

SUNSET COVE DEVELOPMENT

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SUNSET COVE ESTATES- Lots 1-18

ANACORTES, WASHINGTON

October 24, 2000

THIS DECLARATION ("Declaration") is made on the date hereinafter set forth, by the undersigned as "Declarants":

RECITALS

WHEREAS Declarants are the owners of certain real properties in the City of Anacortes, Washington, as described in attached Exhibit A, hereafter referred to as "the Property"; and

WHEREAS, Declarants desire to protect the value and desirability of the Property by subjecting the real properties described in attached Exhibit A, hereinafter referred to as "the Subject Property" to easements, covenants, conditions and restrictions, hereafter referred to as "CC&R's; and

WHEREAS, Declarants desire to allocate the right and expense attendant to enforce the CC&R's on the Subject Property amongst all the Owners of the Property by creation of a governing body empowered to, amongst other things, make assessments.

NOW, THEREFORE, Declarants hereby declare that all of the Property and such properties as are annexed and/or make subject hereto by Declarants shall be held, sold, and conveyed subject to the CC&R's and other provisions hereinafter set forth. These CC&R's and other provisions are intended to protect the value and desirability of the Property, and such properties as are annexed and/or made subject hereto by Declarants. They shall run with the aforementioned Property and shall be binding on all parties having or acquiring any right, title, or interest in said Property or any part thereof, as well as their heirs, successors, and assigns. They shall inure to the benefit of each present or future owner of the aforementioned real properties:

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I. DEFINITIONS

1.1 "Association" shall mean and refer to the SUNSET COVE DEVELOPMENT HOMEOWNERS ASSOCIATION, which is comprised of the owners of the Parcels created within the Property, each of which is designated for a residential living unit, their successors and assigns.

1.2 "Board" shall mean the governing body of the Association as set forth in its Articles of Incorporation.

1.3 "Common Area" shall mean (i) any open spaces, greenbelts, landscaped entrances, planter islands, common parking areas, gazabo, bridge, beach area, trails, signs, and all other areas which are designated as common areas within the Subject Property; (ii) land which the Declarants shall grant or convey to the Association for use and maintenance

as a "Common Area;" and (iii) any other property which is obtained by the Association for the purposes provided in these CC&R's. Common Area shall include improvements such as fences, utility equipment, or other improvements upon areas held by the Association for common use by Members. Common Area does not include real properties dedicated to City of Anacortes as open space, greenbelts, landscaped entrances, planter islands or common parking areas.

1.4 "Declarants" shall mean and refer to all of the owners of the real properties described in Exhibit "A", and their successors and assigns designated by Declarants.

1.5 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions applicable to the Property, as recorded in the Office of the County Auditor of Skagit County, Washington, and all subsequent amendments thereto.

1.6 "Designated Representative" or "Representative" shall mean the single representative of each sub-association, corporation, partnership, or other joint or common Owner. Each Representative shall be the Owner or an employee of, or agent retained by, an Owner.

1.7 "Development Period" means the period of time from the recording of this Declaration until all of the land within the Subject Property has been sold by the Declarants, or January 1, 2015, whichever comes first.

1.8 "Lender" shall mean all mortgages, beneficiaries under a deed of trust, or lender under a real estate contract, secured by an interest in any Lot, and their successors and assigns for security purposes.

1.9 "Lot" or "Parcel" shall mean and refer to each platted area shown on the recorded map(s) of the Property designated for a residential living unit. Each separate plotted lot counts as one lot, even if it is combined with others under one ownership. Roadways, Common Areas, and lots zoned for other purposes are not considered Lots under this Declaration.

1.10 "Map" shall mean a recorded plot map of any portion of the Property, and any project map given to a purchaser of a Lot within the Property by a Declarant.

1.11 "Member" or "Membership" shall mean and refer to those persons entitled to membership in the Association as provided in Section II herein.

1.12 "Owner" shall mean and refer to record holders of fee interest and contract purchasers who are in possession of a Lot. Declarants shall be considered the Owners of all Lots which they have not yet sold, or which they reacquire.

1.13 "Subject Property" shall mean the property described in Exhibit A, and refer to certain real property abutting Sunset Cove Estates and as may hereafter be subjected to and brought within the jurisdiction and controls of the Association and this Declaration as provided herein.

II. THE ASSOCIATION, MEMBERSHIP, AND VOTING RIGHTS THEREIN

2.1 Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. All owners of each Lot, shall be entitled to one vote for each Lot owned. Declarants shall be entitled to four votes for each Lot owned. The Association shall be administered in accordance with this Declaration and its by-laws, a copy of which shall be supplied each property Owner.

