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200808190042
Skagit County Auditor

8/19/2008 Page 1 of 28 10:44AM

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATIONS
FOR
ROSARIO TERRACE

TITLE OF DOCUMENT:

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATIONS FOR ROSARIO TERRACE

AFFECTED DOCUMENT
GRANTOR:

200511170002 [replaced]
LANDMARK BUILDING & DEVELOPMENT,
INC.

GRANTEE:
LEGAL DESCRIPTION:

THE GENERAL PUBLIC
BULSON RD. LONG CARD, PER PLAT @
AF # 200808190039
LOT 1, BULSON TRAILS SHORT CARD, @
AF # 200512060129

FULL LEGALS APPEAR
TAX PARCEL NOS.:

P. 1
330428-3-001-008, 330428-4-002-0500

ARTICLE I

IDENTIFICATION OF DECLARANT AND PROPERTY; PURPOSE

1.1. Identification of Declarant and Property.

LANDMARK BUILDING & DEVELOPMENT, INC., a Washington Corporation is the owner in fee simple of the land described in Section 1.2.2 hereof. The property described in Section 1.2 hereof, together with all associated improvements, easements, rights and appurtenances shall collectively be referred to hereinafter as "the Property". From the Property, through this Declaration of Covenants, the above-described Declarant has created a Residential Community known as "Rosario Terrace".

1.2. Reference to Platting Documents and Additional Property.

1.2.1. Bulson Rd. Long Card.

The Declarant has recorded with the Auditor of Skagit County, Washington a certain subdivision plat map known as "Bulson Rd. Long Card" showing the location and dimensions of eight (8) residential lots, an Open Space Lot [Lot 9] and other Common Areas, together with other necessary information; this Long Card is hereinafter referred to as the "Plat Map" which is recorded at Auditor's File No. _____. Lots 1 through 9, inclusive, Bulson Rd. Long Card, and all Tracts and other property depicted in said Long Card are part of the Rosario Terrace Community.

1.2.2. Lot 1 Bulson Trails Short Card.

The Declarant owns certain property lying immediately adjacent to the land contained within the Bulson Rd. Long Card; this property is legally described as Lot 1, Bulson Trails Short Card PL05-0273, as per the Plat thereof recorded at Auditor's File No. 200512060129, Records of Skagit County, Washington. Only Lot 1, Bulson Trails Short Card is part of the Rosario Terrace Community; this is appropriate since its means of ingress and egress are from Fieldstone Lane, and its source of water is from the common water system described in Section 5.1 hereof. The other lots in the Short Card are not parts of the Community; their owners are not Members of the Association hereinafter described and are otherwise unaffected by this Declaration of Covenants.

1.3. Purpose to Guide Development of Residential Community - Replaces Earlier Covenants.

This Declaration of Covenants, together with the Plat Map referred to herein, state covenants, conditions, restrictions and reservations intended by the Declarant to effect a common plan for the development of the Property mutually beneficial to all of the described Lots. This Declaration of Covenants is intended to entirely replace and supercede the "Declaration of Covenants, Conditions, Reservations and Restrictions of Fieldstone", recorded at Auditor's File No. 200511170002, Records of Skagit County, Washington. These covenants, conditions, restrictions, reservations and plan are intended to become, and by the recordation of this instrument shall be conclusively deemed to be legal and equitable servitudes which shall run with the land of the Property and shall be binding upon all the Property and upon each such Lot therein as a parcel of realty, and upon its Owners, their family members, their heirs, personal representatives, successors and assigns, and their tenants, licensees and other lawful occupants, through all successive transfers of all or part of the Property or any security interest therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture,



foreclosures, or sales of Lots under security instruments, or of any forfeiture, foreclosures, or sales instituted for nonpayment of government tax, levy or assessment of any kind.

ARTICLE II

DEFINITIONS

2.1. "Assessment" means all sums chargeable by the Association against a Lot including, without limitation: (a) Regular, Special and Limited Assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

2.2. "Association" or "Owners Association" means the nonprofit corporation incorporated at the direction of the Declarant to manage the Common Areas of this Subdivision and enforce the provisions of the Governing Documents, as provided in Article VII hereof.

2.3. "Board of Directors" means the body with primary authority to manage the affairs of the Association.

2.4. "Common Areas" means all portions of the Subdivision other than the Residential Lots. Such areas include various Lots or Tracts depicted on the Platting Documents and include what is described on the Platting Documents as "Lot 9" which includes areas of land and specific facilities and improvements. To the extent that some Common Areas may be depicted within the boundaries of any Lot within this Community, such Common Areas consist of easements burdening such Lot for the benefit of the Association or other Owners and Occupants of the Community. Common Areas are further defined and described in Article V hereof.

2.5. "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves; without limitation, such expenses include those necessary or desirable for maintaining, repairing, replacing, insuring or managing the Common Areas, along with taxes, other insurance, professional services and all other goods and services provided by the Association to its members.

2.6. "Common Expense liability" means the liability for Common Expenses allocated to each Lot pursuant to Section 10.1 of this Declaration of Covenants.

2.7. "Community" means the aggregate of all the Property within the Subdivision, along with all the improvements constructed therein, the Association, and all other institutions and things serving the Owners of Lots therein.

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

2.9. "Declarant" means the entity, person or group of persons acting in concert who (a) executes this Declaration of Covenants, or (b) reserves or succeeds to any Special Declarant Right under the Declaration of Covenants.



2.10. "Declarant control" means the right of the Declarant or persons designated by the Declarant to appoint and remove officers and members of the Board of Directors or to veto or approve a proposed action of the Board or Association pursuant to Sections 8.1 and 16.6 of this Declaration of Covenants.

