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Michael A. Winslow
411 Main Street
Mount Vernon, Washington 98273



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Skagit County Auditor

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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR HARMONY LANE HOMEOWNERS ASSOCIATION**

Grantors: Steve L. Broman

Grantees: The General Public

Legal Description:

The South 220 feet of the North 660 feet of the East 16 rods of the South 50 rods of the Southwest 1/4 of the Southeast 1/4 of Section 20, Township 34 North, Range 4 East, EXCEPT the East 120 feet thereof.

Situate in the County of Skagit, State of Washington.

Also known as "Broman Short Plat" within the City of Mount Vernon LU05-058.

Tax Parcel No. P-26956

Auditor's File No. ~~340420-4-028-0002~~

261001070088

ARTICLE I: IDENTIFICATION OF DECLARANT AND PROPERTY; PURPOSE

- 1.1 Identification of Declarant and Property. Steve L. Broman, a married man as to his separate estate, hereinafter referred to as the "Declarant," is the owner in fee simple of the property described in Section 1.2 hereof, together with all improvements, easements, rights and appurtenances thereunto belonging (all collectively referred to hereinafter as the "Property"). Declarant has created the Broman Short Plat under the provisions of Title 16, Mount Vernon Municipal Code.

1.2 Identification of Community. These Covenants affect Lots 1-5 and Tract A, Broman Short Plat under Short Plat No. LU 05-058, approved MAY 28, 2009, as recorded under Auditor's File No. 201001070088, records of Skagit County, Washington. When the word "Lot" is used hereafter, it shall initially mean only one of the above-numbered or lettered lots. Such Lots shall be known collectively as "Harmony Lane," which property is also known herein as the "Property." 201001070088

1.3 Purpose. This Declaration of Covenants, together with the Subdivision Plat referred to herein, states 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 for the purpose of enhancing and protecting the value, desirability and attractiveness of said Lots. These covenants, conditions, restrictions, reservations and plans 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 the entire Property and upon each such Lot therein 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 instituted for nonpayment of government tax, levy or assessment of any kind.

ARTICLE II: DEFINITIONS

In this Declaration, unless the context requires otherwise, the following definitions will apply:

2.1 "Agreement" or "Declaration of Covenants" shall mean this document, which facilitates the creation of the Association. The term also includes any lawful amendments to this document as recorded in the office of the Skagit County Auditor.

2.2 "Association" means the Washington non-profit corporation that Declarant will organize pursuant to RCW 24.03, known as the "Harmony Lane Homeowners Association."

2.3 "Declarant" shall mean and refer to Steve L. Broman, his successors and/or assigns if such successors or assigns should acquire the remaining undeveloped Lots from the Declarant for the purpose of development.

2.4 "Property," "the property," "Development" or "Subdivision" shall mean Lots 1-5 and Tract A of Short Plat No. LU 05-058, approved MAY 28, 2009, and recorded



261001070088

under Auditor's File No. _____, Records of Skagit County, Washington, as described in Section 1.2 above. The Property's legal description is attached hereto as *Exhibit A* and is fully incorporated herein by this reference.

2.5 "Land" means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock or other substance, and includes free or occupied space for an indefinite distance upwards as well as downward, subject to the limitations upon the use of airspace imposed, and rights in the use of the airspace granted, by the laws of the State of Washington or the United States of America.

2.6 "Lot" shall mean and refer to any physical plot of land intended for individual sale by Declarant to the public as indicated on the recorded plat or subdivision map of the development with the exception of public and private roadways. Each separate platted lot counts as one Lot, even if it is combined with others under one ownership.

2.7 "Mortgage" means a mortgage, deed of trust, or a real estate contract covering a Lot or other portion of the property.

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

2.9 "Owner" or "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee- or undivided-fee interest in any Lot which is a part of the Property, including contract purchasers, but shall not include a contract seller, a mortgagee or beneficiary under a deed of trust, or those holding record ownership merely as security for the performance of an obligation. "Owner" means the vendee, not the vendor, of a Lot under a real estate contract.

2.10 "Road" means the private road, named *Harmony Lane*, that is to be owned and maintained by the Association as provided for herein and more particularly described in the aforementioned short plat.

2.11 "Utilities" means water, sewer, power, natural gas, telecommunications of every type and similar services which utilize above- or below-ground delivery via pipes or cables.

ARTICLE III: HOMEOWNERS ASSOCIATION

3.1 Property Owners' Association. Declarant will establish a Washington non-profit corporation, organized under RCW 24.03 (hereinafter "Association") for purposes of owning and maintaining the Road and other common improvements situated on the subject property. The Declarant's property shall be entitled to the benefits and burdens of membership in the

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Association as more fully defined herein and in the Association's Articles of Incorporation and Bylaws.

3.2 Decisions Concerning Maintenance. Any decision to take action to maintain or improve the Road or other common improvements must be approved by a majority vote of the Lot Owners subject to this Agreement. Each Lot shall be entitled to one (1) vote except Tract A which is non-voting. Voting shall be conducted according to the Bylaws of the Association.

3.3 Qualification for Membership. Each Owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Lot owned; provided that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of an Owner for purposes of the Association, this Declaration, and the Bylaws, except as otherwise limited, and shall be the voting representative unless otherwise specified. Ownership of a Lot shall be the sole qualification for membership in the Association.

3.4 Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of the Lot. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner.