2.2 Every Owner shall have a right to an easement of enjoyment in the Common Areas of the Subject Property, and such easement shall be appurtenant to and shall pass with the title to each and every Lot. The Common Area of the Subject Property (and improvements thereof) shall remain undivided, and shall at all times be owned by the Sunset Cove Development Home Owners Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Areas. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners of the Property and it is necessary for the protection of said Owners. Such right and easement of enjoyment shall be subject to the following provisions:

2.2.1 The right of the Association to charge reasonable fees for the use of any facility the Association might in the future wish to create.

2.2.2 The right of the Association to make and publish rules and regulations for the use of the Common Area.

2.2.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the members, as hereinafter defined. No such dedication or transfer shall be effective unless accompanied by an instrument signed by members representing a sixty-seven percent (67%) majority of the eligible vote of the Association agreeing to such dedication or transfer.

2.3 Any Owner may delegate, in accordance with the by-laws of the Association, his right of enjoyment of the Common Area to the members of his family, his tenants, or contract purchaser who resides on the property.

2.4 Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association for each platted Lot owned (1) an annual maintenance assessment or charge, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, when properly voted, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot, and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of

any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. The annual assessment shall be due and payable on the first day of January to the Treasurer of the Association, and become delinquent after the thirty-first of January. Each new property owner pays for only that portion of the year remaining Assessments shall be levied against Lots held for sale by the Declarants.

2.5 The purpose of the assessments shall be to pay for any of the following that may be required: maintenance of roads; maintenance and beautification of the Common Areas and subsequent improvements; if any, (even those areas dedicated to the City of Anacortes) insurance; real estate taxes; utility costs, retention ponds, capital improvements and such other charges that are necessary to promote the health, safety and general welfare of all the residents of the Property.

2.6 Written notice of any meeting called by the Declarants or the Board for the purpose of taking any action authorized in this Section U shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. For any such meeting called, the presence of members or proxies entitled to cast fifty-one percent (51%) of the eligible votes shall constitute a quorum. A sixty-seven percent (67%) majority of the vote's cast are required to establish a special assessment and a simple majority of the votes cast are required to establish the maintenance assessment and use fees.

2.7 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's 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 assessment shall be maintainable without foreclosing or waiving the liens securing them.

2.8 Both annual and special assessments must be fixed at a uniform rate for all Lots.

III. ARCHITECTURAL CONTROL COMMITTEE *Note: No city building permit will be issued without written approval of the ACC.*

3.1 Members. There is hereby established a 4-person Architectural Control Committee ("ACC"). Persons serving on the ACC shall be initially selected by Declarants and said persons or their replacement(s) selected by Declarants shall serve until the end of the Development Period, unless such right is earlier relinquished by Declarants by notice in writing mailed to the Association. After the end of the Development Period, or after Declarants have fully relinquished their right to select the ACC, the Association shall select its own ACC in the manner set forth in the Association's documents.

3.2 Sub-Committees. The ACC may appoint any number of sub-committees to carry out its duties; provided such sub-committees shall be advisory only, without authority to bind the ACC.

3.3 Guidelines. By majority vote, the ACC may adopt rules and "Design Guidelines" consistent with this Declaration for carrying out its duties hereunder. Each Owner shall be obligated to be familiar with said rules and Design Guidelines. The ACC may retain architects, landscape architects, engineers, and other agents and employees to assist it in carrying out its activities.

3.4 Review Fee. An architectural review fee shall be paid at the ACC at the time plans and specifications are submitted to it, based upon the following schedule:

3.4.1 When the plans submitted are prepared by a registered architect or a builder previously approved by the ACC, the review fee shall initially be the sum of One Hundred Dollars (\$100); said fee may be changed by the ACC.

3.5 Purpose. The purpose of the ACC shall be to ensure that (i) only high quality improvements are constructed within the Subject Property; (ii) all improvements within the Subject Property comply with the spirit of this Declaration and are in harmony with one another and the surrounding streets and topography; and (iii) that all improvements meet the restrictions and requirements of this Declaration and all ACC rules and Design Guidelines.

3.6 Written. All acts and decisions of the ACC as contemplated herein shall be in writing.

IV. APPROVAL REQUIREMENTS

4.1 Improvements. No improvements of any kind shall be erected, placed, altered, or permitted to remain on any Lot in the Subject Property by any Owner or occupant without approval of final plans and specifications therefore by the ACC; provided, however, that the ACC shall exercise its authority and responsibility under this Section IV in good faith and to the best of its reasonable judgement as to allow the construction of improvements which meet the terms of this Declaration. Such plans and specifications shall be submitted in duplicate, signed by an authorized agent of the Owner submitting them. Such plans and specifications shall contain at a minimum the following information:

4.1.1 A site development plan showing pad location and the nature, shape, composition, and location of all structures with respect to the particular Lot (including proposed front, rear, and side setbacks, the lighting, heat pumps, or similar exterior mechanical components, sports courts, utility sheds, and signs.

