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Document Title:

*Declaration of Kendall Place
Condominium.*

Reference Number (if applicable):

Grantor(s):

additional grantor names on page ____.

- 1) *Rick Hanson*
- 2) _____

Grantee(s):

additional grantor names on page ____.

- 1) *Public*
- 2) _____

Abbreviated Legal Description:

full legal on page(s) ____.

*Ptn Tract 4, Sedro Acreage, Vol. 3
P. 35*

Assessor Parcel /Tax ID Number:

additional parcel numbers on page ____.

76931

UNOFFICIAL DOCUMENT

DECLARATION OF KENDALL PLACE CONDOMINIUM

Grantor(s): Hanson, Rick A.

Grantee(s): Public

Abbrev. Legal Description: Ptn Tract 4, SEDRO ACREAGE, Vol. 3 , p.35

Account No: 76931

THIS DECLARATION, pursuant to the provisions of the Washington Condominium Act, is made and executed this 22 day of January, 2007, by Rick A. Hanson ("Declarant"), and amended at various times, is hereby amended this 24 day of March, 2016 to read as follows:

RECITALS

- A. Declarant is the original Owner of all Units and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Units are recorded.
- B. Declarant proposes to create a condominium to be known as The "KENDALL PLACE CONDOMINIUM", which is located in Skagit County, Washington. The purpose of this Declaration is to submit the "KENDALL PLACE CONDOMINIUM" to the condominium form of ownership and use in the manner provided by the Washington Condominium Act.
- C. NOW, THEREFORE, Declarant does hereby declare and provide as follows:

ARTICLE 1

DEFINITIONS

When used in this Declaration the following terms shall have the following meanings:

- 1.1 "Association" means the association of Unit Owners established pursuant to article 14 below.
- 1.2 "Board of Directors" means the Board of Directors of Association.

1.3 "Bylaws" means the Bylaws of the Association of Unit Owners of "KENDALL PLACE CONDOMINIUM" adopted pursuant to Article 14.4 below as the same may be amended from time to time.

1.4 "Common Elements" shall include the Common Facilities, and shall mean those portions of the Condominium Property (including the land described in Exhibit A as Phase I and improvements thereto) as provided in Article 5 and as limited by Article 6.

1.5 "Condominium" means all of that property submitted to the condominium form of ownership by this Declaration plus any additional property that may be annexed to the project pursuant to Article 16 below.

1.6 "Declarant" means RICK A. HANSON and his successors and assigns.

1.7 "Eligible Mortgage Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 13.1 below.

1.8 "Eligible Mortgage Holder" means a holder of a first Mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 13.1 below.

1.9 "Limited Common Elements" shall include Limited Common Facilities, and shall mean those portions of the Common Elements as provided in Article 6.

1.10 "Mortgage" and "Mortgagee" means, respectively, a recorded mortgage, deed of trust or contract of sale which creates a lien against a Unit, and the holder, beneficiary or vendor of such a mortgage, deed of trust or contract of sale.

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

1.12 "Survey Map and Plans" means the survey map and plans of "KENDALL PLACE CONDOMINIUM", recorded simultaneously with the recording of this Declaration, bearing recording number 200701240072.

1.13 "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.204(1).

1.14 'Unit Number' means a symbol, number or address that identified only

1.15. "Special Declarant Rights" means any right, if expressly reserved by the Declarant in this Declaration to: (a) add real property or improvements to the Condominium; (b) create Unit Buildings, Units, Common Elements, or Limited Common Elements within real property included or added to the Condominium; (c) subdivide Units or convert Units into Common Elements; or (d) withdraw real property from the Condominium.

116. "Percentage of Owners or Mortgagees" For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power for, approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgages on, more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

1.17. Incorporation by Reference. Except as otherwise provided in this Declaration, each of the terms defined in RCW 64.34.020, a part of the Washington Condominium Act, shall have the meanings set forth in such section.

