat, to a public body for ownership and maintenance, together with any necessary easements relating thereto, and each Lot and Living Unit shall become burdened thereby.

Section 10.3 "Non-Waiver". No waiver of any breach of this Declaration shall constitute a waiver of any other breach, whether of the same, or any other covenant, condition, or restriction.



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Section 10.4 "Attorneys' Fees". In the event of an action to enforce any provision of this Declaration, to clarify any of the provisions herein, or to collect any money due hereunder, or to foreclose a lien; the unsuccessful party, at mediation, arbitration, trial and/or on appeal, in such action shall pay to the prevailing party all costs and expenses, including but not limited to: title reports, and all attorneys fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein.

Section 10.5 "No Abandonment of Obligation". No Owner, through his non-use of any Common Area, or by abandonment of his/her Lot or Living Unit, may avoid or diminish the burdens of obligations imposed by this Declaration.

Section 10.6 "Interpretation". The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only, and do not define, limit, augment, or describe the scope, content or intent of this Declaration, or any parts of this Declaration. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter; and each includes a legal entity when the context so requires. The single number includes the plural whenever the context so requires.

Section 10.7 "Severability". Invalidation of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, of which shall remain in full force and effect.

Section 10.8 "Notices". All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing, and if mailed postage prepaid by certified or registered mail return receipt requested (if a Notice to Declarant, the Association, or to fewer than all Owners), or if mailed first-class postage prepaid (if a Notice to all Owners), shall be deemed given three days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notices shall be addressed to the last known address of the addressee. Notice to any Owner may be given at any lot or Living Unit owned by such Owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places, or individuals, for the receipt of future Notices. If there is more than one Owner of a Lot or Living Unit, Notice to any one such Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Owner at or before the time he becomes an Owner. If the address of Declarant or the Association is changed, Notice shall be given to all Owners.



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Section 10.9 "Applicable Law". This Declaration shall be construed in all respects under the laws of the State of Washington.

IN WITNESS WHEREOF THE UNDERSIGNED DECLARANT HAS EXECUTED THIS DECLARATION THE DAY AND YEAR FIRST ABOVE WRITTEN.

Signed: November 12th, 2002

Richard L. Sands, Inc., A Washington Corporation - Profit Sharing Trust

By *Richard L. Sands*

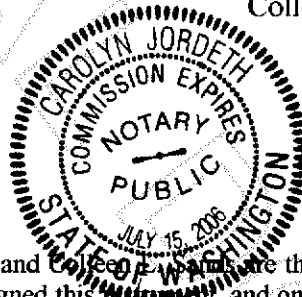
Richard L Sands, Trustee

By *Colleen L. Sands*

Colleen L. Sands, Trustee

State of Washington

County of Skagit



I certify that I know that Richard L. Sands and Colleen L. Sands are the persons who appeared before me, and said persons acknowledged that they signed this instrument, and on oath stated that they are authorized to execute the instrument and acknowledged it as Trustees of Richard L. Sands, Inc. Profit Sharing Trust, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: ~~October~~ November 12th 2002

Carolyn Jordeeth

Notary Public in and for the State of Washington

Residing at Anacortes

My appointment expires 7-15-2006

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

NOV 22 2002

Amount Paid \$
Skagit County Treasurer
By: *[Signature]* Deputy



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ECHIBIT "A"

MASTER PLAN FOR SANDS SHORT PLAT

Number of Homesites/Lots: Initially Sands Short Plat shall consist of Lot "A", Lot "B", & Lot "C". Any future subdivision of said lots shall be in agreement with Article 5, Section 5.1 Authorized Uses, in Covenants, Conditions, and Restrictions

Use of Homesites/Lots: Each Lot shall contain no more than one Living Unit (as defined in Article 1, Definitions, Section 1.11: "Living Unit") which shall be a Single Family Unit only, subject to the general requirements set forth below.

Siting Requirements: Minimum setback requirements shall be in agreement with City of Anacortes zoning Chapter 17.36, Section 17.36.060. Refer to City Ordinance for complete detail. Briefly outlined, setbacks are as follows:

- A. -- Front yard -- minimum depth 20 feet from property line.
- B. -- Interior side -- 10 feet on one side, 5 feet on other.
- C. -- Side yard on a flanking street -- 10 feet from property line. If street is a designated arterial, 20 feet.
- D. -- Rear yard -- 20 feet minimum.

General Living Unit Standards: The general standards for square footage of Living Area within Living Units in Sands Short Plat shall be as follows:

- A. Ground or Entry Floor, Minimum 1500 square feet, excluding garage.
- B. Total home, Minimum 2200 square feet, excluding garage.
- C. Maximum size for one Accessory Building shall be 1000 square feet, lot size permitting.

There shall be a maximum of four stalls for any garage, with a limit of one garage per each Lot.