2.11. "Declaration of Covenants" means this document, which facilitates the creation of this Subdivision; the term also includes any lawful amendments to this document.

2.12. "Development Plan" means any formal plan of development, however termed under the Ordinance, approved by the City or County in which the Community is located. The term also includes any amendments thereto approved by applicable governmental entities.

2.13. "Foreclosure" means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

2.14. "Governing Documents" means the Declaration of Covenants, the Plat Map, the Bylaws of the Association along with any Rules and Regulations adopted by the Board of Directors.

2.15. "Limited Common Expenses" are portions of the Common Expenses for which one or more, but fewer than all Lot Owners may become liable under the terms of the Governing Documents.

2.16. "Lot" means a physical portion of the Subdivision designated for separate ownership, the boundaries of which are depicted on the Plat Map.

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

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

2.19. "Occupant" means a person lawfully occupying any Lot; the term includes Lot Owners, family members and tenants of Lot Owners.

2.20. "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.

2.21. "Property" or "the Property" means all the real property described as being contained within the Plat Map and, where appropriate, includes all real property described in Section 1.2.2 and any additional property which may be acquired by the Association pursuant to Section 8.3.3 hereof.

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

2.23. "Special Declarant Rights" means rights reserved for the benefit of the Declarant to: (a) Complete improvements indicated on the Plat Map; (b) maintain sales offices, management offices, signs advertising the Subdivision, and models; (c) use easements through the Common Areas for the purpose of making improvements within the Subdivision; (d) appoint or remove any officer of the Association or any member of the Board of Directors; or (e) to veto or approve a proposed action of the Board or Association



during any period of Declarant Control reserved in this Declaration of Covenants. Special Declarant Rights are described in Section 16.6 hereof.

2.24. "Upkeep" means any care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction that is required to maintain property in a decent, safe and sanitary condition, in keeping with the standards of the Community and with all applicable legal, administrative or regulatory requirements.

ARTICLE III

DESCRIPTION OF DEVELOPMENT PLAN AND GENERAL THEME

3.1. Development Plan.

The Property within the Bulson Rd. Long Card was submitted to the provisions of Chapter 14.18.330, Skagit County Code (hereinafter referred to as the "Ordinance"). The Property within the Bulson Trails Short Card was submitted to the provisions of Chapter 14.18.320, Skagit County Code. The Community will be developed in accordance with the conditions of approvals imposed by Skagit County for this project, in County File No. PL05-0247. Lot 1, Bulson Trails Short Card is included in the Community by virtue of this Declaration of Covenants; its Owner shall be a member of the Community Association identified in Section 7.1 hereof, and shall be obligated to pay assessments for Common Expenses to the Association, in the same manner and to the same extent as the Owners of Lots in the Bulson Rd. Long Card.

3.2. General Theme of Community - Amenities.

3.2.1. General Theme - Homeowners Association to Maintain Common Areas.

The Community is located in Conway, not far from Interstate Highway No. 5. The Community is designed for low density residential use and includes the following common facilities: a private road with a private stormwater drainage system, a private water system, along with 32 acres of open space which is protected by easements designed to maintain such areas suitable for wildlife habitat and low-impact recreational uses. The Association has perpetual responsibility for maintenance of all the amenities of this Community for the common benefit of all the Lot Owners.

3.2.2. Common Areas To Be Conveyed to Homeowners Association.

All the Common Areas of the Community with the exception of the private road are located in the Open Space Lot [Lot 9]. The Declarant shall convey the private road and Lot 9 to the Association described in Article VII hereof, for the use and benefit of its members, contemporaneously with the sale of the first residential Lot in the Community to a purchaser other than the Declarant.

ARTICLE IV

RESIDENTIAL LOTS AND DWELLINGS

4.1. Number and Location.



The Community contains nine (9) residential Lots and one Open Space Lot which are depicted on the Platting Documents identified in Section 1.2 hereof. The term "Lot" in this context includes all eight Residential Lots in the Bulson Rd. Long Card, and Lot 1, Bulson Trails Short Card, as described in Section 3.1 hereof. Addresses for the Lots will be assigned by Skagit County following the recordation of these Covenants.

4.2. Construction of Dwellings and Other Improvements Within Residential Lots.

4.2.1. General Provisions.

Dwellings will be constructed within the Lots by or under the direction of the Declarant, according to a common design scheme established by the Declarant. No mobile homes or manufactured housing units may be installed within any Lot. The Declarant and the Board of Directors shall have the authority to adopt more specific Design Guidelines to implement the basic theme contained herein, pursuant to Section 9.2.1 hereof.

4.2.2. Design Guidelines - Approval by Declarant or Board Required.

No person other than the Declarant shall make any addition, alteration or improvement in or to any Lot, other than for normal Upkeep or natural landscaping, which is visible from the exterior of the Lot (excluding areas within a building's building envelope which are visible from the exterior only because of the transparency of glass doors, walls or windows), without the prior written consent of the Board of Directors, or an Architectural Control Coordinator designated pursuant to Section 9.2.3 hereof. No person shall paint or otherwise alter the exterior of any improvement, including the doors and windows, if such exterior is visible from another Lot or the Common Areas, without the prior written consent of the Board of Directors. The Declarant shall have the right to construct improvements and make alterations without the consent of the Board of Directors and an authorized Officer shall execute any such application required. Any addition, alteration or improvement upon any Lot existing in violation of the Governing Documents shall be removed or altered by the Owner to conform to the Governing Documents (including any Design Guidelines) within thirty days after notice from the Board of Directors of the violation. See Section 9.2 hereof for further details.