3.5 Voting Representatives. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The designated voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any Person with an ownership interest in the Lot, except in cases in which the Person designated is a Mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power of attorney, and/or the administrator or executor of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. If a Lot is owned by the husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

3.5.1 Joint Owner Disputes. The vote for a Lot must be cast as a single vote and fractional votes are not allowed. If joint Owners are unable to agree among themselves as to how their vote shall be cast before the vote is taken, they shall lose their right to vote on the matter in question.

3.5.2 Pledged Votes. An Owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in



default under a Mortgage on his Lot for ninety (90) consecutive days or more, the Owner's Mortgagee shall automatically be authorized to state in writing at any time thereafter that the Lot Owner has pledged his or her vote to the Mortgagee on all issues arising after such statement and during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

3.6 Articles and Bylaws. Before the Transition Date, Declarant will adopt Articles of Incorporation and Bylaws to supplement this Declaration, to provide for the administration of the Association and the Property for purposes not inconsistent with this Declaration. Declarant may, without the necessity of obtaining the consent of any Owner, amend the Articles and Bylaws from time to time until the Transition Date.

ARTICLE IV: RESTRICTIVE COVENANTS

The following Covenants are hereby imposed upon the use and ownership of the Lots in the Development.

4.1 Residential Use. No Lot shall be used except for residential purposes. No structures shall be erected, altered, placed or permitted to remain on any Lot other than one detached, single-family dwelling not to exceed two (2) stories in height. One accessory building may be erected, however accessory buildings are only allowed on the conditions that the location of such structure is in conformity with applicable governmental regulations and is compatible in design and decoration with the residence constructed on such Lot (specifically utilizing siding and construction of same color, materials and design as the residence located on the Lot). Accessory buildings may only be erected after or simultaneous with completion of a residence upon the Lot. No mobile homes or prefabricated modular homes of any kind may be located upon any Lot.

The provisions of this section shall not be deemed to prohibit the right of anyone to construct a residence on any Lot, to store construction materials and equipment on said Lots in the normal course of construction and to use any single-family residence as a sales office or model home for the purpose of sales of residences in Harmony Lane. The provisions of this section shall not be deemed to prohibit the construction or use of an accessory Dwelling Unit apartment which is wholly contained within the footprint of the dwelling described above.

4.2 Exterior Maintenance. Each Lot Owner shall, at Lot Owner's sole expense, keep the interior and exterior of the structures on the Lot Owners's Lot, as well as the Lot, in clean and sanitary condition, free from rodents and pests and in good order, condition, and repair. The Lot Owner shall be responsible to perform all redecorating, painting, landscaping, and maintenance at any time necessary to maintain the appearance and condition of the structure and Lot. The landscaping shall be maintained to the curb on the edge of the private Road.

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4.3 Temporary Structures. No temporary structure, trailer, basement, tent, shack, garage, barn or other outbuilding on any Lot shall be used as a residence, either temporary or permanent, at any time.

4.4 Fences and Hedges. No fence shall exceed six (6) feet in height from the finished Lot grade. Side yard fences shall not project beyond the front walls of any dwelling or garage except at entry to the Development, as installed by developer. No chain link fencing may be used. Fences shall be constructed of wood, wood-look material or masonry. Hedges or other solid screen planting may be used as lot line barriers subject to the same height restrictions as fences. Retaining walls: Nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than two feet above the finished grade at the back of said wall.

4.5 Propane Tanks. All liquid propane tanks or other such items shall be shielded from view by burial or by a wood fence, enclosure of similar siding, color and design as the residence, or greenscreen of adequate height and density so that no part of the propane tank or other such item is visible to any other Owner or from any public road or location.

4.6 Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, through noise, dust, emission, sight or smell, an annoyance or a nuisance to any Owners in the Development.

4.7 Business and Commercial Uses. No trades, crafts, business, professions, commercial or similar activity of any kind shall be conducted in the Development, nor shall any goods, equipment, vehicles, materials or supplies used in connection with trade, service or business be kept or stored on any lot; provided, however, that any homebuilder may store construction materials and equipment on said lots in the normal course of said construction.

4.8 Signs. No sign of any kind shall be displayed to the public view on any Lot or improvement, except one professionally made sign of not more than six square feet advertising the property for sale. This restriction shall not prohibit the temporary placement of political signs on any Lot by the Owner, or placement of a sign by the developer, which signs must comply with the local sign ordinances. This restriction shall not apply to signs used by the developer, builders, realtors or agents during the original construction and sales of residences.

4.9 Vehicle Parking and Use.

4.9.1 Subject to the provisions of Subsection 4.9.2 hereof, parking of up to two vehicles in driveways shall be permitted. Driveway parking spaces are restricted to use for parking of operable, properly registered automobiles, motorcycles, light trucks and family vans. Garage parking spaces are restricted to use for parking of automobiles, motorcycles, light trucks, family vans and other similar vehicles, and for storage of such other items that pose no unreasonable



health, safety or fire risks to persons or property. Vehicle repairs other than ordinary light maintenance are not permitted on the Property.

4.9.2 Except as hereinafter provided, junk vehicles (as defined in RCW 46.55.010), recreational vehicles (including, without limitation, camper-trailers, mobile homes, motor homes, "fifth-wheels," off-road vehicles, boats, airplanes, etc.), large, commercial-style vehicles (including, without limitation, trucks, tractors, large vans or other types of vehicles or equipment which either require a commercial vehicle operator's license or which exceed 10,000 lbs. Gross Vehicle Weight Rating) or any other type of vehicle or equipment which exceeds 25 feet in length may not be stored, kept or maintained anywhere on the Property. Occupants are expected to store recreational vehicles off-site, but may park recreational vehicles in the driveway of their Lot for up to 24 hours for purposes of loading and unloading same, in such fashion as will not impede or block other vehicles. Guests of Occupants may park camper-trailers or motor homes in the driveways while visiting Occupants if the sidewalk and the Road is not blocked or encroached upon in so doing, but only for periods not exceeding two weeks in duration, with each such period separated from another by not less than six months. Failure of an Owner or Occupant to remove such a vehicle or equipment may result in any or all procedures and/or remedies available under the Declaration of Covenants.