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Each Lot may have only one accessory building under this "Master Plan". An Accessory Building excludes a garage, and may be detached. The location of the Accessory Building must be approved by the Architectural Control Committee (ACC).

Height Restrictions: There shall be a height restriction of 35 feet, as set forth in City Ordinance Chapter 17.36, Section 17.36.090.

The following terms shall mean:

- A. **"One Story Living Unit"** shall mean a single story Living Unit.
- B. **"Daylight Basement Living Unit"** shall mean a Living Unit consisting of an entry floor and a daylight basement/lower level.
- C. **"Unrestricted Living Unit"** shall mean a Living Unit that has no height restrictions except for those required by the City of Anacortes.

General Construction Standards: Any Living Unit erected on any Lot shall contain the minimum dimensions as set forth above, and shall be constructed only with materials, designs, and colors approved by the Architectural Control Committee. All construction must meet City Building Code.

Design Standards: Homes shall be constructed utilizing a traditional style design concept. Plans that provide for pre-engineered metal clad buildings are not acceptable, and shall not be approved by the Architectural Control Committee. Runoff from roof and footing drains shall be collected in separate tight-line pipes, and carried to a storm drain system.

Approved Materials: the Architectural Control Committee must approve Shake or tile roof, or other materials. "Architectural Grade" composition roof may be allowed if approved by the ACC. No white or Very light colored roofs shall be permitted.

Siding Materials: Exterior walls of Living Units shall be either cedar siding, stucco, brick, stone/cultured stone or rock, or a similar material, or a combination thereof. No exterior wall surface of a T 1-11 type material shall be permitted.

Driveways: All driveways shall be surfaced with concrete, asphalt, brick, or a combination thereof, and shall be completed to coincide with the time applicable for completion of construction of the Living Unit.

Fences: No chain link fences will be allowed, except for approved dog/animal runs, as approved by the Architectural Control Committee.



Heating and Air conditioning Units: No evaporative cooler or heat pump units shall be placed, installed, or maintained on the roof or wall of any building or structure on any Living Unit of any Lot. All such units shall be on the ground and concealed

Impervious Surfaces (Maximum square footage): Maximum land coverage by buildings shall be 35% as set forth in City Ordinance Chapter 17.36, Section 17.36.080 Maximum Land Coverage.

Approval Requirements: No improvements of any kind including, but not limited to, fencing and accessory buildings, shall be erected, placed, altered, or permitted to remain on any Lot by any Owner or occupant without approval of the final plans and specifications therefor by the Architectural Control Committee. Such plans and specifications shall be submitted to the ACC in triplicate, signed by the Owner or an authorized agent of the Owner. Such plans and specifications shall contain, at a minimum, the following information:

1. A site development plan showing foundation location of all structures with respect to the particular Lot, including proposed front, rear, and side set-back lines; the location of driveways and parking spaces; site lighting, heat pumps, or other similar exterior mechanical units; sports courts; accessory buildings, and signage.
2. Grading and storm drainage plans.
3. Landscaping plan.
4. Building elevations showing dimensions and materials, in no less detail than what is required for the issuance of a building permit by the City of Anacortes.
5. The proposed exterior color scheme.
6. Preliminary plans for foundation location and driveways shall be reviewed with and approval received from the ACC before "working drawing stage" of plan preparation.
7. Approval of plans and specifications shall be evidenced by written endorsement by the ACC on such plans and specifications, and two approved copies must be received by the Owner or representative, and said plans must be submitted to the City Building Department in order to obtain a City building permit. No construction of any kind shall commence without ACC approval and a City building permit.
8. No changes or deviations in or from such plans and specifications, as approved, shall be made on a Lot without ACC approval and/or City approval.



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9. The Architectural Control Committee shall not be responsible for any structural defects in such plans, specifications, buildings or structures.
10. Any of the above documents which are required to be submitted to the City of Anacortes, or any other applicable governmental authority, including all changes, shall be first submitted in triplicate to the ACC for its review and approval. ACC will keep one approved copy in its file, the City will keep one copy in its file, and the Owner will have one approved copy.

Basis for Approval: Approval shall be based upon adequacy of site dimensions, underground utilities, conformity, harmony of external design with neighboring structures, effect of location and use of proposed improvements upon neighboring Lots, adequacy and nature of screening of mechanical installations, and conformity of plans and specifications to the purpose and general intent of this Declaration. Except as otherwise provided for herein, the ACC shall have the right to disapprove any and all plans and specifications for the following reasons:

1. Failure to comply with any of the terms or conditions of this Declaration, or rules or design guidelines of the ACC.
2. Failure to include or provide information as may have been reasonably requested by the ACC.
3. Objection by the ACC to the exterior design, appearance of materials, or type of materials utilized in the proposed structure or structures.
4. Objection by the ACC due to incompatibility of any proposed structure or use, with other existing or proposed structures or uses within Sands Short Plat.
5. Objection to improper grading, drainage, or landscape plans.
6. Objection to the color scheme, proportions, style of architecture, height, bulk or appropriateness of any structure.
7. Any proposal which, in the judgment of the ACC, would render the proposed improvements or use inharmonious with the intent of this Declaration.