4.3. Upkeep of Residential Lots.

4.3.1. Owners' General Responsibility.

Each Lot Owner shall, at his or her sole expense, have the right and the duty to keep the Lot, its Dwelling and all other improvements in good order, condition and repair and shall do all Upkeep, decorating, landscaping and painting at any time necessary to maintain its good appearance and condition. Each Owner shall perform this Upkeep responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners.

4.3.2. Proper Maintenance of Sanitary Septic Systems.

Each Lot Owner shall properly maintain the sanitary septic system serving his or her Lot, including its septic tank, drainfield and associated pipes and lines, in a safe and sanitary condition, and shall cause the system to be regularly inspected and serviced by professional contractors.

4.4. Damaged Improvements.

If a building or other major improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either (i) by repairing or reconstructing such building or improvement or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Unless the Board of Directors permits a longer time period, such work must be commenced within four months after the casualty and be substantially completed within twelve months after the casualty. The four-month period may be extended for a reasonable period thereafter in the event that repairs or reconstruction have not commenced because of factors beyond the control of the Owner, provided that the Owner has exercised and does thereafter continue to exercise due diligence in an effort to commence required work.

4.5. Subdivision of Lots - Effect on Votes and Assessments.

If a Lot is lawfully subdivided by its Owner through appropriate land use proceedings consistent with the requirements of Skagit County, each new Lot created by such subdivision shall become bound by these Covenants. Each Lot Owner shall become a member of the Association, shall have an equal vote in the Association, shall have an equal right to use the Common Areas of the Community, and shall have an equal liability to pay the Common Expenses of the Association, as though the Lot were in existence as of the effective date of this Declaration of Covenants.

ARTICLE V

COMMON AREAS

5.1. Common Areas.

The Common Areas of the Community consist of the Open Space Lot known as Lot 9, along with any other Tracts and Easement Areas depicted on the Plat Map which burden and benefit the Lots for the purposes of providing rights of ingress, egress, utilities and open space enjoyment. These areas include the improved roadway surface of Fieldstone Lane and its associated stormwater conveyance and detention facilities, and the components of the private water system known as the Bulson Road Group B Water System.

5.2. Status of Common Areas - Owned by Association for Benefit of Owners.

The Declarant shall convey to the Association all its interest in all the Common Areas described above, to be for the perpetual use and benefit of all the Lot Owners.

5.3. Maintenance, Repair and Replacement.

5.3.1. In General.

The Association, through its Board of Directors, shall be perpetually responsible for all Upkeep of the Common Areas.

5.3.2. Special Maintenance Requirements.



Special Upkeep requirements associated with various common facilities appear in Article VI hereof.

5.4. Uses of Common Areas - No Interference.

The Common Areas shall be used for their normal intended purposes. No Owner or Occupant shall make any personal or proprietary use of any of the Common Areas, nor shall any person obstruct any of the Common Areas nor place or cause or permit anything to be placed on or in any of the Common Areas without the approval of the Board. Nothing shall be altered or constructed in or removed from the Common Areas except with the prior written consent of the Board of Directors. The Board may promulgate rules and regulations to further govern the uses of Common Areas.

5.5. Right of Access.

Each Lot Owner shall afford to the Association, and to its agents or employees, access through the Owner's Lot as may be reasonably necessary for the purposes of maintenance, repair and replacement of the Common Areas. If damage is inflicted on the Lot or its any improvements or appurtenances as a result of such activities, the Association shall be liable for the repair thereof.

ARTICLE VI

SPECIAL MAINTENANCE REQUIREMENTS - SCHEDULE OF REGULAR MAINTENANCE

6.1. Roadway and Associated Drainage Facilities.

6.1.1. Description - General Requirements.

The private road and its associated landscaping and drainage facilities are designed to provide means of ingress and egress, utilities and stormwater drainage capacity for the Community. No uses of any such areas may be made which interfere with the proper functioning of such facilities. The Association shall perpetually maintain all such areas in good and sightly condition for their intended purposes, continuously providing all maintenance, repair and replacement thereof, along with street sweeping, snow removal and landscape maintenance. The dumping of solvents, oil, concrete or concrete residue, or water that is heavily laden with sediments, is expressly prohibited anywhere in the Community.

6.1.2. Stormwater Drainage System - Special Requirements.

The Stormwater Drainage System shall be maintained in accordance with the provisions of the Operations & Maintenance Procedures Appendix to the drainage system manual prepared by Northwest Datum & Design, Inc. for the project dated April 21, 2005, and otherwise in accordance with the DOE Stormwater Management Manual for Western Washington ["DOE Stormwater Manual"], as the same may be updated from time.

6.2. Well Protection Zone - "Sanitary Control Area".

The Sanitary Control Area depicted on the Plat Map, with a radius of 100' surrounding the domestic water well located on Lot 8, shall be maintained in perpetuity in a clean and sanitary state suitable for



protecting the water source serving the Lots within the Community. In particular, for the purpose of keeping the water supplied from said well free from impurities which might be injurious to the users, no person shall construct, maintain, or permit to be constructed or maintained within the Sanitary Control Area, any potential source of contamination, such as cesspools, sewers, privies, septic tanks, drain fields, manure piles, garbage of any kind or description, barns, chicken houses, rabbit hutches, pigpens, or other enclosures or structures for the keeping or maintenance of fowls or animals, or for the storage of liquid or dry chemicals, herbicides, or insecticides. Neither shall any person shall store within or discharge onto or within the Sanitary Control Area any Hazardous Substances, as that term is defined in CERCLA, 42 USC 9601, et. seq. or the Washington Model Toxics Control Act, which without limitation include petroleum distillates, liquid or volatile aromatic hydrocarbons, medical wastes or infectious biological agents, acids, caustics, carcinogens, mutagens, heavy metals, or any other inflammable, toxic, explosive, radioactive, or other type of substance which may be hazardous either to the Property or to the health or safety of any lawful occupants of the Property. Further, no chemical maintenance of vegetation may occur within the Sanitary Control Area.