ARTICLE 2

SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

The property submitted to the Washington Condominium Act by this Declaration is held by Declarant and conveyed by Declarant in fee simple estate. The land submitted is located in Skagit County, Washington, and is more particularly described in the attached Exhibit A. The property submitted includes the land so described, all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent Owners of the Property, administrators, devisees, or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

ARTICLE 3

NAME OF CONDOMINIUM

The name by which the Condominium shall be known is "KENDALL PLACE CONDOMINIUM ASSOCIATION".

ARTICLE 4

UNITS

4.1 General Description, Location and Designation of Units. The dimensions, designation and location of each Unit are shown in the survey Map and Plans, which is made a part of this declaration as if fully set forth herein. The approximate area of each Unit is shown on the Attached exhibits A-1 and A-2. Exhibits A-1 and A-2 contain the identifying number, level of levels on which each unit is located, number of parking spaces and whether covered, uncovered, or enclosed, if any, as the same apply to each Unit. Unit shall include garages or parking areas as shown on survey map and plans. The survey maps and plans as set forth herein may vary at the discretion of the Declarant from the original plans approved by the local building department, viewed by the general public, or potential unit owners. The local building department and building officials' interpretation of the codes of construction during the period of their on-site approvals or plan reviews shall be the sole determining agency to determine the viability of construction and/or construction standards as they relate to this development.

4.2 Boundaries of Units. Units shall consist of an envelope of space, the perimeter boundaries of which can be determined by the survey map and plans on 3 sides, and the shared wall on the 4th. Boundaries extend above and below the ground elevation for each. A unit shall include all structures, improvements, and fixtures now or hereafter located within said space.

4.3 Monuments as boundaries. The physical boundaries of a unit constructed in substantial accordance with the Survey Map and Plans become its boundaries rather than the metes and bounds expressed in the Survey Map and Plans, regardless of settling or lateral movement of the building or minor variance between boundaries shown on the Survey Map and plans and those of the building.

ARTICLE 5

COMMON ELEMENTS

Condo Homeowners association will provide insurance for normal perils of insurance due to direct physical loss or sudden and accidental occurrences, however it does NOT cover damage for misuse of the units and owners will need to get their own H06 policy (condo owner policy) to include liability. It is advised that tenants will have their own rental policy, as neither policy is likely to cover this. Regular maintenance required to maintain the insurance policy, such as gutters and moss control may be done by the association at their discretion. If repairs are required for retention of insurance policy, and the owner is unwilling to perform the needed work (such as to gutters, roof, paint), the association may, at its discretion, have the work contracted, and place a lien on the property for this work, and the costs associated with the recovery of these costs from the condo owner.

If there is damage which is an "Act of God" then the association will pay the deductible (shared between the owners), however if the damage is deemed to be related to owner or tenant responsibility, then the deductible will be the responsibility of the owner.

The common elements consist of everything except the units.

5.1 Except as otherwise specifically reserved, assigned or limited by the provisions of Article 6 hereof, the Common Elements and Facilities consist of the following:

5.1.1 The land described in Exhibit "A"

5.1.2 Deleted

5.1.3 Installation of central services such as power, lights, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; pipes, conduits and wires, located outside of the unit boundaries.

5.1.4 The driving areas (not assigned as Limited Common Elements in Article 7) which provide access to the Limited Common Elements for parking, and any guest parking or other parking areas not assigned to Units.

5.1.5 The landscaped areas and walkways (not assigned as Limited Common Elements in Article 7) which surround and provide access to the Buildings or are used for aesthetic purposes.

5.1.6 All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

ARTICLE 6

LIMITED COMMON ELEMENTS

Limited common elements are allocated for the exclusive use of the owner or owners of the unit or units to which they are allocated.

6.1 DELETED

6.2 DELETED.

6.3 All spaces located within the confines of the foundation walls under all Units have restricted use. Use of this space for storage or any other purpose other than maintenance of the building and/or existing mechanical devices is not allowed by local municipal code, and is expressly prohibited.