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8. **INACTION:** If the ACC fails to approve or disapprove plans and specifications within 45 days after submission to ACC, it shall be conclusively presumed that the ACC has approved said plans and specifications; provided, however, that if within that 45 day period, the ACC gives written stating that more time is required for the review, and the reason, no such presumption shall be made until the expiration date of any reasonable period of time stated in the notice, which period shall not exceed 60 days. Provided further that operation of this section shall not relieve Owners of their responsibility to comply with the City of Anacortes zoning regulations, and the City of Anacortes Building Department rules and project approval conditions.

APPROVAL CONDITIONS: The ACC may approve plans and specifications as submitted, or as altered or amended, in triplicate, or subject to specific conditions set forth by the ACC. Upon approval, or conditional approval, one copy of plans and specifications, together with any conditions, shall be retained for permanent record with the ACC. Two copies of the approved plans and specifications, together with any conditions, shall be returned to the Owner or Owners' representative, for submission to the City Building Department for building permit processing.

VARIANCES: The ACC shall have the authority to approve plans and specifications which do not necessarily conform in every respect to these restrictions, in order to overcome practical difficulties, or to prevent hardships in the application of these or subsequent restrictive covenants. Provided, however, that such variations so approved shall not constitute a waiver in the future of any provisions of this Declaration and Master Plan applicable to any other Lot. Provided further that operations of this section shall not relieve Owners of their responsibility to comply with City of Anacortes zoning regulations, and the City of Anacortes Building Department rules and project approval conditions.

ACC APPROVAL OF CONTRACTORS: Any "Prime Contractor" or "General Contractor" must first obtain approval from the ACC in order to engage in any construction in Sands Short Plat. If the Owner acts as his/her own "Prime Contractor" or "General Contractor", these requirements shall still apply. ACC reserves the right to require prior approval of all subcontractors of the Owner when the Owner is not actively engaged in the construction business on a regular basis as a licensed General Contractor. All "Prime Contractors" and "General Contractors" must have a pre-bid, pre-submittal conference with the ACC to review plat requirements and these Declarations. Following that initial conference, all "Prime Contractors" and "General Contractors" shall comply with all ACC and other provisions contained herein. No improvements may be made on any Lot by a "Prime Contractor", "General Contractor", or a "Subcontractor" other than those properly licensed under the laws of the State of Washington, unless prior approval of that person or entity has been granted by the ACC.



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CONSTRUCTION WITHOUT APPROVAL: If any improvements should be erected, placed, or maintained upon any Lot; or any new use commenced upon any Lot, other than with approval by the ACC or as authorized under the terms of this Declaration, such improvements or use shall be deemed to have been undertaken in violation of this Declaration. Upon written notice from the ACC, any such improvements shall be immediately removed, altered, or cease, so as to conform to this Declaration. Should such removal, alteration, or cessation not be accomplished within 30 days after notice, then the party in breach shall be subject to any and all enforcement of this Declaration and Master Plan permitted by law.

PRE-ACQUISITION OF A LOT: For purposes of this section alone, a party executing a purchase agreement for a Lot may begin approval process before closing the purchase on the Lot, and actions taken by the ACC with respect thereto, shall be binding in the event such prospective purchaser subsequently acquires that Lot.

PROCEEDING WITH WORK: Upon receipt of approval from ACC of submitted plans, the Owner shall as soon as practicable satisfy any and all conditions of such approval, and diligently proceed with the commencement and completion of all approved excavation, construction, and/or alterations.

DELAY/REVOICATION: In all cases, work shall commence within one year from the date of approval. If work is not so commenced, approval shall be deemed revoked unless the ACC, pursuant to written request made and received prior to the expiration date of said one year period, extends that period of time.

COMPLETION SCHEDULE: All construction shall be completed within twelve (12) months from the date of commencement thereof, unless the ACC extends such time when conditions, in its sole discretion, warrant such extension. All landscaping and drainage work shall be completed as approved within six (6) months of completion of the main residence building, unless approved for an extension, of up to three (3) months, by the ACC.



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EXHIBIT "1-A"

**LOTS "A", "B" and "C", of SANDS SHORT PLAT, AS RECORDED IN VOLUME
—OF PLATS, PAGES ———, AUDITORS FILE NO. 20021122012,
RECORD OF SKAGIT COUNTY, STATE OF WASHINGTON.**

UNOFFICIAL DOCUMENT



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