6.3. Upkeep and Use of Private Water System.

6.3.1. Description - General Requirements.

The private Water System serving the Community ["Bulson Road Group B Water System"] has been designed to Washington State Department of Ecology Group "B" standards [hereinafter, "DOE Standards"]. The Association shall perpetually maintain the system for the Lot Owners in accordance with applicable DOE Standards [presently codified in WAC 246-291], with the Operations and Maintenance Manual prepared by Garrison Engineering dated June 10, 2005 / revised Aug 1, 2005, and with the DOE guideline entitled *Group B Water System Approval*. The Association shall maintain provisions in its Budget in perpetuity to ensure that adequate funding shall always exist for such purposes.

6.3.2. Water System Maintenance.

All pipelines in the Water System shall be maintained so that there will be no leakage or seepage, or other defect which may cause contamination of the water, wastage of water, or injury or damage to persons or property. All materials used in repairs to the components of the Water System shall comply with Health Department requirements. The Association shall ensure that no bypass is established or maintained to divert water around any feature of a treatment process, except by written approval from DOE. Costs of repairing or maintaining the common distribution pipelines shall constitute a Common Expense. Each Lot Owner shall be responsible for the Upkeep of the pipe supplying water from the common water distribution system to the Dwelling on that Lot.

6.3.3. Water System Management.

The Association, as the owner of the Water System, shall continuously maintain the services of a qualified contractor to manage and operate the water system; said contractor shall meet all licensing requirements of Skagit County and the State of Washington, shall be responsible for arranging submission of all necessary water samples required by DOE Standards and Skagit County Health Department Regulations, and shall handle emergencies such as Water System shutdown and repair. The contractor 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 contractor shall organize and maintain the Water System records and notice the Health Officer and all Owners of the water quality tests that are requirements of WAC 346-291 and Skagit



County Regulations. The Water System records shall be available for review and inspection by the Lot Owners and the Health Officer.

6.3.4. Water Conservation Measures.

The Water System supplied by the Well is designed for normal domestic household use with low flow plumbing fixtures, and limited watering of a small lawn and garden space only. If the Board determines that drought or other serious conditions necessitate exceptional water conservation measures, the Board shall promptly provide notice of such conditions to all users of the system. All Occupants shall then cease using the Water System for irrigation and/or specified forms of external or internal water consumption and instead shall restrict water use exclusively for normal household domestic purposes. The Association shall have the right to impose other restrictions to insure that sufficient water exists for household domestic purposes, including, but not limited to, a schedule for using the Water System and/or metering water used by each Owner to insure a uniform system for distributing available water.

6.3.5. Restrictions on Furnishing Water to Additional Parties.

The Association shall not furnish water to any parties who are not Owners or Occupants of Lots in the Community.

6.3.6. Provisions for Continuation of Water Service.

The Association shall maintain a continuous flow of water from the well and Water System in accordance with the public water supply requirements of the State of Washington and Skagit County. In the event that the quality or quantity of water from the Water System become unsatisfactory as determined by the Health Officer, the Association shall develop a new source of water. Prior to development of, or connection to a new source of water, the Association shall obtain written approval from the Health Officer. The Association shall then assess the Lot Owners for the cost of the development of a new Water System.

6.3.7. Possible Future Management Options.

Approval of this Water System by the State of Washington Department of Health was based upon the State of Washington retaining the power to cause the Water System to be owned and managed by a State Approved Satellite Management Agency. The Health Officer may enforce this provision if the Water System is not able to meet financial viability or other operating requirements. The Health Officer may appoint a Satellite Management Agency to run the Water System. In such event, the State Approved Satellite Management Agency shall have the authority to bill each Owner an equal share of the costs of management and operation of the Water System, or to contract directly with the Association for such services, at its option.

6.4. Upkeep of Protected Critical Areas.

A Protected Critical Area Easement ["PCA"] exists across portions of the Community, and in particular in Tracts A, B, C, D & E located within the Open Space Lot [Lot 9]. The Association is and shall remain perpetually responsible for maintaining and repairing such PCA areas and shall leave PCA areas undisturbed in a natural state. No clearing, grading, filling, logging or removal of woody material, or building, construction or road construction of any kind, or planting of non-native vegetation is allowed within



the PCA areas except as specially permitted by Skagit County on a case-by-case basis consistent with SCC 14.24.

6.5. Schedule of Regular Maintenance.

The Board shall develop a schedule of routine maintenance for all components of the Common Elements which require Upkeep, establishing appropriate times during each year when such maintenance should occur. The Board should also periodically undertake an analysis of the adequacy of the Association's reserve fund; such analysis should (i) ascertain the probable remaining useful life of each component of the Common Elements which will require replacement or major repairs, (ii) estimate the probable cost of such replacement or repair for each such component, (iii) establish an annual reserve budget which would, when funded, minimize the necessity for the imposition of a special assessment upon the Owners within the foreseeable future.

6.6. Rights of Skagit County.

6.6.1. General Rights and Benefits.

These Covenants contain provisions which require the Association, on behalf of the owners of Lots within the Community to provide ongoing compliance with the conditions of approval of the Plat Map. The obligations of the Association to the County are for the benefit of the County, and shall not operate to create an obligation of the County or by the County to the Owners or to any third party. The rights of Skagit County contained in this Section 6.6 are cumulative, and in addition to all other rights and privileges held by the County, and are not in lieu thereof. The obligations of the Owners to the County shall not be amended or altered without the express written consent of the County.