4.1.2 Grading and storm drainage plans.

4.1.3 Landscaping plan, Fences. See Fence Detail (Exhibit "A")

4.1.4 Building elevations showing dimensions, materials, and exterior color scheme in no less detail than required for the issuance of a building permit.

4.1.5 Preliminary plans for pad locations and driveways shall be reviewed with the ACC

before the working drawing stage of plan preparation.

4.1.6 Approval of such plans and specifications shall be evidence by written endorsement on such plans and specifications, a copy of which must be received by the Owner or Owners of the Lot upon which the prospective building, road, driveway, or other structure is contemplated prior to the beginning of such construction.

4.1.7 No changes or deviations in or from such plans and specifications as approved shall be made without the prior written consent of the ACC.

4.1.8 The ACC shall not be responsible for any structural defects in such plans or specifications nor in any building or structure erected.

4.1.9 Any of the above documents, which are required to be submitted to the government, shall be first submitted in duplicate to the ACC for its approval. Any changes required by the government are also subject to approval by the ACC.

4.2 Basis for Approval. Approval shall be based, among other things, upon adequacy of site dimensions, underground utilities, conformity, harmony of external design – with neighboring Lots, adequacy and nature of screening of mechanical, or other roof top installations, and conformity of plans and specifications to the purposes and general intent of this Declaration. Plans that provide for pre-engineered metal-clad buildings will not be approved; designs developed by an architect may be approved by the ACC after submission of preliminary plans. Except as otherwise provided herein, the ACC shall have the right to disapprove any plans and specifications for reasons including, but not limited to, the following:

4.2.1 Failure to comply with any of the terms and conditions of this Declaration, of the ACC's rules or Design Guidelines;

4.2.2 Failure to include information as may have been reasonably requested by the ACC;

4.2.3 Objection to the exterior design, appearance of materials, or type of materials utilized in any proposed structure;

4.2.4 Objection due to incompatibility of any proposed structure of use with other existing or proposed structures or uses within the Property;

4.2.5 Objection to the location of any proposed use or structure with reference to other existing or proposed structures or uses within the subject Lot;

4.2.6 Objection to grading, draining, or landscaping plan;

4.2.7 Objection to the color scheme, finish, proportions, style of architecture, height, bulk, or appropriateness of any structure;

4.2.8 Objection to the number or size of parking spaces, or to the design of the parking

area or driveway(s); and

4.2.9 Any other matter which, in the judgment of the ACC would render the proposed improvements or use inharmonious with the intent of this Declaration.

4.4 Conditions to Approval. The ACC may approve plans and specifications as submitted, or as altered or amended, or subject to specific conditions. Upon approval or conditional approval, one copy of plans and specifications, together with any conditions, shall be retained for permanent record with the ACC, and one copy of approved plans and specifications, together with any conditions, shall be returned to the Owner submitting such plans and specifications.

4.5 Variances. The ACC shall also have authority to approve plans and specifications which do not necessarily conform in every respect to these restrictions, in order to overcome practical difficulties or to prevent hardships in the application of these or subsequent restrictive covenants; provided that such variations so approved shall not constitute a general waiver of restrictions generally applicable to that or any other Lot, but instead shall be in furtherance of the purpose and intent of this Declaration.

4.6 Contractors. All contractors building within the Subject Property must first obtain approval from the ACC. First time builders must have a Pre-Bid Conference with the ACC to review plot requirements and these Declarations. Following that initial conference, all contractors shall comply with all ACC and other provisions contained herein.

4.7 Construction without Approval. If any improvements be erected, placed, or maintained upon any Lot in the Subject Property, or any new use commenced upon any Lot in the Subject Property, other than with approval by the ACC or as authorized under the terms of this Declaration, such improvement or use shall be deemed to have been undertaken in violation of this Declaration. Upon written notice from the ACC, any such improvement shall be immediately removed, altered, or cease so as to conform to this Declaration. Should such removal, alteration, or cessation not be accomplished within thirty (30) days after notice, then the party in breach shall be subject to the enforcement procedures set forth in Section VII below.

4.8 Pre-Acquisition. For purposes of this Section IV alone, a party executing a purchase agreement for a Lot in the Subject Property may begin the approval process before closing on the Lot in the Subject Property, and actions taken with respect thereto by the ACC shall be binding in the event such prospective purchaser subsequently acquires that Lot in the Subject Property.

V. BUILDING RESTRICTIONS

5.1 Construction Requirements. Any single-family private dwelling house erected upon any Lot in the Subject Property shall contain at least 2,500 square feet of floor area (excluding garages, covered walks, and open porches), and shall be constructed only with materials, designs, and colors approved by the ACC, and all roofs should be tile or similar materials approved by the ACC. Maximum roof ridge is not to exceed 35 feet

measured parallel to grade. All roofs are to have a 6:12 pitch or greater unless otherwise approved by the ACC. The maximum roof ridge shall not exceed 14' from the highest point of any lot unless approved by the ACC Committee. Lots 1-4 will need special consideration to height limits so as not to block views of condos to the east. ACC to immediately approve design for these lots heights, which could be greater in some cases.