4.9.3 Regular on-street parking of vehicles within the Development and on the Road shall not be permitted at any time for any reason.

4.10. Trash or Rubbish. No Lot shall be used or maintained as a dumping ground for trash or rubbish. Trash, garbage or other waste shall be kept in sanitary containers and out of public view. All containers for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

4.11 Landscape Completion. All front yard landscaping must be completed within one year of the time that the construction of the residence is complete. A residence shall be deemed complete when occupancy of the residence commences or when an occupancy permit is issued by a government entity, whichever is earlier.

4.12 Antennae and Service Facilities. Exterior antennae shall not be permitted to be placed upon any Lot or on the roof of any structure. This shall include but not be limited to dish antennae or satellite receivers exceeding two (2) feet in diameter. Satellite dishes of less than 24 inches in diameter are permitted. Not more than two (2) satellite dishes of less than 24 inches in diameter are permitted.

4.13 Driveway. Driveways for all residences shall be constructed of concrete, exposed aggregate, masonry or asphalt, and shall be constructed so that they extend outward from the Lot a sufficient distance to join the paved portion of the Road. All driveways shall be maintained to



present an attractive appearance and to reasonably minimize dust. Driveways, walks, and other common facilities used for access shall be used exclusively for normal ingress and egress, and no obstruction shall be placed therein.

4.14 Window Covering. Standard curtain materials or blinds only will be permitted as window covering. At no time are blankets, sheets, tar paper, foil, etc. to be placed in windows.

4.15 Clothes Lines, Other Structures. No clotheslines or other structure of a similar nature or purpose not specifically addressed by these Covenants shall be visible from the Road.

4.16 Subdividing. No Lot may be subdivided.

ARTICLE V. ARCHITECTURAL AND LANDSCAPING STANDARDS

Unless otherwise waived or satisfied by requirements meeting City of Mount Vernon code, the following architectural and landscaping standards shall apply:

5.1 Landscaping. No less than two (2) 2-inch caliper trees, twenty (20) 2-gallon shrubs, and fifteen (15) 1-gallon ground cover plants shall be installed on each of the proposed residential lots. The trees, shrubs and ground cover shall be incorporated between the front, side and rear yards of each lots. One of the 2-inch caliper trees shall be located within a landscape bed adjacent to the proposed Road. The Lot landscaping requirements (but not the 2-inch caliper tree adjacent to the private roadway) may be modified if the Lot Owner submits a landscaping plan prepared per MVMC 17.70.025(B) that clearly shows the intent of MVMC 17.70 is being met.

5.2 Building Coverage. The building coverage on the Lots shall not exceed a maximum of 35 percent of the Lot square footage.

5.3 Garage Placement. The garage for each home in the development shall be set back at least four (4) feet from the main structure or, in the alternative, the front facade of each garage shall be architecturally treated. Architectural treatments shall include a trellis, arbor or other similar feature above the garage face, differing building materials installed around the garage, and windows incorporated into the garages.

5.4 Building Materials. Building materials installed on the exterior of the homes shall be varied from Lot to Lot to provide visual, residential and pedestrian character and variety along the street scape.

5.5 Window Area. No less than 15 percent of the maximum glazing shall be provided on the building facades facing the street. Visually prominent trim and accent elements, at least three inches in width, shall be installed.

5.6 Fencing. A decorate fence six (6) feet tall shall be installed around each of the proposed Lots along the rear and side property lines. This fence shall be set back at least 20 feet from the front property line. This fencing shall match the perimeter fencing installed around the plat.

5.7 Setbacks. The setback for each single-family residential structure shall be as follows: Front yard: not less than 10 feet from the property line, except covered front porches may have a setback of not less than five feet. The front of garages shall maintain at least 20 feet measured from the back of the sidewalk or property line or the front edge of the pavement of the Road. Garages shall also be set back at least four feet from the primary structure unless architecturally treated as described above. Rear yard: not less than 10 feet. Side yard: not less than 5 feet, allowing, however, that the eaves of a dwelling or accessory structure may project 18 inches from the line of the setback toward the property line. In order to protect privacy, windows facing the side yard shall be offset from the adjacent residence. Garages may be built with zero lot line from side property lines subject to the provisions of the IRC.

5.8 Storm Water. All roof drains and footing drains shall be tight-lined to the storm water management system unless otherwise provided by the Engineering Department for the City of Mount Vernon.

ARTICLE VI. EASEMENTS

6.1 Easement for Storm Water System. Easements are hereby declared and reserved for installation and maintenance of utilities and drainage, and irrigation facilities, as shown on the recorded plat as "Utility Easement Provisions" and in all other documents recorded after the date of the recorded plat to correct errors in the plat. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the direction of flow of water through a drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channels in easements. The easement area on any Lot and all improvements in it shall be maintained continuously by the Lot Owner, except the Road which is the obligation of the Association.

6.2 Roadway and Utility Easement. A non-exclusive easement for roadway and utility purposes is hereby declared over, under and across the area shown as "Harmony Lane (Private Road)" on the face of the plat.

