

**MASTER DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATIONS FOR
HOMESTEAD, A PLANNED RESIDENTIAL DEVELOPMENT**

This Master Declaration of Covenants, Conditions, Restrictions and Reservations for Homestead, a planned residential development situate in the City of Lynden, Whatcom County, Washington, (hereinafter referred to as the "Declaration") is made this 19 day of June, 1992 by HOMESTEAD NORTHWEST, INC., a Washington Business Corporation which declares that the real property hereinafter described is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, reservations, licenses, easements, charges and liens hereinafter set forth which are established for the purpose of protecting the value and desirability of the real property.

**ARTICLE I
Interpretation**

1.1 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a planned development on the property hereinafter described.

1.2 Covenant Running with the Land. It is intended that this Declaration shall be operative as a set of covenants running with the land or equitable servitudes which shall be binding on the Declarant, its successors and assigns, and all subsequent owners of the property together with their grantees, heirs, successors, executors, administrators, devisees or assigns all in the manner hereinafter set forth.

1.3 Definitions.

1.3.1 "Declarant". The Declarant is Homestead Northwest, Inc., a Washington Business Corporation which currently has its principal office at 506 W. Grover Street, Lynden, Washington, 98264.

1.3.2 "Association". The Association shall mean and refer to the Homestead Owners Association, its successors and assigns. The Association is not a Condominium Association.

1.3.3 "Property" shall mean the real property described on Exhibit A which is annexed hereto and by this reference incorporated herein together with such additions thereto as may hereafter be brought within the jurisdiction of this Declaration.

1.3.4 "Lot" shall mean and refer to any numerically designated plot of land shown on any present or future subdivision map of the property.

1.3.5 "Condominium Unit" shall mean any Condominium Unit established by Declaration on any of the property pursuant to RCW 64.34 or any later condominium act adopted as law in the State of Washington.

1.3.6 "Parcel" shall mean a record Lot or a Condominium Unit within the Property.

1.3.7 "Owner" shall mean and refer to the record owner whether one or more persons or entities of fee simple title to any Lot or Condominium Unit which is a part of the Property including a contract buyer but excluding those having an interest merely as security for the performance of an obligation. Each Owner shall continuously provide the Declarant with a current mailing address and if the Common Open Space is later conveyed to the Association, the Owner shall continuously provide the Association with a current mailing address.

1.3.8 "Common Open Space" shall mean that certain real property described on Exhibit B which is annexed hereto and by this reference incorporated herein which is intended for the common use of all property owners in Homestead together with any later phased additions thereto. It may include both fee interests and easement rights.

1.3.9 "Board" shall mean the Board of Directors of the Homestead Owners Association.

ARTICLE II Property

2.1 Current Property. Property which is currently subject to this Declaration is more fully described on Exhibit A which is annexed hereto and by this reference incorporated herein.

2.2 Additional Property. The Declarant reserves the right through phasing to add additional property which shall be subject to these Declarations as it is acquired by the Declarant. As a condition of the initial and subsequent conveyance to them of a parcel, each Parcel Owner agrees and assents to phasing. Phasing may be accomplished by the Declarant filing a phasing amendment which refers to this document and paragraph and describes the added phased property.

2.3 Common Open Space. Current elements of Common Open Space are described on Exhibit B which is annexed hereto and by this reference incorporated herein. Common Open Space is intended for the common use of all Parcel Owners in Homestead. Details of ownership, management, maintenance and phasing of the Common Open

Space are described in Articles III and IV hereinafter set forth. The term "Common Open Space" as used herein does not and shall not include the golf course, clubhouse, R.V. storage and maintenance areas. It includes only the property described on Exhibit B and any phased amendments thereto.

ARTICLE III Open Space

3.1 Ownership by Declarant. It is the general intention of the Declarant to retain ownership of the Common Open Space so that it may be maintained by golf course maintenance personnel.