5.1.1 Fences. Fences can only be placed behind the front building line. Chain link fences are not acceptable for dog runs. All fences to be approved by the ACC.

5.1.2 HVAC. No evaporative cooler or heat pump shall be placed, installed, or maintained on the roof or wall of any building or structure on a single-family Lot in the Subject Property, and all such shall be concealed.

5.1.3 Driveways. All driveways shall be surfaced with concrete with a finish approved by the ACC, and shall be completed within the same time frame applicable to building construction; there will be no exceptions unless authorized by the ACC. No carports are permitted.

5.1.4 Garage. Without prior approval of the ACC, no garage or other outbuildings shall be placed, erected, or maintained upon any part of the Subject Property except for use in connection with a residence already constructed or under construction at the time that such garage or other outbuilding is placed or erected. Also see 5.1.

5.1.5 Occupancy. No private dwelling house erected upon any Lot in the Subject Property shall be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed, as required herein. Nor shall any residence, when completed, be in any manner occupied until made to comply with the approved plans, the requirements herein, and all other covenants, conditions reservations, and restrictions herein set forth.

5.1.6 Completion Schedule. All construction shall be completed within nine (9) months from the start thereof, provided, that the ACC may extend such time when conditions in its opinion warrant such extension. All landscaping and drainage work shall be completed as approved within six (6) months of completion of the main residence building, unless approved for an extension of up to three additional months by the ACC.

5.1.7 Rental. Separate rental of any guesthouse or "apartment" within or associated with a house is prohibited, the occupancy thereof being limited to either guests or household staff.

5.1.8 Fireplace and Stoves. Fireplace and wood or coal burning stoves shall meet federal, state, and local requirements.

5.2 Proceeding with Work. Upon receipt of approval from the ACC, the Owner shall, as soon as practicable, satisfy any and all conditions of such approval and diligently proceed with the commencement and completion of all approved excavation, construction, and alterations.

5.2.1 Delay/Revocation. In all cases, work shall commence within one (1) year from the date of approval. If work is not so commenced, approval shall be deemed revoked unless the ACC, pursuant to written request made and received prior to the expiration of said one (1) year period, extends that period of time.

5.2.2 Contractor. No improvements may be made on any Lot in the Subject Property by a contractor other than by one properly licensed under the laws of the State of Washington, unless prior approval of that contractor has been given by the ACC.

5.3 Completion of Work. Any improvement commenced pursuant hereto shall be completed within twenty-four (24) months from the date of approval of the plans and specifications therefore by the ACC; provided, that such twenty-four (24) month completion period shall be automatically extended for a period of time equal to the time such improvements are delayed or prevented from being completed due to strike, fire, national emergency, natural disaster, or other supervening force beyond the reasonable control of Owner or if completion of the proposed improvements would impose a great hardship upon the Owner. Failure to complete the proposed improvements within the required time period, as extended, shall constitute a breach of this Declaration and the party in breach of this Section shall be subject to the enforcement procedures set forth in Section VII.

5.4 Temporary Buildings. The type, number, and location of any trailer, temporary building, or other temporary structure allowed under this section shall be determined by the ACC, in its sole discretion.

5.4.1 Trailers, temporary buildings, and the like shall be permitted only for construction purposes during the construction period of permanent improvements. Such structure shall be placed as inconspicuously as practicable, shall cause no inconvenience to Owners or occupants of other Lots, and shall be removed not later than thirty (30) days after the date of substantial completion or beneficial occupancy of the improvement for which the temporary structure was used.

5.4.2 The ACC may approve the use of a trailer or temporary building on a Lot in the Subject Property as sales, leasing, or development office.

5.5 Laws and Regulations. Each owner shall comply with all laws, regulations, and ordinances of any federal, state, or local government entity with jurisdiction over the Subject Property. Each Owner shall also comply with all of the terms and conditions approved by City of Anacortes for the Property.

VI. LAND USE RESTRICTIONS

6.1 Regulations. Each owner shall comply with all laws, regulations, ordinances, and orders of competent public authorities applicable to the Subject Property and the Owner's building there. Lot coverage shall not exceed 35% for structures and a combined total of 60% for impervious surfaces. Each Owner shall also comply with all of the terms and conditions of the plats, building permits, and all other permits and approvals given by public authorities.

6.2 Subdividing. No Lot in the Subject Property may be subdivided.

6.3 Vehicles and Boats. No commercial trucks, tractors, bulldozers, other heavy equipment, boats, utility trailers, motor homes, travel trailers, or similar recreational or utility vehicles may be stored on any Lot in the Subject Property unless they have been garaged in a manner acceptable to the ACC in its sole and unfettered discretion; such uses are not favored within the Subject Property.