6.4 DELETED

ARTICLE 7

ALLOCATION OF UNDIVIDED INTEREST IN COMMON ELEMENTS

Each Unit will be entitled to an undivided equal ownership interest in the common elements, being a one-eighth (12.5%) interest each. The allocation is based upon the Declarants Opinion of the relative fair market values of the units as of the date hereof.

ARTICLE 8

COMMON PROFITS AND EXPENSES; VOTING

8.1 Allocation of Common Profits and Expenses. The common profits and common expenses of the Condominium shall be allocated to the Owner of each Unit according to the allocation of undivided interest of such Unit in the common elements.

Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the common elements or for other expenses or reserves of the Association.

8.2 Commencement of Assessments. The Declarant in the exercise of its reasonable discretion shall determine when the Association shall commence making Assessments; provided, that in all events Assessments shall commence on a date within sixty (60) days after the earlier of: (a) the date eighteen (18) months after the date of first conveyance of a Unit to an Owner (other than Declarant or an Affiliate of Declarant); or

(b) the date on which seventy-five percent (75%) of the Units have been conveyed to Owners (other than Declarant or an Affiliate of Declarant). Until the Association makes an Assessment, the Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Units, based on a budget adopted by the Association.

8.3 Allocation of Voting Rights. Each Unit Owner shall be entitled to one vote in the affairs of the Association and for the purposes of this Declaration for each Unit owned by him. The method of voting shall be as specified in the Bylaws.

ARTICLE 9

SPECIAL DECLARANT RIGHTS

9.1 Deleted

9.2 Deleted

9.3 It is understood that Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges, and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges and authority are in addition to those arising from Declarant's ownership of one or more Units and include Development Rights and Special Declarant Rights).

9.4 Intention: DELETED 7/19/2007.

ARTICLE 10

USE OF PROPERTY

The Building(s), and dwelling Units contained therein, shall be used for residential purposes only, on an ownership, rental or lease basis; and for the common social, recreational and other reasonable uses normally incident to such purposes, and also for such additional uses or purposes as are from time to time determined to be appropriate by the Board. The Building(s) and the Units contained therein may be used for the purposes of Operating the Association, the Sub-Associations, and for the management of the Condominium, if required.

10.1 Timesharing. Timesharing, as defined in RCW 64.36.010(11), shall not be permitted for any residential Unit in the Condominium.

10.2 Age of Occupants. DELETED

10.2.1 Age Requirements and Restrictions. DELETED 7/19/2007

10.3 Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each Unit Owner shall be bound by each of such documents.

ARTICLE 11

MAINTENANCE OF COMMON ELEMENTS AND UTILITIES

11.1 Responsibility for Maintenance. The necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws.

11.2 Mortgagee's Rights upon Failure to Maintain. If the Mortgagee of any Unit determines that the Board of Directors is not providing an adequate maintenance, repair and replacement program for the common elements, such Mortgagee, at its option, may give a notice to the Board of Directors by delivering same to the registered agent, setting forth the particular defect which it believes exists in the

maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.

11.3 The Condominium consists of four duplex units (Units 1&2, 3&4, 4&6, 7&8).

Billing for water service (Skagit county PUD #1) shall be made directly to the Homeowners Association. The Association shall pay the PUD bill and bill each owner for one-eighth of the water bill.

All other utilities, including sewer and garbage, are separately billed to the units and each unit shall be responsible for the expenses of the utilities provided to the unit.

Nonpayment of water bills or any other billing for common services may be enforced as a special assessment against the Unit not paying with full powers to enforce collection through lien and/or lawsuit and with all powers otherwise set forth in the Declaration pertaining to enforcement of payment of special assessments. The Board also reserves the power to elect that costs of utilities must be assessed in proportion to usage.

ARTICLE 12

EASEMENTS

12.1 In General. Each Unit has an easement in and through each other Unit and the common elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each Unit and all the common elements are specifically subject to easements as required for the electrical wiring and plumbing for each Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law.

