

AFTER RECORDING RETURN TO:

Encore Homes, Inc.
1801 Grove Street, Unit B
Marysville, WA 98270



200909180065
Skagit County Auditor

9/18/2009 Page 1 of 6 1:48PM

Document Title:

First Amendment to Declarant of Covenants, Conditions Restriction and Reservations
for Rosario Terrace

Reference: AFN 200808190042

Grantors

Encore Homes, Inc., a Washington Corporation and
Keith Hoyer and Brandi Hoyer, husband and wife

Grantees:

The Public

Legal Description:

LOTS 1 – 9 OF THE PLAT OF ROSARIO TERRACE, ACCORDING TO THE PLAT THEREOF,
RECORDED AUGUST 19, 2008 UNDER SKAGIT COUNTY AUDITOR'S FILE NO. 200808190039,
RECORDS OF SKAGIT COUNTY, WASHINGTON. AND

LOT 1, SHORT CARD NO. PL05-0273, APPROVED NOVEMBER 28, 2005 AND RECORDED
DECEMBER 6, 2005 UNDER AUDITOR'S FILE NO. 200812060129 AND BEING A PORTION OF THE
NW ¼ OF THE SE ¼ AND OF THE NE ¼ OF THE SW ¼ OF SECTION 28, TOWNSHIP 33, NORTH,
RANGE 4 EAST, W.M. AND

FIELDSTONE LANE - A PRIVATE ROAD OF ROSARIO TERRACE, RECORDED UNDER
AF#200808190039, BEING A PORTION LOCATED IN THE NE1/4 OF THE SW1/4 OF SECTION 28,
TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M.

ALL SITUATE IN SKAGIT COUNTY, WASHINGTON.

Assessor's Property Tax Parcel/Account Numbers:

4966-000-001-0000	4966-000-004-0000	4966-000-007-0000
4966-000-002-0000	4966-000-005-0000	4966-000-009-0000
4966-000-003-0000	4966-000-006-0000	330428-4-002-0500
4966-000-999-0000		

**FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS,
FOR ROSARIO TERRACE**

This Amendment is made to the Declaration of Covenants, Conditions, Restrictions and Reservations for Rosario Terrace dated June 25, 2008 and recorded August 19, 2008 under Skagit County Auditor's File No. 200808190042 (the "Declaration").

Encore Homes, Inc. now owns the Property with the single exception of Lot 8 of the Plat of Rosario Terrace, which is owned by Keith and Brandi Hoyer. Both owners (representing all Lots) agree to this amendment as required by Section 17.1 of the Declaration, as evidenced by their signatures on the document.

Therefore, the Declaration is hereby amended as follows:

Section 1.2.1 shall be amended by filling in the following Skagit County Auditor's File Number in the blank provided:

200808190039

Section 6.1.1. shall be amended by deleting the following from the third sentence:

...street sweeping, snow removal and ...

Section 6.2 shall be amended by changing the mention of Lot 8 to Lot 9 as follows:

The Sanitary Control Area depicted on the Plat Map, with a radius of 100' surrounding the domestic water well located on Lot 9 shall be maintained in perpetuity in a clean and sanitary state suitable for protecting the water source serving Lots within the Community.

Section 6.3.2 shall be amended by changing the last sentence to read as follows:

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 beginning at the meter box.

Section 6.3.2 shall be further amended by adding the following sentences to the end of the paragraph:

(The meter box shall be the responsibility of the Lot Owner.) If after 10 days notice from the Association, a Lot Owner fails to repair any leak or defect in the water line supplying their dwelling, the Association shall have the right (but not the obligation) to make a repair and all costs of such repair shall be assessed against the Lot.

Section 6.3.4 shall be amended by changing the first sentence to read as follows:

The Water System supplied by the Well is designed for normal domestic household use with low flow plumbing fixtures, and limited landscaping and/or garden area irrigation, not to exceed an average usage of 500 gallons per day per lot.



New Sections 6.3.8., 6.3.9. and 6.3.10. shall be added as follows:

6.3.8. Terms for use of Class B Water System

In addition to the general terms described above, the following guidelines for using the water system shall apply. To encourage water conservation, the following fee schedule shall be used for charges to each Lot for water usage.

Average Daily Water Usage for billing period	Payment Schedule Level	Standard Rate Multiplier
Up to but not exceeding 500 gallons per day	Standard usage	100% of Standard rate
More than 500 gallons per day	High usage	300% of Standard Rate

At the time of recording, the standard rate was set at \$50 per month. Average daily usage for any one lot is not to exceed 555 gallons per day for any period in which the usage is calculated. Usage above this level shall be subject to a penalty charge of \$100 for each billing cycle (but not more often than monthly) with excess water usage. The standard rate and penalty charge can be changed by the association's board as part of the annual budgeting process and is subject to ratification by the association's members according to the budget and ratification process described in Sections 10.2 and 10.3 of the Declaration. (Readers and potential buyers are advised to verify the current standard rate and penalty charge with the association.) All fees and penalties for water usage shall be subject to all terms of this Declaration for the collection of assessments due to the association, including the application of late fees and interest.

6.3.9. Sprinkler System Requirements

Any sprinkler system installed at a lot shall require a "double-check" valve to be installed between the water meter and the sprinkler system connection to the lot's main water line. The Association shall have the right to verify that the valve is operating correctly at reasonable intervals.

6.3.10. Disclosure

The water system was not designed or installed by D. B. Johnson Construction, Inc. or Encore Homes, Inc. or any subcontractor, supplier or agent of either company. Therefore neither D. B. Johnson Construction, Inc. nor Encore Homes, Inc. has or shall have any responsibility or obligation for any defect arising out of the water system or any component of the water system.