6.4 Waste Material. No Lot in the Subject Property shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in sanitary containers for proper disposal. The Owners of the Lots in the Subject Property shall provide regular sanitary disposal for all garbage and rubbish. Rocks, dirt, brush, grass, and other materials generated as a result of landscaping or maintenance shall not be dumped into the roads or setback areas.

6.5 Temporary Structures. No garage or structure of a temporary character, including mobile homes, trailers, campers, tents, or motor vehicles shall be used on any Lot in the Subject Property at any time as a permanent residence.

6.6 Animals. No animals other than dogs or cats may be kept within the Subject Property, except small household domestic animals or birds kept only inside a residence.

6.6.1 The total number of dogs shall not exceed two (2) per Owners and the total number of cats shall not exceed three (3) per Owner. Dogs shall not be allowed to run free; they shall be kept on a leash, tied up, or in a fenced enclosure approved by the ACC.

6.6.2 In no event shall the keeping of any animals result in inappropriate noise, odor, debris, or a public nuisance or annoyance to the Owners of adjacent lots as determined within the sole and unfettered discretion of the Board, particularly barking dogs. Any barking of a repetitious, habitual, or consistent nature shall be considered a nuisance and shall not be allowed.

6.6.3 The Board itself may at any time remove or require the removal of any animal which it finds is disturbing other Owners unreasonably or which animal does not come within the definition of animals allowed on the Owner's premises/

6.7 Signs. No sign of any kind shall be displayed to the public view on any Lot in the Subject Property except for: one sign of not more than six square feet advertising the Lot in the Subject Property for sale. Exceptions must be approved by the ACC.

6.8 Site Grading

1. Existing Topographic forms should be maintained as much as possible. Where existing topography must be modified to create level outdoor use areas the site shall be incrementally terraced to minimize the visual impact of embankments.
2. No filling or excavation shall occur within the drip-lines of existing vegetation

to be saved.

3. If retaining walls or rockeries are used to provide outdoor use areas or to preserve trees, installation of vines, shrubs or other suitable plants may be required by the ace so as to cover the face of the wall Rock for all rockeries shall be light gray in color.
4. Specific attention must be paid to finished floor elevations and roof peak elevations. These elevations must be consistent with the natural contours of the surrounding lots and homes. The setback from the roadway must also be compatible with the homes on adjacent lots.
5. Roof and yard drainage shall be directed away from adjacent lots and toward the street or other specifically provided drainage systems whenever possible. Roof drainage shall be connected to the storm drain system via underground pipe. The storm systems have been designed to accommodate these flows.
6. A 4" PVC pipe must be installed under all driveways running parallel to the street.

6.9 Vegetation

1. The removal of any living plant or tree from any portion of a lot which is in a setback area, sensitive area or their buffer must be approved by the ACC. This includes understory plants such as shrubs and groundcovers, as well as trees.
2. Breaks in frontage setback understory vegetation for the purposes of providing lawn shall be limited to ACC approval.
3. Supplemental planting of vegetation is required, provided that appropriate species are selected. These include native or naturalized trees, shrubs, and groundcovers that naturally occur at the edge of forest clearing, such as vine maple (*Acer Circinatum*), Pacific Dogwood (*Cornus Nattillii*), Red-flowering Current (*Ribes Sanguineum*), Rhododendron species, etc. (Suggested reference: Gardening with Native Plants of the Pacific Northwest by Arthur R. Kruckberg. Seattle: University of Washington Press, 1982)

Each lot owner must provide screening type landscaping of a mixture of flowering shrubs, evergreen shrubs, ground cover and no less than four 2" caliper trees, which may be coniferous or ornamental. Screening type landscaping shall be provided along side lot lines between structures.

4. All landscaping on a lot must be completed within six months from the date construction of the house commences.
5. Each lot owner must provide one street tree for each 20 lineal feet of street frontage.

6.10 Inaction. If the ACC fails either to approve or disapprove plans and specifications

within forty-five (45) days after submission, it shall be conclusively presumed that the ACC has approved said plans and specifications: provided, however, that if within that 45-day period the ACC gives written notice that more time is required for the review, no such presumption shall be made until the expiration of any reasonable period of time stated in the notice, which period shall not exceed ninety (90) days.

6.11 Drainage. No drainage water on any Lot in the Subject Property shall be diverted or blocked from its natural course so as to discharge onto another Lot in the Subject Property or the roadway easement except by Declarant or the City of Anacortes as provided herein.

6.12 Sewage. No individual sewage disposal system shall be permitted on any Lot in the Subject Property.

6.13 Nuisance. No noxious or offensive activity shall take place on any Lot in the Subject Property, nor shall any action or inaction on a Lot in the Subject Property cause an annoyance or nuisance to the neighborhood. No Lot in the Subject Property shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot in the Subject Property to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept or operated upon any Lot in the Subject Property that will emit foul or obnoxious orders, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. In particular, inoperable vehicles or unsightly devices of any kind shall not be stored on any Lot in the Subject Property in view of the roadway of the homes of the other Owners.