6.3 Parking Pad Easement. An easement is hereby declared for parking purposes over and across the parcel identified as "Tract A" which parking rights shall be appurtenant to the property legally described as follows:

The West 90 feet of the East 120 feet of the South 825 feet of the Southwest one-quarter of the Southeast one-quarter of Section 20, Township 34 North, Range 4 East, W.M., except the North



610 feet thereof, and also except the South 120 feet thereof, situate in the County of Skagit, State of Washington being identified as Tax Parcel No. P-26959.

The parking rights granted hereunder shall be for the purpose of parking two vehicles for the benefit of the existing residence on the appurtenant property. Should the Declarant convey Tract A to the Owner of Tax Parcel P-26959, then this easement right shall merge with the Grantee of said parcel. Further, the said Tract A shall be exempt from assessments, dues and maintenance obligations as set forth in this Declaration of Covenants. The grant of a right to park on the subject property is exclusive to the Owner of Tax Parcel P-26959.

ARTICLE VII: MAINTENANCE

7.1 Maintenance of Private Roadway. The Owners Association shall maintain the private road known as Harmony Lane. The Owners Association shall have the right and the responsibility to fill chuckholes and trim vegetation in order to maintain visibility along this roadway. The Association shall also have the right to install or replace gravel or asphalt as may be necessary in the future. All road maintenance activity shall be performed under the direction of the Board of Directors and the President of the Association.

7.2 Storm Water Management System Maintenance.

7.2.1 Storm Water Management System and Related Facilities. Within the Plat, there is provision for a storm water management system (hereinafter "storm water system") as shown on the face of the Plat. The storm water pond is designed and constructed to accommodate storm water runoff from the various Lots and roadways within the development. The Association shall maintain, repair, replace and otherwise manage the storm water Detention Pond and related facilities in the Common Areas in accordance with a maintenance plan submitted to and approved by the City of Mount Vernon (hereinafter "The City"), and otherwise in accordance with the standards of The City.

7.2.2 Reimbursement to the County. If at any time The City reasonably determines that any existing storm water Detention Pond or related facilities poses a hazard to life or limb, endangers property, or adversely affects the safe operation of public or private roads, such that the situation is so adverse to preclude written notice, and if the Director of the Department of Public Works takes measures reasonably necessary to eliminate the hazardous situation, then the Association shall assume responsibility for the cost of any maintenance or repair under this section, and will reimburse The City within 30 days of receipt of an invoice for such reasonable repairs. Such obligation shall then become an assessment borne equally by all Lot Owners.

7.2.3 Storm Water Maintenance Plan. The Declarant has established a Storm Water Maintenance Plan for the development. See Exhibit A which is incorporated by this reference. A



copy of the initial Storm Water Maintenance Check List has been filed with the Plat or Plat Application. The maintenance of the storm water management system is of primary importance in order to ensure that the system and related conveyance levees, culverts, and catch basins function as originally designed. The maintenance of the system is an obligation of the Association. If the Association forms a maintenance committee, then the responsibilities under the maintenance plan may be delegated to such committee. If there is no maintenance committee, then the responsibility shall reside with the Association. The Association's president shall have the right and responsibility to see to it that the maintenance of the storm water system is carried out in accordance with the maintenance plan, and shall have the right to contract for such maintenance and utilize the funds of the Association to pay such obligations. The president of the Association shall be the Designated Maintenance Person in the absence of any other person being so designated by the Association.

7.3 Offsite Utilities. There is an easement for ingress, egress and utilities over and across the Northerly 30 feet of the following described parcel: The West 90 feet of the East 120 feet of the South 825 feet of the Southwest 1/4 of the Southeast 1/4 of Section 20, Township 34 North, Range 4 East, W.M. Tax Parcel No. P-26949

The Owners Association shall have the right to maintain said easement and perform repairs as may be necessary in order to utilize the benefits of the subject easement. The referenced easement is recorded under Skagit County Auditor File No. 200912090083. The Owner of the Burdened Property shall have no responsibility to pay for the cost of road or apron maintenance or repair.

ARTICLE VIII. ASSESSMENTS

8.1 Creation of Lien: Personal Obligation. Each Declarant and each subsequent Owner of any Lot within the described subject property, by virtue of this Declaration or a subsequent acceptance of a deed therefor, whether or not it shall be expressed in such deed, covenants and agrees to participate in the payment of maintenance and repairs to the Road and storm water system as provided herein by means of annual or special assessments as may be established by the Association. All such assessments, including any interest, costs and reasonable attorney's fees actually incurred, shall be a charge upon the land and shall be a continuing lien upon the subject Lot against which each assessment is made. Additionally, each assessment, together with interest, costs and reasonable attorney's fees actually incurred, shall be a personal obligation of the person who was the owner of such Lot at the time the assessment fell due.

8.2 Computation. It shall be the responsibility of the Board of Directors of the Association to budget annually for the common costs associated with the operation and maintenance of the Road and other improvements upon the subject property, which may include a capital contribution or reserve in accordance with any capital budget separately prepared. The budget



and assessments therefore shall be approved by a majority of the members of the Association at its annual meeting.

8.3 Special Assessments. In addition to any assessments authorized herein, a majority of the members of the Association may levy a special assessment in any year. Special assessments shall be determined by a majority of the membership at a regular or special meeting convened for such purpose and special assessments may be paid in installments beyond the calendar year in which the special assessment is imposed.

8.4 Assessments for Unusual Damage or Abuse of Use. In the event that any of the Lot Owners personally, or through an agent or invitee, causes any unusual or excessive damage to the private roadway by reason of operation of heavy equipment or trucks, then the Board of Directors shall have the right and authority to impose a special assessment against the offending Lot Owner for an amount equal to the cost of repair or restoration of the damaged area.