3.2 Easement and License Granted. So long as the Declarant, its successors or assigns (other than Parcel Owners or the Association) retain ownership of the Common Open Space, all Parcel Owners other than the Declarant shall have and are hereby granted a perpetual non-exclusive easement and license to use the Common Open Space subject to their payment of joint maintenance fees so that the Common Open Space may be properly managed and maintained. The easement and license granted is appurtenant to each parcel and shall not be separated therefrom.

3.3 Maintenance. So long as the Declarant or such heirs, successors or assigns continue to own and hold title to the Common Open Space, payments for costs and expenses shall be funded by joint maintenance fees provided by Parcel Owners other than the Declarant. The Declarant shall manage and maintain the Common Open Space. All costs and expenses of maintenance of and improvements to the Common Open Space shall be paid by the Declarant, its heirs, successors and assigns (other than the Parcel Owners or the Association). Maintenance also includes maintenance of entry signs and landscape, mail box surrounds, street light electrical power bills, and maintenance of lights not maintained by the City of Lynden.

3.4 Use Subject to Rules and Regulations. Parcel Owners, their guests and invitees shall have the right, easement and license to use the Common Open Space now and hereafter designated as part of the Homestead development all according to rules and regulations now or hereinafter promulgated by the Declarant. The Declarant reserves the right to close certain areas of the Common Open Space for maintenance and improvement and to close certain areas during certain hours of the day and establish other rules and regulations for the use and protection of the Common Open Space.

3.5 Maintenance Costs. In consideration of the easement and license granted to Parcel Owners herein, each Parcel Owner shall pay and by virtue of acquisition of any parcel in Homestead agrees for themselves and their heirs, successors and assigns to pay a monthly Joint Maintenance Fee (hereinafter the "fee") to

the Declarant which shall be fixed and thereafter modified by the Declarant on the following basis:

(a) The initial fee shall be \$25.00 per parcel per month.

(b) Fees shall be payable by a Parcel Owner from the time that he acquires a parcel. Fees shall be payable monthly in advance on the first day of each month.

(c) Upon sale or conveyance of a parcel the duty to pay the fee shall transfer to the owner acquiring the parcel.

(d) The duty to pay the maintenance fee shall be a covenant running with the land and shall bind not only the first owner acquiring a parcel from the Declarant but also his heirs, successors, and assigns.

(e) The Declarant shall have the right and power to increase the maintenance fee each calendar year. Notices of fee adjustment shall be sent to Parcel Owners in December of each year where an adjustment has been made for the following calendar year.

(f) The annual increase in maintenance fees over the previous calendar year base shall be limited to the percentage increase in the cost of living for all urban consumers in the Seattle/Tacoma area as published by the United States Department of Labor for the most recently published 12 month period available on the first day of December, or five (5%) percent, whichever is greater. (If such statistics are not published for the Seattle/Tacoma area then statistics for the nearest urban area for which statistics are published shall apply.)

(g) Declarant reserves the right to waive all or a portion of the maintenance fee for a Parcel Owner and such waiver shall not operate as a waiver or estoppel as to all parcel owners.

(h) In the event of the termination of ownership by any Owner the annual fee structure then in effect as established in the previous month of December shall apply to the purchaser (new Parcel Owner) and any subsequent Parcel Owners after initial acquisition shall be subject to annual adjustment of the fee for maintenance as provided for herein. Any joint maintenance fee not paid when due shall be delinquent.

3.6 Enforcement. In the event that any Parcel Owner fails to pay a fee when due that fee together with such interest thereon and cost of collection as hereinafter provided shall be a charge on the Owner's parcel and shall be a continuing lien on that parcel against which the fee is assessed. The delinquent fee together with such interest and costs of collection thereof including reasonable attorney's fees shall also be the personal obligation of the Parcel Owner at the time the Assessment fell due. If the maintenance fee is not paid within thirty (30) days

after its due date it shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum and the Declarant may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interest, costs and reasonable attorney's fees with respect to any such action shall be awarded to the prevailing party. No Parcel Owner may waiver or otherwise escape liability for payment of the joint maintenance fee as provided for herein by abandonment of his parcel.