6.14 Structures

1. Dwellings and related structures must have exteriors (including roofs) of materials appropriate to the Northwest, consistent with the character of the forest edge. This included natural wood sidings, shakes, shingles, brick and other rough materials. Stucco is acceptable as a principal exterior material but will require a closed review by the ACC due to its contrasting nature. Use of natural wood stains is preferred. Colors of paint, wood stain, stone and brick require approved from the ACC.
2. If metal windows and doorframes are used, they must have dark anodized or painted finish. Operable windows must be double hung, single hung, casement or awning.
3. Concrete foundation wall shall be concealed or clad with siding or masonry materials consistent with the exterior finishes. Concrete finishes appropriate to the structure may be accepted by the ACC.
4. The overhang areas and/or supporting structures of all decks within 6 feet of the ground plane shall be concealed from view with siding, lattice or similar skirting material consistent with the exterior finishes of the dwelling. All decks above 6 feet will need special ACC consideration.

5. Unless approved by the ACC in writing, swimming pools shall not be nearer than 30 feet to any lot line and shall not extend more than 3 feet above the established final grade.
6. Garbage cans, hot tubs, heat pumps, wood piles and the like shall be screened from view and provisions made for sound attenuation. Clotheslines must be fold-up or retractable styles and must be completely out of sight when not in use. Clotheslines shall not be used in a location that can be viewed from the road.
7. Acceptable driveway materials are:
 - a. Stamp textured concrete
 - b. Exposed aggregate concrete
 - c. Unit pavers
 - d. Grass-crete or similar product.
8. Residences shall be designed in such a way that the entrance facade incorporates an entry courtyard, covered porch, plant arbor/trellis or other similar architectural feature which provides relief to the façade.
9. Use of masonry veneer is acceptable, however, it must be applied in a consistent manner throughout the entire exterior perimeter envelope of the residence. Examples of acceptable uses include:
 - a. Masonry base up to a consistent height as a "wainscot" around the perimeter,
 - b. Masonry panels "framing" architectural projections such as bay windows or other building modulations,
 - c. Masonry colonnades, either free standing with arbors, or with decorative infill panels or windows.
 - d. Stone veneer is an acceptable finish if used consistently throughout the building design.

In all cases masonry veneer must wrap corners and be expressed as a corner pillar or as quoins.

10. Use of portland cement stucco, dryvit, or similar, are acceptable subject to conformance with the following guidelines:
 - a. Window boxes, shutters, arbors, or similar decorative elements shall be incorporated in facades.
 - b. Windows shall be casement or single hung, in wood or vinyl
 - c. Must be complemented with a masonry or architectural concrete finish base material at foundation.
11. The following guidelines apply to the use of wood siding:
 - a. Sawn cedar shingles shall be applied over the entire surface, except for trim.
 - b. Soffits shall be closed,
 - c. Window trim shall have an accent color,
 - d. Horizontal lap or tongue and groove siding is also acceptable.

12. Acceptable roof materials include:
 - a. Tile roof only. (Alternative products will be considered by the ACC based on likeness to tile or concrete and durability of product.)
 - b. Roof Vents Acceptable:
 1. ridge vents
 2. gable vents
 3. dormer vents Roof vent jacks are not acceptable,
 - c. Gutters and downspouts:
 1. painted metal
 2. copper
 3. PVC is not acceptable
 - d. Skylights:
 1. Ridge skylights, dormers and clerestory lighting are preferred methods of providing natural light.
13. Acceptable chimney designs:
 - a. All masonry
 - b. Metal flues shall be entirely enclosed and capped with a screening device consistent in profile with the chimney chase and a house design.

6.15 Encroachment or Easements. No buildings or permanent structures of any kind shall be permitted with any native growth protection easements, nor within the storm drainage easements unless approved by the City of Anacortes Engineering Department and the ACC, all as shown on the Map.

6.16 Setbacks. All homes or other structures built upon the Lots in the Subject Property shall be set back from all lot lines in accordance with Sunset Cove Development PUD final development platt.

6.17 Conflicts. Various restrictions in this Section VI are also addressed in Section VII, and the conditions and restrictions in Section VII will supersede those in this Section VI in case of any conflict.

6.18 Wires. No lines or wires for the transmission of electric current or for telephone use shall be constructed, placed, or permitted to be placed upon any Lot in the Subject Property outside the buildings thereon, unless the same shall be underground or in a conduit attached to the building, unless otherwise approved by the ACC.

6.19 Communications Equipment. No exposed or exterior radio, television, or other communication antennas or devices (including satellite dishes) shall be erected, placed, or maintained within the Subject Property, without approval by ACC.