12.2 Encroachments. Except as provided in Article 4.3, each Unit and all common elements shall have an easement over all adjoining Units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment. This provision does not relieve a Unit owner of liability in the case of willful misconduct of the Unit Owner, or relieve Declarant or any contractor, subcontractor or materialman from any liability as a results of failure to adhere to the Survey Map and Plans. The encroachments described in this Article 12.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

12.3 Granting of Easements by Association. The Association, upon prior approval of seventy-five (75) percent of the voting power of the Unit Owners, may execute, acknowledge, deliver and record on behalf of the Unit Owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the common elements and consent to vacation of roadways within and adjacent to the Condominium. Any such instrument shall be executed by the chairperson and secretary of the Association. No such interest may be granted with regard to a limited common element unless the Owners and Mortgagees of the Units having the right to use such limited common element join in the instrument granting the interest

12.4 Right of Entry. The Board of Directors of the Association, managing agent, manager or any other person authorized by the Board of Directors shall have the right to enter any Unit in the case of an emergency originating in or threatening such Unit or other condominium property, whether or not the Owner is present at the time. Such persons shall also have the right to enter any Unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the Unit Owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner.

ARTICLE 13

APPROVAL BY MORTGAGEES

13.1 Notice of Action. Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor and the Unit Number of the Unit on which it has (or insures or guarantees) the Mortgage, any such Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor shall be entitled to timely written notice of the following:

- (a) Any condemnation or casualty loss which affects a material portion of the Condominium or affects the Unit securing its Mortgage.
- (b) Any 60-day delinquency in the payment of assessments or charges owed by an Owner of any Unit on which it holds the Mortgage.
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require consent of a specified percentage of Eligible Mortgage Holders as required by this Article.

13.2 Termination and Amendment to Documents.

13.2.1 The approval of Eligible Mortgage Holders holding Mortgages on Units which have at least eighty percent (80%) of the voting rights of Units subject to Eligible Mortgage Holder Mortgages shall be required to terminate the legal status of the project as a condominium for reasons other than substantial destruction or condemnation of the property.

13.2.2 Except when a greater percent is required by the Declaration, Bylaws or the Washington Condominium Act, the consent of the Owners of Units holding at least sixty-seven percent (67%) of the voting rights and the approval of Eligible Mortgage Holders holding Mortgages on Units which have at least sixty-seven percent (67%) of the voting rights of the Units subject to Eligible Mortgage Holder Mortgages shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws which changes any of the following shall constitute a material change:

- (a) Voting rights;**
- (b) Assessments, assessment liens or subordination of such liens;**
- (c) Reserves for maintenance, repair and replacement of the common elements;**
- (d) Responsibility for maintenance and repairs;**
- (e) Reallocation of interests in the general or limited common elements, or rights to their use, except as otherwise provided in Article 6.3;**
- (f) The boundaries of any Unit;**
- (g) Conversion of Units into common elements or of common elements into Units;**
- (h) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 16;**
- (i) Insurance or fidelity bonds**
- (j) The leasing of Units;**
- (k) Imposition of any restriction on the right of a Unit Owner to sell or transfer his or her Unit;**
- (l) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an Eligible Mortgage Holder;**
- (m) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;**
- (n) Any provisions that expressly benefit Mortgage Holders, insurers or guarantors.**

13.2.3 An addition or amendment to the Declaration of Bylaws shall not be considered material for purposes of Article 13.2.2 if it is for the purpose of correcting technical errors, or for clarification only. Any eligible Mortgage Holder who received a written request to approve additions or amendments and who does not deliver or post to the requesting party a negative response within 30 days shall, after it received proper notice of the proposal and provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

13.3 Additional Approvals. In addition to any other approvals required by the Washington Condominium Act, this Declaration or the Bylaws, the prior written approval of eighty percent (80%) of the holders of first Mortgages on Units in the Condominium (based upon one vote for each first Mortgage owned) and of the Unit Owners (other than Declarant) must be obtained for the following:

13.3.1 Abandonment or termination of the Condominium regime.

13.3.2 Except as provided in Article 15.4, any change in the pro rata interest or obligations of any individual Unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the pro rata share of ownership of each Unit in the common elements.