3.7 Subordination of Lien to Mortgages. Where an institutional mortgagee or other owner obtains title to a parcel as a result of foreclosure or forfeiture of an institutional mortgage, such acquirer of title, its successor or assigns shall not be liable for payment of the aforementioned fees pertaining to any such parcel which became due prior to the acquisition of title in the manner referred to hereinabove. The Parcel Owner who incurred such fees shall nonetheless remain personally liable and responsible for payment of the fees. Mortgagee shall keep dues current after foreclosure.

3.8 Phasing. The Declarant reserves the right to phase and add to the Common Open Space for which the easement and license herein is granted by filing a phasing amendment to this document, said amendment having reference to the Auditor File Number of this document and setting forth the legal description of additional real property which is added to the Common Open Space. It is anticipated that the Common Open Space will ultimately consist of an easement and license with respect to at least eight acres of property. As a condition of conveyance to him of his parcel each Parcel Owner agrees for himself, his heirs, successors and assigns to permit and accept phasing of Common Open Space as provided for in this paragraph.

3.9 Relationship to the City of Lynden. Generally it is the policy of the City of Lynden never to acquire or maintain common grounds. All Parcel Owners should be aware of this.

3.10 Conveyance of Common Open Space to the Association. Any Parcel Owner now or hereafter acquiring an interest in any parcel in the Homestead development agrees by virtue of their acquisition of the parcel and for themselves, their heirs, successors and assigns to accept the conveyance of the Common Open Space from the Declarant, its heirs successors or assigns to the Association, if the Declarant desires to accomplish such a conveyance. In the event that the Declarant delivers a deed or deeds and/or transfers easement and license rights of the Common Open Space described herein and any phased additions thereto to the Association then and in such events on notice from the Declarant the easement and license provided for herein shall terminate and the duty of the Parcel Owners to pay maintenance and license fees as provided for in this Article shall terminate. The duty of the Declarant to maintain the Common Open Space and pay for all maintenance described hereinabove shall also

terminate therewith. The Parcel Owners shall then be required and agree to come together to further establish the Association to govern payment of common expenses and ownership, use, maintenance and operation of the Common Open Space maintaining the same high standard desired by and established by the Declarant herein.

ARTICLE IV Owners Association

4.1 Established. There is hereby established an Owners Association to be known as the "Homestead Owners Association".

4.2 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Condominium Unit in Homestead shall be, by virtue of such ownership, a member in the Homestead Owners Association. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of an obligation. No Owner shall have more than one membership except that he own more than one parcel in which case he shall have one membership for each parcel owned. Membership shall be appurtenant to and may not be separated from ownership of any parcel which is subject to assessment by the Association. Ownership of such a Lot or Condominium Unit shall be the sole qualification for membership.

4.3 Period of Declarant Ownership. So long as the Declarant or its successors or assigns other than Parcel Owners retains ownership of the Common Open Space, the Association shall operate in advisory capacity only to the Declarant. During this time the Association shall operate as an unincorporated association.

4.4 Power to Manage and Assess After Transfer to Association. In the event that the Declarant, its successors or assigns exercise their right and power to convey the Common Open Space to the Association in accordance with the provisions of Article III hereinabove, the Association shall have power to manage the Common Open Space and establish annual assessments and charges on each parcel. Assessments shall be the same and equal for each parcel.

4.4.1 Form of Association. In the event of transfer of the Common Open Space to the Association the Declarant shall notify all Members of a Special Meeting of the Association membership to be held within thirty (30) days of the transfer date. The agenda at the Special Meeting will include at a minimum, the following issues:

(a) Whether the form of the Association be change from an unincorporated association to a non-profit corporation.

(b) Election of the initial Board of Directors with a minimum number of seven (7) members or more. If there is

a seven member Board two members shall be elected for a one year term, three members for a two year term and two members for a three year term.

4.4.2 Voting

4.4.2.1 Voting Owner. There shall be one (1) voting representative for each parcel. Declarant shall be considered an "Owner" as that term is used herein, and shall be the voting representative, with respect to any parcel owned by the Declarant. If a person (including the Declarant) owns more than one parcel, he shall have the votes for each parcel owned. The voting representative shall be designated by the Owner or Owners of each parcel by written notice to the Board, and need not be an Owner. The designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in a parcel, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in the parcel. This power of designation and revocation may be exercised by the guardian of a Parcel Owner, and the administrators or executors of an Owner's estate.