8.5 Lien for Assessments. All sums expressed as against any Lot pursuant to this Declaration, together with interest, costs and reasonable attorney's fees actually incurred, as provided herein, shall be a secured lien on such Lot in favor of the Association and contributing members of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens of ad valorem taxes or (b) liens for all sums on an unpaid first mortgage.

All other persons acquiring liens or encumbrances on the subject Lot after this Declaration shall have been recorded and such liens or encumbrances shall be inferior to all future liens for assessments, as provided herein, whether or not consent is specifically set forth in the instruments creating such liens or encumbrances.

8.6 Effect of Non-Payment: Remedies. Any assessments which are not paid when due shall become delinquent. If the assessment is not paid within sixty (60) days, a lien as herein provided shall attach. In addition, the lien shall include interest at twelve percent (12%) or a rate not to exceed the maximum legal rate (whichever is lower) on the principal amount due, all costs of collection, reasonable attorney's fees actually incurred, and other amounts permitted by law. In the event the assessment remains unpaid after sixty (60) days, the Board of Directors of the Association may institute suit to collect such amounts or to foreclose its lien. All members, by acceptance of a deed or as a party to any type of a conveyance, vests in the Board of Directors of the Association, or its agents, the right and power to bring all actions against him/her personally for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as any other liens for the improvement of real property. All payments shall be applied first to costs and attorney's fees, then to interest, then to delinquent assessments.



ARTICLE IX. DECLARANT'S POWERS

9.1 Transition Date. The "Transition Date" shall be the date control of the Property passes from Declarant to the Association. The Transition Date will be the earlier of (i) the date designated by Declarant in a written notice to the Owners which date may be at Declarant's election any date after this Declaration has been recorded or (ii) the 180th day after Declarant has transferred title to purchasers of eighty percent (80%) of the Lots in the Plat or (iii) five (5) years after Declarant first conveys a Lot to a Person other than an assignee of Declarant's rights hereunder. For purposes of the foregoing clauses (ii) and (iii), however, transfer of title to a Lot by Declarant to any Person or entity purchasing the Lot for constructing a Structure for resale to a Person intending to reside in the completed Structure shall be ignored until actually transferred to a person who intends to reside on the Lot in a completed Structure.

9.2 Declarant's Powers Until Transition Date. Until the Transition Date, Declarant shall have the full power of attorney to exercise all of the rights, duties and functions of the Board of Directors and the officers of the Association, including but not limited to reviewing and approving building and landscaping plans, the adoption of rules and regulations, contracting for the purchase of goods and services, buying insurance and collecting and expending all assessments and other Association funds. Declarant may at such times as it deems appropriate select and from time to time replace an interim Board of three Directors, who need not be Lot Owners and who shall have all the powers, duties, and functions of the Board. Declarant shall have the power to contract with an experienced professional managing agent and delegate to the managing agent such powers and duties as are desirable or appropriate. Any contract made by Declarant, its managing agent, or the Board prior to the Transition Date (including management contracts) that would otherwise extend beyond the Transition Date shall be terminable by the Board after the Transition Date upon thirty (30) days' notice. Until the Transition Date, the Declarant shall not be required to conduct any meetings of the Association or Board of Directors.

9.3 Transfer of Administration. On the Transition Date the authority and responsibility to administer and manage the Association, subject to this Declaration and the Articles and Bylaws shall pass to the Association. A Board of not fewer than three Directors elected from among the Owners shall govern the Association. The First Board (that is, the first Board elected by the Owners) will have three Directors. Declarant, or the Board will call a meeting of the Association to be held before the Transition Date for the purpose of electing the First Board.

9.4 Reservation of Rights. The Declarant hereby reserves unto itself, its heirs, successors and assigns, certain rights in the Development and Common Areas, and the rights reserved are hereby expressly declared to be covenants running with the land, binding on all Owners. The rights reserved are as follows:



- UNRECORDED
- A. The right to form a private, nonprofit corporation for the benefit of the Owners of property within the Development ("Homeowners Association") and to incorporate the same under the laws of the State of Washington, with the duties and powers discussed in Articles III and X of this Declaration, subject to change, expansion, or modification as provided for herein.
 - B. The right to execute and record additional easements, covenants or similar documents with regard to the Development consistent with the final Plat as approved by The City.
 - C. Until such time as all of the Lots in the Development have been sold by Declarant, Declarant reserves the right to modify or amend this Declaration by recording such modification or amendment with the Skagit County Auditor, and providing copies of said document to all other Owners at the time of said amendment or modification.
 - D. Each Owner irrevocably appoints the Declarant, or the Declarant's successor and assigns, as his/her true and lawful attorney-in-fact in his name, place and stead, to execute and acknowledge and record any and all instruments necessary or beneficial for carrying out any of the rights reserved above in this Article.

IT IS EXPRESSLY UNDERSTOOD AND INTENDED THAT THE FOREGOING POWERS OF ATTORNEY GRANTED IN ARTICLE VII ARE COUPLED WITH AN INTEREST, ARE IRREVOCABLE, AND SHALL SURVIVE CONVEYANCE OF ANY PORTIONS OF THE DEVELOPMENT, WHETHER OR NOT MENTIONED IN ANY CONVEYANCE DOCUMENT.

9.5 Transfer of Declarant's Rights and Powers. All rights of Declarant shall be assignable by Declarant to any Person or entity upon the recording of notice with the Skagit County Auditor of such an assignment. In the event of such an assignment, all references to Declarant herein shall mean the assignee of such rights. Also, in such event, the initial Declarant named above shall have no further rights, obligations or liabilities hereunder, except, if applicable, as a member with regard to any Lots actually retained.