6.6.2. Specific Rights.

Skagit County shall have the right, for the benefit of the County and of the public health, safety and welfare, to perform or provide Upkeep to any or all of the Common Areas of the Community in the event that the Association or the Owners, or any of them, should fail to perform or provide such Upkeep in a competent and/or timely manner. In the event that Skagit County shall incur any costs or expend any funds, directly or indirectly [including without limitation the cost of the County's own equipment and employees in performing or providing any such Upkeep], the Association shall be liable to the County for all costs and expenses so expended or incurred.

ARTICLE VII

OWNERS ASSOCIATION

7.1. Name and Form of Association.

The name of the Association shall be "Rosario Terrace Community Association." The Association has been or will be incorporated by the Declarant as a non-profit corporation under the laws of the State of Washington. The rights and duties of the members and of said corporation shall be governed by the provisions of the Homeowners Association Act and of this Declaration of Covenants. The Association shall remain organized as a nonprofit corporation. In case of any conflict between Chapter 24.06 RCW, the



Nonprofit Miscellaneous and Mutual Corporations Act, and the Homeowners Association Act, Chapter 64.38 RCW, the Homeowners Association Act shall control.

7.2. Powers of Association.

The Association shall have, through its Board of Directors, all powers available to homeowners associations under the Homeowners Association Act, along with such additional powers as may be prescribed in the Articles of Incorporation or any Bylaws of the Association. The Association has the general responsibility to maintain, repair, replace, manage and insure the Common Areas of the Community, to enforce the Covenants contained herein, and to perform such other and further functions as may be provided in the Governing Documents.

7.3. Membership an Appurtenance to Lot Ownership.

The Owner of each Lot in the Community shall be a member of the Association, and such membership shall be an inseparable appurtenance to the Owner's Lot.

7.4. Membership and Voting Rights.

Membership and voting rights are specified in the Articles of Incorporation and Bylaws of the Association

7.5. Bylaws of Association.

Bylaws for the administration of the Association and for other purposes not inconsistent with the Homeowners Association Act and this Declaration of Covenants shall be adopted by Board of Directors of the Association.

7.6. Perpetual Existence - Rights of Skagit County.

The Association shall have perpetual existence; it may not be dissolved or abandoned, nor may the Association's obligations under this Declaration of Covenants with respect to the Common Areas be altered or abandoned absent the advance written approval of the County, following a public hearing before the Planning Commission. Should the corporate charter for the Association be dissolved for any reason in violation of the foregoing, the Association shall be treated as a partnership under which the Lot Owners shall be jointly and severally liable for all obligations imposed upon the Association under these Covenants.

ARTICLE VIII

MANAGEMENT OF ASSOCIATION

8.1. Management by Declarant.

The Declarant has reserved the rights to (a) appoint and remove the Officers and members of the Board of Directors of the Association, and (b) veto or approve a proposed action of the Board or the Association, for a period of time known as the "Declarant Control Period". Limitations on the Declarant Control Period are specified in Section 16.6 hereof.



8.2. Professional Management.

Provisions for professional management of the Association appear in the Bylaws.

8.3. Authority of the Board.

8.3.1. General Authority.

The Board, for the benefit of the Community, shall enforce the provisions of the Governing Documents and shall have all powers and authority granted to the Board or the Association under the Homeowners Association Act and this Declaration which are not expressly subject to the approval of the Owners. The Board has the statutory power to adopt Rules and Regulations to facilitate the proper governance of the Community.

8.3.2. Incurring and Payment of Common Expenses.

The Board shall acquire and shall pay for, as Common Expenses, all goods and services deemed necessary or desirable for the proper functioning of the Association.

8.3.3. Acquisition of Property.

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

8.3.4. No Business Authority.

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

8.3.5. Board as Attorney in Fact.

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

ARTICLE IX

PERMITTED USES

9.1. Permitted Uses.

9.1.1. Residential Use.



The Lots in this Community shall be used for residential purposes and for common social, recreational or other reasonable uses normally incident to such purposes. Portions of a Dwelling may also be used for a professional office or other form of home business office, provided that such use is consistent with all applicable laws, ordinances and regulations of any governmental authority, and provided that no such use will involve excessive levels of customer traffic or bulk shipping or receiving.

9.1.2. Trees and Vegetation.

Following the construction of a dwelling structure on a Lot, its Owner(s) shall endeavor to preserve mature trees on the Lot and properly maintain any landscaping vegetation on the Lot, so as to enhance the appearance and value of the Lots in the Community and to prevent the spread of noxious weeds.

9.1.3. Surface Water Run-Off.

No Lot shall be improved in such a way as to cause excess surface water run-off that may damage or inconvenience other Lots or contiguous properties or the owners thereof.

9.1.4. Offensive or Illegal Activity.

No noxious, offensive, excessively noisy or illegal activity shall be carried on in any Lot or Common Areas, nor shall anything be done therein which may be or become an unreasonable source of annoyance or nuisance to other Owners.

9.1.5. Lighting.

Exterior lighting should be generally unobtrusive and shielded from direct view, so that it does not shine into windows of other Dwellings.

9.1.6. Privacy Fencing.

Any fence constructed within the Community shall be constructed of cedar or other materials approved under Design Guidelines promulgated under Section 9.2.1 hereof, with decorative post-tops approved by the Declarant, and shall not exceed six feet in height,

9.1.7. Vehicle Use and Parking Restrictions.

Vehicles shall be operated in a safe and sensible manner within the Community. The Board may adopt rules and regulations governing other aspects of vehicle use within the Common Areas of the project, including restrictions on vehicle speed. No vehicle parking is permitted on Fieldstone Lane.