13.3.3 The partition or subdivision of any Unit.

13.3.4 Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Association pursuant to Article 12.3 shall not be deemed a transfer within the meaning of this clause.

13.3.5 Use of hazard insurance proceeds for losses to any condominium property, whether to Units or to common elements, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or common elements of the condominium project.

13.4 Notice to First Mortgagees of Defaults. Any Eligible Mortgage Holder, upon request, will be entitled to written notification from the Association of any default in the performance by the Owner of the Mortgaged Unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within 60 days.

ARTICLE 14

ASSOCIATION OF UNIT OWNERS

14.1 Organization. Upon the recording of this Declaration an association of Unit Owners shall be organized to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium. The name of this Association shall be "KENDALL PLACE CONDOMINIUM HOMEOWNERS' ASSOCIATION", and the Association shall be a Washington nonprofit corporation.

14.2 Membership; Board of Directors. Each Unit Owner shall be a member of the Association. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.

14.3 Powers and Duties. The Association shall have such powers and duties as may be granted to it by the Washington Condominium Act, including each of the powers set forth in RCW 64.34.304, together with such additional powers and duties afforded it by this Declaration or the Bylaws, and all of the powers and duties reasonably necessary to Operate the condominium as set forth in the Declaration and as it may be amended from time to time, including but not limited to the following:

- a) to make and collect assessments against members to defray costs, expenses and losses of the condominium; and to place liens as needed for non payment of assessments
- b) to use the proceeds of assessments in the exercised of its powers and duties;
- c) to maintain, repair, replace and operate the condominium property, particularly the common areas and facilities which includes the exterior surfaces of the buildings;
- d) to purchase insurance upon the condominium property and insurance for the protection of the association and its members;
- e) to reconstruct improvements after casualty and to further improve the property;
- f) to enforce by legal means the provisions of Condominium Act, the Declaration, these Articles, the Bylaws of the association, and the regulations for the use of the condominium property;
- g) to contract for the management of the condominium and to delegate to such contractor all powers and duties of the association except such as are specifically required by the Declaration to have approval of the Board of Trustees or the membership of the association
- h) to contract for the management or operation of portions of the common elements susceptible to separate management or operation, and to lease such portions;
- i) to employ personnel to perform the services required for proper operation of the condominium.
- j) In addition to the regular assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the

Common Area, at the discretion of the board, provided that any such assessment shall have the unanimous consent of the board.

14.4 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 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 entity.

14.5 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 actions 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.

14.6 Adoption of Bylaws, Declarant Control of Association. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association. At the same time, Declarant will appoint an interim Board of Directors of the Association, which directors shall serve until their successors have been elected as provided in the Bylaws of the Association.

ARTICLE 15

RESTRICTIVE COVENANTS

15.1 Covenant Running with the Land. These Covenants shall be deemed to be covenants running with the land.

15.2 Binding Effect. These Covenants shall apply to, inure to the benefit of, and be binding upon, the developer and its heirs, legal representatives, successors, and permitted assigns, except as otherwise expressly provided herein.

15.3 Captions. The captions inserted in this Declaration are for convenience only. They in no way define, limit or otherwise describe the scope or intent of these Covenants, and shall not be used to interpret or construe these Covenants.

15.4 Governing Law. These Covenants shall be governed by the laws of the State of Washington.

15.5 Venue. If an action must be brought to enforce the terms of these Covenants, such action shall be brought in Superior Court in Skagit County, Washington.

15.6 Each provision herein shall be treated as a separate and independent clause and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein.

15.7 If by reason of any breach or default of one or more of these Restrictive Covenants it becomes necessary for a party hereto to employ an attorney, then the non-breaching party shall have and recover against the other party in addition to costs allowed by law, reasonable attorneys' fees and litigation-related expenses, including the cost of expert witnesses. The non-breaching party shall be entitled to recover reasonable attorneys' fees and costs and expenses, as provided above, regardless of whether litigation is actually commenced.