9.6 Rights of Declarant. For such time as Declarant shall own lots for development purposes (as opposed to residential purposes), there shall be no amendments to the Declaration or the Articles of Incorporation of the nonprofit corporation unless agreed to by Declarant, which:

- A. Discriminate or tend to discriminate against the Declarant's right as an owner/developer;
- B. Alters Declarant's right or status;
- C. Alter the character and rights of membership or the rights of Declarant as provided for in this Declaration;



- D. Alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights-of-ways;
- E. Alter the basis for assessments;
- F. Alter the provisions of the use restrictions as set forth in herein; or
- G. Alter the Declarant's rights in any way as they appear under this Article.

ARTICLE X. BOARD OF DIRECTORS

10.1 Board of Directors. A Board of Directors ("the Board") shall govern the affairs of the Association. The initial Board shall be as described in the Articles of Incorporation of the Harmony Lane Homeowners Association and shall serve until the Transition Date. After the Transition Date, the Board shall consist of such number of members as provided for in the Articles of Incorporation and Bylaws of the Association. In the event of the death or resignation of any member or members of the Board, the remaining member(s) shall have full authority to appoint a successor member or members. Members of the Board shall not be entitled to any compensation for services performed as Directors pursuant to this Declaration. Upon the Transition Date and without further action by any Person or Persons, (i) the term of the initial Directors or their successors shall end, and (ii) the initial Directors and their then successors shall be released from any and all liability whatsoever for claims arising out of, or in connection with, this Declaration, excepting only claims arising prior to the Transition Date.

10.2 Adoption of Rules and Regulations. The Board is empowered to adopt, amend and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with this Declaration and to promote the comfortable use, value and enjoyment of the Property. The Board of Directors of the Association shall have the right to promulgate rules regarding use and safety of open space areas for the use, benefit and safety of all of the Lot Owners and, to the extent necessary, in order to limit liability toward members of the general public. This authority in the Board of Directors shall include the ability to designate specified uses within certain portions of the Common Area for the benefit of one or more Owners for uses not inconsistent with lawful uses permitted for open space area of the specified zoning or county designation. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming an interest in the Property or any portion of it except a governmental agency. Further, the Board is authorized to establish, amend and/or revoke a schedule of fines to enforce the Declaration, Articles, Bylaws and rules and regulations of the Association. The schedule of fines will become effective upon notification to Owners of such adoption including a copy of the schedule of fines. After it is effective, the Association in its absolute discretion, by its Board of Directors may impose fines as set forth in the schedule. Any fine imposed shall be an assessment against the Lot and subject to all the rules in Article VIII.



10.3 Enforcement of Declaration, etc. The Board shall have the power and the duty to enforce the provisions of this Declaration, the Articles, the Bylaws and the rules and regulations of the Association for the benefit of the Association. The failure of any Owner to comply with the provisions of this Declaration, the Articles, the Bylaws or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Board) and/or any aggrieved Owner for recovery of damages, for injunctive relief, or for both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the Articles, the Bylaws or the rules and regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorney's fees in the amount awarded by the Court.

10.4 Goods and Services. The Board may acquire and pay for as common expenses of the Association including all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Common Areas and Common Area Facilities other than Lots. The goods and services shall include (by way of illustration and not limitation) policies of insurance and fidelity bonds, legal and accounting services, maintenance, repair, landscaping, gardening and general upkeep, and all supplies, materials, fixtures, and equipment that are in the Board's judgment necessary or desirable for the operation of the Property and enjoyment of it by the Owners. The Board may hire such full-time or part-time employees as it considers desirable.

10.5 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures (if any) of the Association. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by Lot Owners, Mortgagees and the agents or attorneys of them, upon reasonable request. A reasonable charge for copies and staff time may be imposed by the Treasurer or President.

10.6 Limitation of Liability. So long as a Director, or Association member, or Declarant, acting on behalf of the Board or the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such actual information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this Article shall not apply to the extent the liability of such Person for such act, omission error, negligence is covered by any insurance actually obtained by the Board.

10.7 Indemnification. Each Director and Declarant shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such Person may be a party to, or in which such Person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such Person holds such position at the time such expenses



or liabilities are incurred, except to the extent that such expenses and liabilities are covered by insurance actually obtained by the Board and except in such cases wherein such Director or Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties.

ARTICLE XI. ENFORCEMENT

11.1 Private Enforcement. Any Lot Owner shall have full power and authority to enforce the Covenants in this Declaration in any proceedings at law or in equity against the person or persons violating or attempting to violate said Covenants, and to recover damages sustained by reason of such violation. If Declarant or other Lot Owner employs counsel to enforce any of these Covenants, all expenses incurred in such legal process, including a reasonable attorney's fee shall be paid by the Lot Owner violating the Covenants. Lot owners bear responsibility for their occupants and invitees.

11.2 Effect of Breach on Mortgage. The breach of any of these Covenants, conditions or restrictions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value affecting any lot or lots or portions of lots in the Development.

11.3 Waiver. No delay or omission of any kind on the part of the Declarant developer or the Owners of other Lots in the Development in exercising any rights, authority or remedy provided herein, shall be construed as a waiver of the covenants in this Declaration. No right of action shall accrue against the Declarant or the Owners of Lots in Harmony Lane for or on account of their failure to bring any action to enforce these covenants.