9.1.8. Underground Utilities.

All utilities are required to be located underground.

9.1.9. Uses by Declarant.

The Declarant has reserved Special Declarant Rights in Section 16.6 hereof, which permit the Declarant to make certain uses of the Common Areas of this Community.



9.2. Architectural Control.

9.2.1. General Authority of Declarant and Board of Directors.

To assure the health, safety and enjoyment of persons lawfully using any portion of this Community, and to promote visual harmony within the project, the Declarant shall have the power to enforce architectural control over the improvements constructed within the Community. The Declarant may regulate the external design, signage, appearance, use and maintenance of the Property in accordance with the provisions of the Declaration of Covenants, and with any Design Guidelines and procedures adopted by the Declarant for this purpose. Following the sale by the Declarant of its last Lot in the Community, or at such earlier time as the Declarant may permit, the Board of Directors may promulgate or modify Design Guidelines for the Community. Design Guidelines approved by the Declarant or by the Board of Directors shall be enforceable as if set forth herein in full. The Board of Directors shall have the power to impose reasonable application fees to evaluate any additions or changes to a Dwelling proposed by an Owner. Such fees shall be specially assessed against the affected Owner.

9.2.2. Time for Approval - No Construction Prior to Approval.

The Declarant or Board shall approve or disapprove plans, specifications and details within fourteen (14) days of receipt thereof. If the Board fails to respond such period, then the plans shall be deemed approved. No construction activity may commence prior to such approval.

9.2.3. Authority to Delegate Review Functions.

The Declarant may designate an individual known as the "Architectural Review Coordinator" ("ARC") to perform the architectural review functions described in Section 9.2.1 hereof. Following the termination of the Declarant Control Period, the Board of Directors of the Association may designate an individual to be the ARC, or establish an Architectural Review Committee (also to be known as the "ARC"), to coordinate compliance with the Design Guidelines of the Subdivision.

9.2.4. No Liability for Architectural Review.

Neither the Declarant nor the Association nor any permitted designee shall be liable to any party for any good faith action or failure to act under the provisions of this Declaration of Covenants.

ARTICLE X

ASSESSMENTS AND LIENS FOR COMMON EXPENSES

10.1. Assessments for Common Expenses.

10.1.1. Liability of Lots - Association Assesses Developed Lots.

Except as provided in Section 10.1.4 hereof, the total amount of the estimated funds required to pay the Common Expenses of the Association set forth in the Annual Budget adopted by the Board of Directors for each fiscal year shall be assessed equally against the Residential Lots containing completed



Dwellings in the manner prescribed in Section 10.2 hereof. All expenses associated with Lots containing uncompleted Dwellings shall be borne by the Declarant or the Owner(s) of such Lot(s), as appropriate.

10.1.2. Timing of Payments.

Until changed by resolution of the Board of Directors, Assessments against each Lot for its share of the Common Expenses shall be due and payable on the first day of each. The Board may adopt further payment policies which permit payment in installments under conditions to be determined by the Board.

10.1.3. Special Assessments.

The Board of Directors may levy a Special Assessment for the purpose of defraying the cost of any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time, but by statute, the Budget Ratification process described in Section 10.2 must be undertaken by the Board with respect to any such Assessment.

10.1.4. Limited Common Assessments.

(a) To the extent that any Common Expense is caused by the negligence or misconduct of any Lot Owner, the Association may, subject to the provisions of the Bylaws, levy a Limited Common Assessment for that expense against the Owner's Lot. In addition and without limitation, the liability of a Lot Owner to pay for expenses associated with any Upkeep provided by the Association to such Lot, any other costs, fees, charges, insurance deductibles or fines imposed or incurred by the Association associated with the Lot under this Declaration of Covenants, along with any costs and/or attorney's fees recoverable under the Governing Documents, and interest on any delinquent account shall be deemed a Limited Common Assessment which, unless otherwise directed by the Board, shall be due and payable within thirty (30) days following their imposition.

(b) Upon a resolution approved by at least a majority of all possible votes in the Association, any portions of the Common Expenses which vary among the Lots based upon divergent usage of services or facilities, or other factors which justify differential assessment rates, may be assessed differentially among the Lots.

10.1.5. Owners Personally Liable for Common Expenses.

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



10.2. Budget for Common Expenses.

Within thirty (30) days following the Annual meeting of the Association, or at such other time as may be deemed necessary or desirable by the Association's accountant, the Board shall prepare an Annual Budget which shall estimate the Common Expenses, described generally in the Covenants, to be paid during such year. The Budget shall also contain provisions for creating, funding and maintaining reasonable reserves for capital improvements, replacements, major repairs and the amount(s) of any deductible from insurance policies obtained by the Association, and shall further take into account any expected income and any surplus available from the prior year's operating fund. Income to support the expense items in the Budget shall be derived from assessments against the Lots in the Community, but may also include other sources of revenue which may be available to the Association from time to time.

10.3. Meeting of Association to Ratify Budget.

Within thirty days after adoption of any proposed budget for the Association, the Board of Directors shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. Pursuant to RCW 64.38.025(3), this procedure shall be deemed to govern both general assessments and special assessments; this Section of these Bylaws may not be amended without the advice of counsel, since its terms are controlled by law.