Article 16

Use Restrictions

Section 16.1 - RESIDENTIAL CHARACTER OF PROPERTY AND TYPE OF CONSTRUCTION.

No lot shall be used except for residential purposes

Section 16.2 - EXTERIOR MATERIALS.

Replacement roofing and siding material shall be the same, as far as possible, in color and style as the original roofing and siding Materials on residences within the development. Utilization of different exterior materials including, Without limitation, roofing materials, building siding materials and fencing must be approved by the board before installation.

Section 16.3 - VEHICLES IN DISREPAIR. No goods, equipment or vehicle (including buses or trailers of any description) shall be in a state of repair outside any building or residential lot. All vehicles must be operational, licensed, without broken windows and with inflated tires at a minimum. In addition, no owner shall permit any vehicle that is in a state of disrepair to remain parked outside of an enclosed garage upon any lot or upon the street for a period in excess of forty-eight (48) hours. A vehicle will be deemed in a state of disrepair when it has not been moved for a period of forty-eight (48) hours and is not operable in its then present condition.

Section 16.4 - BUSINESS AND COMMERCIAL USE. No visible or audible trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot nor shall any good construction equipment, materials or supplies used in connection with any trade, service or business be placed outside on any lot at any time excepting the right of any home builder and the Declarant to construct residences on any lot at any time and to store construction equipment on said lots in the normal course of construction.

Home occupation use of residences may be allowed if municipal regulation permit such use provided, however, the home occupation use shall in no way affect the appearance of the residential structure and/or garage shall be fully enclosed without outside storage and shall not create noise, vibration, smoke, dust, odors, heat, light, or glare beyond which is acceptable in a residential area.

Section 16.5 - OFFENSIVE ACTIVITIES. No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Further, no lot shall be used in a fashion, which unreasonable interferes with the other lot owners' right to the use and enjoyment of their respective properties. All Owners are responsible at all times for the conduct of their guests.

Section 16.6 - RUBBISH AND TRASH. No lot, common area, or adjoining property within or adjacent to the Plat shall be used or maintained as a dumping ground for rubbish, debris, salvage, garbage, trash, equipment, cars, vehicles or other waste, such as rocks, roots, dead grass and other materials accumulated as a result of landscaping. The proper removal and disposal of all such materials shall be the sole responsibility of individual lot owners.

Section 16.7 - SIGNAGE. No Sign of any kind shall be displayed to the public view on any lot except one professional Sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent.

Section 16.8- MAINTENANCE OF STRUCTURES AND GROUNDS. Each owner shall maintain his lot and residence thereon in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard.

Article 17

Lien and Collection of Assessments

Section 17.1 - ASSESSMENTS ARE A LIEN, PRIORITY. The board may adopt Collection Policies and Rules for assessments, and amend them from time to time. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any Lot, any sums specially assessed to any Lot under the authority of this Declaration or the Bylaws and any charge or expense otherwise imposed pursuant to this Declaration shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments or sums shall be subordinate to tax liens on the Lot in favor of any assessing or special district, and to all sums unpaid on all First Mortgages of record, but, to the extent permitted by applicable law shall have priority over all other liens against the Lot. A First Mortgage that obtains possession through a Mortgage foreclosure or deed of trust sale, or a purchaser at a foreclosure sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Owners, including the Mortgagee or foreclosure sale

purchaser and their successors and assigns, in proportion to the number of Lots owned by each of them. Notwithstanding any of the foregoing, however, the previous Owner or real-estate contract purchaser shall continue to be personally liable for past due assessments. For purposes of this Section, "Mortgage" does not include a real estate "contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor of a real estate contract.

Section 17.2 - LIEN MAY BE FORECLOSED. The lien for delinquent assessments may be foreclosed by suit by the board in like manner as the foreclosure of a mortgage of real property. The Board, acting on behalf of the Association shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, encumber, and convey the same.