ARTICLE XII. MISCELLANEOUS PROVISIONS

12.1 Amendments. This Declaration may be amended or repealed only by duly recording a written instrument which contains an agreement providing for termination, revocation or amendment which is signed by not less than seventy-five percent (75%) of the Lot Owners of the Development.

12.2 Covenants Running with the Land. The covenants, conditions, easements and restrictions contained in this Declaration shall be deemed to run with the land, shall be a burden and benefit upon the Lots and all other portions of the property, shall be binding upon all persons acquiring or owning any interest therein, their grantees, successors, heirs, executors, administrators and assigns.

12.3 Notices. Any notice permitted or required to be delivered under the provisions of this Declaration may be delivered either personally or by mail. If delivery is by mail, such notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States mail, postage prepaid for first class mail, addressed to the person entitled to



such notice at the most recent mailing address shown for the Lot on the Skagit County Assessor's records.

12.4 Severability.

12.4.1 The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

12.4.2 Headings. The subject headings of the paragraphs of this document are included for purposes of convenience only and shall not affect the construction interpretation of any of its provisions.

12.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purposes to create a uniform plan for the development and operation of the property.

12.6 Effective Date. This Declaration shall take effect upon recording with the Skagit County Auditor's Office.

12.7 Choice of Law. This agreement shall be construed in accordance with the laws of the State of Washington.

DATED this 19th day of MAY, 2009.

By:

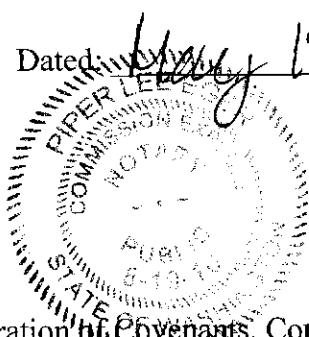
Steve L. Broman

Steve L. Broman

State of Washington)
)ss
County of Skagit)

I certify that I know or have satisfactory evidence that Steve L. Broman, a married man as to his separate estate, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes in the instrument.

Dated: May 19, 2009.



Piper Lee Eger
Piper Lee Eger, Notary Public
My appointment expires 8/19/10

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Declaration of Covenants, Conditions and Restrictions
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14

STORM WATER MAINTENANCE PROGRAM

UNOFFICIAL DOCUMENT

Inspection Period: _____

Number of Sheets Attached: _____

Date Inspected: _____

Name of Inspector: _____

Inspector's Signature: _____

EXHIBIT A



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Skagit County Auditor

Key:

A=Annual (March or April preferred)

M=Monthly (see schedule)

S=After major storms (use 1-inch in 24 hours as a guideline)



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Maintenance Checklist for Closed Detention Systems (Pipes/Tanks)

Frequency	Drainage Systems Feature	✓	Problem	Conditions To Check For	Conditions That Shall Exist
M	Storage area (pipe tank)		Plugged air vents (small pipe that connects catch basin to storage pipe)	One-half of the end area of a vent is blocked at any point with debris and sediment. Plugged vent can cause storage area to collapse.	Vents free of debris and sediment.
M			Debris and sediment	Accumulated sediment depth exceeds 15% of diameter. Example: 72- inch storage tank would require cleaning when sediment reaches depth of 10 inches	All sediment and debris removed from storage area. Contact the County for guidance on sediment removal and disposal.
A			Joints between tank/pipe section	Any crack allowing material to leak into facility.	All joints between tank/pipe sections are sealed.
A			Tank/pipe bent out of shape	Any part of tank/pipe is noticeably bent out of shape.	Tank/pipe repaired or replaced to design. Contact a professional engineer for evaluation.
M,S	Manhole		Cover not in place	Cover is missing or only partially in place. Any open manhole requires maintenance.	Manhole is closed.
A			Locking mechanism not working	Mechanism cannot be opened by one maintenance person with proper tools. Bolts into frame have less than 1/2-inch of thread (may not apply to self-locking lids).	Mechanism opens with proper tools.
A			Cover difficult to remove	One maintenance person cannot remove lid after applying 80 pounds of lift. Intent is to keep cover from sealing off access to maintenance.	Cover can be removed and reinstalled by one maintenance person.
A			Ladder rungs unsafe	Maintenance person judges that ladder is unsafe due to missing rungs, misalignment, rust, or cracks. Ladder must be fixed or secured immediately.	Ladder meets design standards and allows maintenance persons safe access.



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Maintenance Checklist for Control Structure/Flow Restrictor
(Structure that controls rate at which water exits facility)

Frequency	Drainage Systems Feature	✓	Problem	Conditions To Check For	Conditions That Should Exist
M	Structure		Trash & debris (includes sediment)	Distance between debris buildup and bottom of orifice plate is less than 1-1/2 feet.	All trash and debris removed.
A			Structural damage	Structures are not securely attached to manhole wall and outlet pipe structure should support at least 1,000 pounds of up or down pressure.	Structure securely attached to wall and outlet pipe.
A				Structure is not in upright position (allow up to 10% from plumb).	Structure in correct position.
A				Connections to outlet pipe are not watertight and show signs of rust.	Connections to outlet pipe are watertight; structure repaired or replaced and works as designed.
M				Any holes—other than designed holes—in the structure.	Structure has no holes other than designed holes.
M,S	Cleanout gate		Damaged or missing	Cleanout gate is not watertight or is missing.	Gate is watertight and works as designed.
A				Gate cannot be moved up and down by one maintenance person.	Gate moves up and down easily and is watertight.
M,S				Chain leading to gate is missing or damaged.	Chain is in place and works as designed.
A				Gate is rusted over 50% of its surface area.	Gate is repaired or replaced to meet design standards.
M,S			Obstructions	Any trash, debris, sediment, or vegetation blocking the plate.	Plate is free of all obstructions and works as designed.
M,S	Overflow pipe		Obstructions	Any trash or debris blocking (or having the potential of blocking) the overflow pipe.	Pipe is free of all obstructions and works as designed.