10.4. Liability Following Conveyance of Lot.

A selling Lot Owner shall not be liable for the payment of any part of the Common Expenses assessed against his or her Lot subsequent to a sale, transfer or other conveyance by him of such Lot. The purchaser of a Lot shall be jointly and severally liable with the selling Lot Owner for all unpaid Assessments against the Lot up to the time of the conveyance without prejudice to the purchaser's right to recover from the selling Lot Owner the amounts paid by the purchaser therefore. The holder of a mortgage or other purchaser of a Lot who obtains the right of possession of the Lot through foreclosure shall not be liable for Assessments that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Lot Owners, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Lot prior to the date of such sale as provided above.

10.5. Lien for Assessments.

The Association shall have a lien on a Lot for any unpaid Assessments levied against a Lot from the time the Assessment is due. If an Assessment is payable in installments, the Association has a lien for the full amount of the Assessment from the time the first installment thereof is due.

10.6. Perfection of Lien.

Recording of this Declaration of Covenants constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessments shall be required to perfect



the Association's lien, the Association may record a notice of claim of lien for Assessments under this section in the real property records of the county in which the Community is located.

10.7. Priority of Lien.

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

10.8. Enforcement of Lien.

The lien arising under this section shall be enforced judicially by the Association or its authorized representative in the manner set forth in chapter 61.12 RCW. The Association or its authorized representative shall have the power to purchase the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. The Association may elect to take a deed in lieu of foreclosure in any such proceeding.

10.9. Limitation of Lien Enforcement.

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

10.10. Rent Subject to Lien for Assessments.

From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Lot that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Lots as and when due. If the rental is not paid, the receiver may obtain possession of the Lot, refurbish it for rental up to a reasonable standard for rental Lots in this type of project, rent the Lot or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Lot, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this subsection, and a receiver shall not be appointed less than ninety days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Lot.

10.11. Remedies Cumulative.

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

10.12. Statement of Unpaid Assessments.

The Association, upon written request, shall furnish to a Lot Owner or a mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Lot.



ARTICLE XI

INSURANCE MATTERS

11.1. Authority, Name of Insured.

The Board of Directors should obtain and maintain liability insurance under such terms and for such amounts as shall be deemed necessary by the Board of Directors, and property insurance for any valuable insurable common property..

11.2. Deductible.

The deductible, if any, on any policy of insurance purchased by the Board of Directors, shall be paid by the Association as a Common Expense. Funds to cover the deductible should be included in the Association's operating reserve account.

ARTICLE XII

CONDEMNATION

In the event that Common Areas of the Community are become subject to eminent domain proceedings, the Association shall be a necessary party to such proceedings.

ARTICLE XIII

COMPLIANCE WITH LAW AND COVENANTS

13.1. Compliance by Owners and Occupants.

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

13.2. Enforcement by Association.

The Board of Directors shall have primary responsibility for maintaining and enforcing compliance with the covenants, conditions and restrictions contained in the Governing Documents.

13.3. Legal Proceedings.

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



13.4. Costs and Attorney's Fees.

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

13.5. Late Charges and Interest.

The Board may impose and collect reasonable late charges to encourage prompt payment of Assessments. Until changed by resolution of the Board with advice of counsel, the Board may collect a late charge: (a) when any Assessment or installment thereof is received by the Association more than ten (10) days beyond the due date of such Assessment or installment; (b) in an amount not to exceed the greater of \$25.00 or ten percent (10%) of the amount of said Assessment or installment. Delinquent Assessments shall bear interest from the date of delinquency at the rate of 12% per annum, or the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

13.6. No Waiver of Rights.

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

13.7. Remedies Cumulative.

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

13.8. Occupants Subject to Rights and Responsibilities of Owners.

Any tenant or other Occupant of an Owner shall be deemed to be bound by all portions of the Governing Documents that are binding upon the Owner, with the exception of the obligation to pay the dues, assessments and other charges owing by the Owner to the Association. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents shall be available to the Association when dealing with any tenant of an Owner. In addition, the Association shall have the right (but not the obligation) to terminate the lease of a tenant who, following a proceeding under Section



7.10 of the Bylaws, has been found to have violated the Governing Documents; the Association shall be deemed a "real party in interest" in any legal proceeding brought to enforce this right.

ARTICLE XIV

LIMITATION OF LIABILITY

14.1. No Liability for Equipment Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to Article XI, neither the Association nor the Board nor the Declarant shall be liable for any failure of any equipment or services obtained by the Board, or for injury or damage to person or property caused by the elements, or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of liability for Common Expense Assessments shall be claimed or allowed for any such injury or damage, or for such inconvenience or discomfort.

14.2. No Bailment.

Neither the Board of Directors, the Association, any Owner nor the Declarant shall be considered a bailee of any personal property stored or placed on the Common Areas (including property located in vehicles parked on the Common Areas), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, nor shall they be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE XV

MORTGAGEE PROTECTION

Any representative of a Mortgagee or the institutional insurer of any mortgage may attend and address any meeting which a Lot Owner may attend.

ARTICLE XVI

EASEMENTS AND SPECIAL DECLARANT RIGHTS

16.1. Easements for Lots and Lot Owners.

16.1.1. In General.

Each Lot has an easement in and through each other Lot and the Common Areas for utilities and for lateral and/or adjacent support.

16.1.2. Specific Easement Shown on Plat Map.



Easements shown on the Plat Map are hereby confirmed. Any easement shown on the Plat Map which benefits one or more Lots in the Community, or which benefits any third parties or any real property not included within the Project, confers various rights and benefits upon such third parties or owner(s) of any such real property, and may also impose obligations upon the Association. Reference should be made to the Plat Map.

16.2. Easement for Association Functions.

There is hereby granted and reserved to the Association, or its duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Governing Documents.