6.20 Tanks. No elevated tanks of any kind shall be erected, placed, or permitted on any part of the Subject Property, unless being used by Declarant in the development process. Any tanks for use in connection with any residence constructed on a Lot in the Subject Property, including tanks for the storage of fuels, must be buried or walled sufficiently to conceal them from view from neighboring Lots, roads, or streets. Approval by State, Local and ACC must occur prior to any installation.

6.21 Lighting. No mercury vapor or similar high-intensity lights will be permitted within the Subject Property unless approved in advance by the ACC.

6.22 Sales Facilities of Declarant. Notwithstanding the provisions for use, Declarants, their agents, employees, and contractors, may maintain during the period of sale of Lots within the Property, such facilities as in the sole opinion of Declarants may be reasonably required, convenient, or incidental to the sale of Lots, including a business or sales office, sign, storage facilities, and parking areas for prospective purchasers.

6.23 Parking. Parking areas are restricted to use for parking of Owners and then-guests, Declarants, or their agents or invitees. No travel trailers, camper trailer, recreational vehicle, mobile home, boat, boat trailer, trailer, or similar vehicle shall be permitted to be left in any parking areas. Declarants or the Board may cause removal at the risk and expense of the Owner thereof. The use of all parking areas shall be subject to the rules and regulations adopted by the Board.

6.24. Regular on street parking of vehicles within the Subject Property shall be permitted as allowed by City Ordinances.

6.25 Insurance. No Owner shall permit anything to be done or kept on their Lot in the Subject Property which will increase the fire insurance premiums for any other Lot Owner or result in the cancellation of insurance. Neither shall the Board allow the erection, construction, or allow any type of apparatus or recreational equipment in any Common Area that would increase the risk of harm and liability to an Owner.

VII. INTERPRETATION, ADMINISTRATION, AND ENFORCEMENT OF THIS DECLARATION

7.1 Subject to prior approval by Declarants, the Board may from time to time adopt reasonable additional provisions in its by-laws or in the rules and regulations of the Association as may be necessary or advisable to insure compliance with or to supplement the foregoing covenants, conditions, and restrictions, and the Owners shall comply in all respects therewith. The board or ACC may at all reasonable times enter upon any Lot for the purpose of performing their functions under this Declaration.

7.2 Each Owner shall comply strictly with the provisions of this Declaration and with the by-laws, rules, and regulations adopted by the Board. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, and be maintainable by the Declarants. The Board acting through its officers on behalf of the Association, or by the aggrieved Owner on his own. The ACC, the Association, any Owner, or the City of Anacortes shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The violator(s) shall be responsible for all costs incurred in enforcing this Declaration, including all court costs, expert witness fees, and reasonable attorneys' fees whether or not the matter goes to trial.

7.3 No building construction, landscaping, remodeling, or alteration work which has been commenced shall be deemed in violation of the Declaration if the same was authorized by ACC permits issued pursuant to this Declaration.

7.4 The Declarants, the Owners, the Association, the ACC, and their agents and employees shall not be liable for any damage, loss, or prejudice suffered or claimed by any person on account of:

7.4.1 The approval or disapproval of any plans and specifications, whether or not . in any way defective.

7.4.2 The development of any Lot in the Subject Property or the construction of any improvement, or performance of any work, whether or not pursuant to approved plans and specifications.

7.4.3 Injury to any person or property due to construction, the performance of any work, location of any physical object, or resulting from the performance of any industry or other activity within the Subject Property.

7.4.4 Each Owner shall hold Declarants, the Owners, the Board, the Association and the ACC, their agents and employees harmless from any and all such claims which might arise from any activity, construction, or condition existing on such Owner's Lot in the Subject Property.

7.5 If a Lot in the Subject Property is not maintained in accordance with this Declaration after ten (10) days' written notice from either the Declarants. The Board or the ACC, then the Board or the ACC shall have a right of entry onto the Lot in the Subject Property to accomplish such work in any manner within its respective sole and unfettered discretion, and the reasonable cost of such work shall be a personal obligation of the Owner and a lien upon the Lot in the Subject Property. Said lien may be perfected by filing a Notice of Lien with the Auditor of Skagit County, and the priority of said lien should date from the time of filing. Said lien may be foreclosed according to law and include reasonable attorneys' fees and other costs incurred in connection therewith in the same manner as any other enforcement action allowed by law. The Board, acting on behalf of the Association, shall have the power to bid on the Lot at the foreclosure sales, and to acquire and hold, lease, Mortgage, and convey the same.

VII. DECLARANTS' RESERVED RIGHTS

8.1 Easements. Declarants reserve to themselves and their agents, employees, successors, assigns, and designated grantees, a non-exclusive perpetual easement for ingress, egress, and utility service over, under, upon, through, and above the roadways within the Subject Property.