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Maintenance Checklist for Catch Basins and Inlets

Frequency	Drainage System Feature	✓	Problem	Conditions To Check For	Conditions That Should Exist
M,S	General		Trash, debris, and sediment in or on basin	Trash or debris in front of the catch basin opening is blocking capacity by more than 10%	No trash or debris located immediately in front of catch basin opening. Grate is kept clean and allows water to enter.
M				Sediment or debris (in the basin) that exceeds 1/3 the depth from the bottom of basin to invert of the lowest pipe into or out of the basin.	No sediment or debris in the catch basin. Catch basin is dug out and clean.
M,S				Trash or debris in any inlet or pipe blocking more than 1/3 of its height.	Inlet and outlet pipes free of trash or debris.
M			Structural damage to frame and/or top slab	Corner of frame extends more than 3/4 inch past curb face into the street (if applicable).	Frame is even with curb.
M				Top slab has holes larger than 2 square inches or cracks wider than 1/4 inch (intent is to make sure all material is running into the basin).	Top slab is free of holes and cracks.
M				Frame not sitting flush on top slab, i.e., separation of more than 3/4 inch of the frame from the top slab.	Frame is sitting flush on top slab.
A			Cracks in basin walls/bottom	Cracks wider than 1/2 inch and longer than 3 feet, any evidence of soil particles entering catch basin through cracks, or maintenance person judges that structure is unsound.	Basin replaced or repaired to design standards. Contact a professional engineer for evaluation.
A				Cracks wider than 1/2 inch and longer than 1 foot at the joint of any inlet/outlet pipe or any evidence of soil particles entering catch basin through cracks.	No cracks more than 1/4 inch wide at the joint of inlet/outlet pipe. Contact a professional engineer for evaluation.
A			Settlement/ misalignment	Basin has settled more than 1 inch or has rotated more than 2 inches out of alignment.	Basin replaced or repaired to design standards. Contact a professional engineer for evaluation.
M,S			Fire hazard or other pollution	Presence of chemicals such as natural gas, oil, and gasoline. Obnoxious color, odor, or sludge noted.	No color, odor, or sludge. Basin is dug out and clean.
M,S			Outlet pipe is clogged with vegetation	Vegetation or roots growing in inlet/outlet pipe joints that is more than six inches tall and less than six inches apart.	No vegetation or root growth present



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Maintenance Checklist for Conveyance Systems (Pipes, Ditches, and Swales)

Frequency	Drainage System Feature	✓	Problem	Conditions to Check For	Conditions That Should Exist
M,S	Pipes		Sediment & debris	Accumulated sediment that exceeds 20% of the diameter of the pipe.	Pipe cleaned of all sediment and debris.
M			Vegetation	Vegetation that reduces free movement of water through pipes.	All vegetation removed so water flows freely through pipes.
A			Damaged (rusted, bent, or crushed)	Protective coating is damaged; rust is causing more than 50% deterioration to any part of pipe.	Pipe repaired or replaced.
M				Any dent that significantly impedes flow (i.e., decreases the cross section area of pipe by more than 20%).	Pipe repaired or replaced.
M				Pipe has major cracks or tears allowing groundwater leakage.	Pipe repaired or replaced.
M,S	Open ditches		Trash & debris	Dumping of yard wastes such as grass clippings and branches into basin. Unsightly accumulation of nondegradable materials such as glass, plastic, metal, foam, and coated paper.	Remove trash and debris and dispose as prescribed by the County.
M			Sediment buildup	Accumulated sediment that exceeds 20% of the design depth.	Ditch cleaned of all sediment and debris so that it matches design.
A			Vegetation	Vegetation (e.g., weedy shrubs or saplings) that reduces free movements of water through ditches.	Water flows freely through ditches. Grassy vegetation should be left alone.
M			Erosion damage to slopes	See Ponds Checklist.	See Ponds Checklist.
A			Rock lining out of place or missing (if applicable)	Maintenance person can see native soil beneath the rock lining.	Replace rocks to design standard.
Varies	Catch basins			See Catch Basins Checklist.	See Catch Basins Checklist.
M,S	Swales		Trash & debris	See above for Ditches.	See above for Ditches.
M			Sediment buildup	See above for Ditches.	Vegetation may need to be replanted after cleaning.



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Frequency	Drainage System Feature	✓	Problem	Conditions to Check For	Conditions That Should Exist
M			Vegetation not growing or overgrown	Grass cover is sparse and seedy or areas are overgrown with woody vegetation.	Aerate soils and reseed and mulch bare areas. Maintain grass height at a minimum of 6 inches for best stormwater treatment. Remove woody growth, recontour, and reseed as necessary.
M,S			Erosion damage to slopes	See Ponds Checklist.	See Ponds Checklist.
M			Conversion by homeowner to incompatible use	Swale has been filed in or blocked by shed, woodpile, shrubbery, etc.	If possible, speak with homeowner and request that swale area be restored. Contact the County to report problem if not rectified voluntarily.
A			Swale does not drain	Water stands in swale or flow velocity is very slow. Stagnation occurs.	A survey may be needed to check grades. Grades need to be in 1-5% range if possible. If grade is less than 1% underdrains may need to be installed.