Section 17.3 - ASSESSMENTS ARE PERSONAL OBLIGATIONS. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot, together with interest, late charges, costs and attorney fees in the event of delinquency, shall be the joint and several personal obligations of the Owner and any contract purchaser of the Lot when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 17.4 - LATE CHARGES AND INTEREST ON DELINQUENT ASSESSMENTS.

The Board may from time to time establish late charges and a rate of interest to be charged assessments that may thereafter become delinquent. In the absence of another established nonusurious rate, delinquent assessments shall bear interest at the rate of 12% per annum from the due date. If an annual assessment against a Lot is not paid when due, the managing agent or the Board may elect to declare all assessments against the Lot to be immediately due and payable.

Section 17.5 - RECOVERY OF ATTORNEY'S FEES AND COSTS. In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorney's fees and all costs and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

Section 17.6 - REMEDIES CUMULATIVE. The remedies provided herein are cumulative and the Board may pursue then, and any other remedies that may be available under the law although not expressed herein, either concurrently or in any order.

Section 17.7 - NO AVOIDANCE OF ASSESSMENTS. No Owner may avoid or escape liability for assessments provided for herein by abandoning his Lot.

Section 17.8 – Penalties. Penalties imposed by the rules and regulations adapted pursuant to Article VI, 6.1, shall become liens on lots in the same manner as dues, and shall be enforced in the same manner as assessments as provided in this article.

**ARTICLE 17
AMENDMENT**

16.1 How Proposed. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by Unit Owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent of the amendment.

16.2 Approval Required. Except as may otherwise be provided in this Declaration or by the Washington Condominium Act, this Declaration may be amended if such amendment is approved by Unit Owners holding sixty-seven percent (67%) of the voting rights of the Condominium and by Mortgagees to the extent required by Article 13. Declarant's prior written consent shall also be required until so long as Declarant owns twenty-five percent (25%) or more of the Units, but no such consent shall be required after seven years (7) from the date of conveyance of the first Unit to a person other than Declarant. Except as provided in Articles 9 and 15, no amendment may change the size, location, allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any Unit unless such amendment has been approved by the owners and Mortgagees of the affected Unit.

16.3 Recordation. The amendment shall be effective upon recordation in the Records of Skagit County, Washington, certified to by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Washington Condominium Act.

**ARTICLE 18
SEVERABILITY**

Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

**ARTICLE 19
CERTIFICATE OF COMPLETION**

18.1 Dedication. The undersigned owner of the real property described herein, hereby dedicate the Survey Map and Plans for a condominium solely to meet the requirements of the Washington Condominium Act. RCW 64.34, et seq., and not for any public purpose.

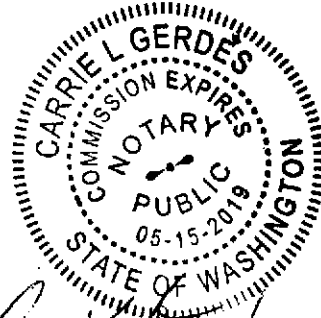
18.2 Completion. The undersigned further certifies that all structural components and mechanical systems of all buildings containing or comprising any Units hereby created are substantially completed.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed
this 19 day of April 2016

 Rick Hanson

STATE OF WASHINGTON

COUNTY OF SKAGIT



I CERTIFY THAT I know or have satisfactory evidence that Rick A. Hanson, 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 mentioned in this instrument

DATED this 19 day of April, 2016

EXHIBIT A

The West 132 Feet of Tract 4, SEDRO ACREAGE, according to the plat thereof recorded in Volume 3 of Plats, page 35, records of Skagit County, Washington,

EXCEPT the West 1 foot thereof,

AND EXCEPT the North 5 feet thereof, as conveyed to Skagit County for road purposes by deed recorded under Auditor's File No. 775532, records of Skagit County, Washington.

Situate in Skagit County, Washington