Section 7.1. shall be amended by replacing the first sentence with:

The name of the Association shall be "Rosario Terrace Homeowners Association."

Section 9.1.6 shall be replaced entirely with the following:

Any fence constructed within the Community shall be cedar and not exceed six feet in height or cyclone fencing not to exceed four feet in height or another material or design approved by the ARC (as defined in Section 9.2.3) prior to construction. Barbed wire fencing is disallowed. Animal enclosures shall require ARC approval as to location, design and any necessary visual screening prior to construction or installation.



New Section 9.1.10 shall be added as follows:

9.1.10 Livestock and Animals

Domestic household pets, such as dogs and cats, and small livestock and poultry may be kept by Owners; provided, that the keeping of pets and livestock shall be subject to such reasonable rules and regulations as the Board may from time to time adopt. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds disturbing other Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. Pets and livestock will not be allowed on any Common Areas, unless they are on a leash or being carried.

Animals larger than three hundred pounds each are not allowed. No more than a total of ten non-poultry animals (including cats, dogs and livestock) and no more than twenty birds shall be kept at one Lot at one time. All animal enclosures shall be kept in a clean and sanitary condition at all times.

Section 9.2.3 shall be amended by replacing the second sentence with the following:

Three years following the termination of the Declarant Control Period (or earlier at Declarant's sole option), 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.

Section 10.1.1 shall be amended by deleting the second sentence.

Section 10.1.2. shall be amended by adding the following phrase to the end of the first sentence:

...fiscal year.

New Sections 10.1.6 and 10.1.7 shall be added as follows:

10.1.6 Initial Assessment

To meet the financial obligations of the association during the Declarant Control Period, an Initial Assessment of \$400 shall be charged to each Lot and collected by escrow at the first closing of the sale of each Lot with or without a home to any person other than Encore Homes, Inc. or a related entity. The Initial Assessments collected shall be applied to the obligations of the association as they arise, and are intended to support the association for its first year. However, if the Declarant Control Period is longer than anticipated or association expenses are higher than anticipated, annual budget and assessments as described in Sections 10.1.1. and Section 10.2 may be instituted for Lots no longer owned by the Declarant during the Declarant Control Period, without the need for ratification by Owners.

10.1.7 Declarant Exemption

Notwithstanding anything to the contrary in this Declaration or any other document, the Declarant and its successors and specifically, Encore Homes, Inc., and any related entity are exempt from all assessments of any type, with the only exception being for an occupied home. Any Lot with an occupied home owned by Encore Homes, Inc. or a related entity on a long-term lease basis



(and specifically not early occupancy agreements as a term of a pending sale agreement) shall be exempt only from the Initial Assessment, but shall be subject to all remaining assessments from the date of occupancy.

Section 11.1. shall be replaced entirely with the following two sentences:

The Board of Directors **may** 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. Owners and potential owners are advised to research and stay informed about whether or not such a policy is in place and the terms of any such policy.

Section 13.8. shall be amended by changing the last sentence to read as follows:

In addition, the Association shall have the right (but not the obligation) to terminate the lease of a tenant who, following an appropriate and lawful proceeding, 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.

Section 14.1. shall be amended by inserting the phrase (including any successor) into the first sentence as follows:

Except to the extent covered by insurance obtained by the Board pursuant to Article XI, neither the Association nor the Board, nor the Declarant (including any successor) shall be ...

Section 14.2. shall be amended by inserting the phrase (including any successor) into the first sentence as follows:

Neither the Board of Directors, the Association, any Owner nor the Declarant (including any successor) shall be...

Section 16.3. shall be amended by changing the end of the first sentence to read as follows:

...; such easement is hereby granted to the Association.

It is further agreed that Encore Homes, Inc. shall be considered a "successor Declarant" and shall have all rights reserved to the Declarant in the Declaration including this and future amendments.

Except as expressly amended hereby, the Declaration remains in full force and effect as written. Defined terms in the Declaration have the same meanings herein, except as expressly hereby modified.

ENCORE HOMES, INC.

By David B. Johnson
David B. Johnson, President

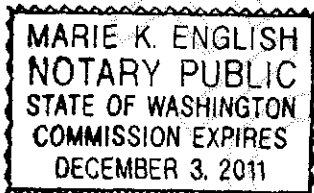
9/14/09
Date



STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this day personally appeared before me, David B. Johnson, to me known to be the President of Encore Homes, Inc. and acknowledged to me that he was authorized to execute the foregoing instrument as such, and that said instrument was the free and voluntary act and deed of the entity referenced, for the uses and purposes therein mentioned.

SUBSCRIBED AND SWORN TO before me on this 14th day of September, 2009.



Marie K English
Marie K. English, Notary Public in and for the State of Washington residing at Arlington. My commission expires December 3, 2011.

Keith T. Hoyer
Keith T. Hoyer

9/15/09
Date

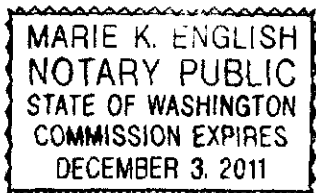
Brandi J. Hoyer
Brandi J. Hoyer

9/15/09
Date

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Keith T. Hoyer and Brandi J. Hoyer are the persons who appeared before me and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN TO before me on this 15th day of September, 2009.



Marie K English
Marie K. English, Notary Public in and for the State of Washington, residing at Arlington. My commission expires December 3, 2011.