16.3. Easement for Utilities.

A non-exclusive perpetual blanket easement is hereby granted over and through the Property for ingress, egress, installation and Upkeep of any utility lines, pipes, wires, ducts, conduits and/or other facilities and equipment for providing to any portion of the Property utilities of any type, whether public or private; such easement is hereby granted to any person installing or providing Upkeep for such utilities. Any pipes, conduits, lines, wires, transformers or any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated where permitted by the Declarant or where approved by resolution of the Board of Directors. See the Plat Map for further details.

16.4. Easement for Emergency Access.

A non-exclusive perpetual easement is hereby granted on, over, under and across the Common Areas to all police, fire, ambulance and other rescue personnel for the lawful performance of their functions during emergencies.

16.5. Easements for Declarant.

The Declarant reserves to itself and its any lawful successors an easement through the Common Areas for any and all activities necessary or desirable to complete the development of the Community or for exercising Special Declarant Rights.

16.6. Special Declarant Rights.

16.6.1. General Reservation.

The Declarant has reserved the following Special Declarant Rights for the purpose of furthering and completing the development of the Community: To complete any improvements indicated on the Plat Map filed with the Declaration of Covenants; to exercise any Development Right reserved by the Declarant in this Declaration of Covenants; to maintain sales offices, management offices, signs advertising the Community, and models on the Property, all in such location or locations as the Declarant may unilaterally determine; to use easements through the Common Areas for the purpose of making improvements within the Community; and to control the Association during the Declarant Control Period described in Section 16.6.2 below. The Declarant shall be deemed to hold a proxy from all Lot Owners during the Declarant Control Period for all such purposes.



16.6.2. Declarant Control Period.

The Declarant has reserved the right to designate a majority of the members of the Board of Directors of the Association, and to appoint or remove any Officer or Director of the Association or any member of any Committee, or to veto or disapprove any proposed action of the Association, for a period of time not to exceed seven (7) years from the date of this Declaration of Covenants, subject to the following limitations: The Declarant Control Period shall terminate sixty days after conveyance of ninety percent of the Lots which may be created in the Community to Owners other than the Declarant. The Declarant may assign its rights under this subsection to or share such rights with one or more other persons, exclusively, simultaneously or consecutively with respect to the Common Areas and Lots owned or leased by the Declarant or such persons.

16.6.3. Legal Status of Special Declarant Rights.

Each Special Declarant Right reserved by Declarant in this Declaration of Covenants has been, is and shall remain an equitable servitude burdening all lands subject thereto and running with such lands. Each Special Declarant Right shall exist for the benefit of the Declarant and/or any assignee of Declarant and/or any successor declarant. Declarant has and shall retain, with respect to each Special Declarant Right, a power coupled with Declarant's interest in said lands.

ARTICLE XVII

AMENDMENT OF DECLARATION OF COVENANTS

17.1. Procedure for Amendment of Declaration of Covenants.

Amendments to the Declaration of Covenants shall be made by an instrument in writing entitled "Amendment to Declaration of Covenants" which sets forth the entire amendment. Except in cases of amendments that may be adopted by the Declarant unilaterally pursuant to Section 17.3 hereof, amendments may be adopted only at a meeting of the Owners if at least 67% percent of the votes in the Association are cast for such amendment, or without any meeting if all Owners have been duly notified and Owners holding at least 67% of the votes in the Association consent in writing to such amendment. In all cases, the amendment when adopted shall bear the acknowledged signature of the President of the Association.

17.2. Recordation Required.

Every amendment to the Declaration of Covenants must be recorded with the County Auditor and is effective only upon recording. An amendment shall be indexed in the name of the Community and shall contain a cross-reference by recording number to the Declaration of Covenants and each previously recorded amendment thereto.

17.3. Amendments by Declarant.

The Declarant may unilaterally adopt and file amendments to the Declaration of Covenants for so long as the Declarant is the Owner of any Lot in the Community or until the expiration of the time limit for the exercise of any Development Rights or Special Declarant Rights reserved by the Declarant.



ARTICLE XVIII

MISCELLANEOUS

18.1. Notices for All Purposes, Delivery.

18.1.1. Any notice permitted or required to be delivered under the provisions of the Declaration of Covenants or the Bylaws may be delivered either personally or by mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board in writing, or to the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to his or her Lot if no other mailing address has been given to the Board; with the advance written consent of any Owner, e-mail may substitute for conventional mailing. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Association may be given to Declarant until the initial Board has been constituted and thereafter shall be given to the President or Secretary of the Association, or to its Registered Agent.

18.1.2. New Lot Owners must supply their names and addresses and telephone numbers to the Secretary of the Association promptly after conveyance.

18.2. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act and furthers the common plan of this Community

18.3. No Right of First Refusal.

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

18.4. Effective Date.

This Declaration of Covenants shall take effect upon recording.

DATED this 25TH day of JUNE, 2008.

DECLARANT:
LANDMARK BUILDING & DEVELOPMENT, INC.

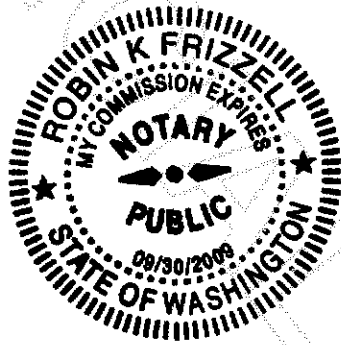
By _____



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that John Ellis
is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath
stated that he was authorized to execute the instrument and acknowledged it as the President of the
Declarant, LANDMARK BUILDING & DEVELOPMENT, INC., to be the free and voluntary act of such
party for the uses and purposes mentioned in the instrument.

DATED: June 25, 2008.



Robin K. Frizzell
NOTARY PUBLIC for the State of
Washington. My Commission
expires 9-30-2009



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