8.2 Remaining Lots. Declarants reserve the right to amend this declaration and adopt more restrictive provisions limiting the use of Lots in the Subject Property. This reserved right shall not constitute any limitation to the general power to amend this

Declaration.

IX. COVERAGE/AMENDMENT

9.1 Covenants Running with the Land. The covenants, conditions, restrictions, uses, limitations, and obligations contained in this Declaration shall be deemed to run with the land and shall be a burden and benefit upon the Lots and all other portions of the Property and the Common Area, and shall be binding upon all persons acquiring or owning any interest therein, their grantees, successors, heirs, executors, administrators, and assigns until January 1, 2015, after which time they shall be automatically extended until terminated by an instrument approved by a sixty-seven percent (67%) Membership vote.

9.2.1 For purposes of this paragraph 9.2, Owners of Lots within the Property shall have one (1) vote per Lot, and Declarants shall have four (4) votes for each Lot owned.

9.2.2 Any termination or amendment under this Section IX as set forth above must be executed and acknowledged by the President and Secretary of the Association, and recorded with the Auditor of Skagit County. It shall describe the amendment, state that it was duly adopted at a regular or special meeting of the Association Membership, and that the required votes for approval were obtained.

9.2.3 Notwithstanding the foregoing, Declarants who own 67% of the Lots within the Property shall have the unilateral right, without approval of anyone, to amend or supplement this Declaration.

9.3 Recording. Any changes in the Map(s), Plot(s), or in this Declaration shall be placed on record as amendments thereto as soon as they are fully executed.

9.4 Effective Date of Amendment.

9.4.1 Amendments to this Declaration or to the Plats of the Property shall be effective upon the date the same are duly approved as provided herein, but shall not be binding upon third parties without knowledge thereof until recorded with the Auditor of Skagit County.

9.4.2 Amendments to the Plats of the Property shall be accompanied by an amendment of this Declaration, which refers to and describes the amendments to the Plats of the Property.

X. INSURANCE

10.1 At such times as the Board deems appropriate the Board shall cause the Association to purchase and maintain as a common expense a policy or policies which the board deems necessary or desirable to provide casualty insurance; comprehensive liability insurance; with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's directors, and

representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable. The board shall review the adequacy of the Association's insurance coverage at least annually.

X.I MISCELLANEOUS

10.2 Notices. Any notices permitted or required under the provisions of this Declaration may be delivered either personally or by mail. If delivery is by mail, any such notice shall be deemed to have been delivered 48 hours after a copy has been deposited in the United States mail. Notice to Lot Owners shall be sufficient if addressed to the mailing address for the Lot, or if such Lot is unimproved then to the address to which the Treasurer of Skagit County then sends notice of real property tax assessments. Notices to the Association may be given to the person entitled to receive service of process or to the President or Secretary of the Association at the address for Declarants set forth below, or as subsequently changed by notice from the Association to the Membership.

ADDRESS OF DECLARANTS:
SUNSET COVE DEVELOPMENT HOMEOWNERS ASSOCIATION
224 Stewart Road, Suite 230
Mount Vernon, WA 98273

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

10.4 Interpretations. The provisions of this Declaration shall be liberally construed to effectuate its purposes to create a uniform plan for the development and maintenance of the Subject Property.

10.5 Conflicts. In case of conflict between this Declaration and the Association's By-laws or any resolution or other action of the Board or the Association, this Declaration shall control

10.6 Effective Date. This Declaration shall take effect upon recording with the Auditor of Skagit County.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, have hereunto set their hands this 28th day of November, 2000.

DECLARANTS: SUNSET COVE DEVELOPMENT L.L.C.

BY: [Signature]
WILLIAM OBROCK, MEMBER

BY: [Signature]
JOHN J. PIAZZA, SR., MEMBER

STATE OF WASHINGTON)
: SS.
COUNTY OF SKAGIT

On this 28th day of NOVEMBER, 2000, before me personally appeared WILLIAM OBROCK, to me known to be the individual described in and who executed the writing instrument and acknowledged he signed and sealed the same as his free and voluntary act and deed for the uses and purposes herein mentioned.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.



[Signature]
(Signature)

Rebecca Bradley
(Print Name)

Notary Public in and for the State of WASHINGTON

Residing at BURLINGTON

My Commission expires: 04/01/04

STATE OF WASHINGTON)
: SS.
COUNTY OF SKAGIT)

On this 28th day of NOVEMBER, 2000, before me personally appeared JOHN J. PLAZZA, SR. to me known to be the individual described in and who executed the writing instrument and acknowledged he signed and sealed the same as his free and voluntary act and deed for the uses and purposes herein mentioned.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.



Rebecca Bradley
(Signature)

Rebecca Bradley
(Print Name)

Notary Public in and for the State of WASHINGTON

Residing at BURLINGTON

My Commission expires: 04/01/04



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