4.4.2.2 Joint Owner Disputes. The vote for a parcel must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint Parcel Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one (1) vote is cast for a particular parcel, none of said votes shall be counted and the votes shall be deemed void.

4.4.2.3 Quorum. Fifty (50%) percent of all Parcel Owners or more, shall constitute a quorum at any meeting of the Association. This shall be a requirement for conducting any Association business.

4.4.3 Meetings and Notices of Meetings

4.4.3.1 Annual Meetings. There shall be an annual meeting of the Parcel Owners in the first quarter of each calendar year at such reasonable place and time as may be designated by written notice of the Board delivered to the Parcel Owners not less than ten (10) days and no more than sixty (60) days prior to the date fixed for the meeting. At the annual meeting there shall be presented a review of the financial records of the Association for the previous year itemizing receipts and disbursements and the allocation thereof to each Parcel Owner and the estimated expenses for the coming year. The Board at any time, or by written request of the Parcel Owners having at least twenty (20%) percent of the total votes, may require that an audit of the Association and management books and records be presented at any Special or Annual Meeting. The

Parcel Owner at his own expense may at any reasonable time make an audit of the books or records of the Board and/or the Association.

4.4.3.2 Special Meetings. Special Meetings of the Association may be called at any time for any reasonable purpose. Such meetings shall be called by written notice of the president of the Association upon the decision of the president, or after request signed by a majority of the Board, or by written request of the Parcel Owners having at least twenty (20%) percent of the total votes which notice shall be delivered not less than ten (10) days and not more than sixty (60) days prior to the date fixed for the meeting. The notice shall specify the date, time and place of the meeting and in general the matters to be considered.

4.4.4 Articles and Bylaws. The Association shall have power to adopt Articles of Incorporation, Bylaws and rules and regulations for operation of the Association not inconsistent with this Declaration. Upon concurrence of those Parcel Owners holding sixty (60) percent of the voting power of the Association at a regular or special meeting, amendments to the Articles, Bylaws and/or Rules and Regulations may be adopted by the same vote at a regular or special meeting similarly called. The Declarant may adopt initial Articles and Bylaws.

4.4.5 Management by the Board. At the expiration of the Declarant's management authority after the Common Open Space interests of the Declarant shall have been conveyed to the Association, administrative power and authority with respect to Association affairs shall vest in its Board of Directors. The Board of Directors shall be elected in the manner set forth hereinabove and after election the Board shall itself elect a president from among its members who shall preside over meetings of the Board and the meetings of the Association. A treasurer and secretary shall also be elected by the Board from among its members.

4.4.6 Authority of the Board. The Board shall have authority to manage the affairs of the Association and shall have all powers and authority permitted under this Declaration and under any Articles, Bylaws, rules and regulations as may be later adopted by the Association. The Board shall acquire and pay out of the common assessment fund hereinafter provided for all goods and services requisite for the proper functioning of the Association including, but not limited to:

- (a) Utility services for the Common Open Space;
- (b) Insurance as required for protection of Association affairs with respect to the Common Open Space and for fidelity if deemed necessary for Association officers and other employees;
- (c) The services of other persons or firms as required to properly manage the affairs of the Association;

(d) Legal and accounting services necessary or proper in the operation of the Association affairs and administration of the Association or enforcement of this Declaration, the Articles, Bylaws, rules and regulations of the Association provided that no litigation shall be initiated by the Board without approval of a majority of the Parcel Owners at a special or regular meeting. Nonetheless, any action against the Association may be defended by the Board without any restriction.

(e) Painting, maintenance and repair in landscape and garden work for the Common Open Space;

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to pay by law or which in its opinion shall be necessary for the proper operation of the Common Open Space;

(g) No capital improvements or additions for the purpose of restoring, repairing or replacing portions of the Common Open Space having a total cost in excess of Five Thousand (\$5,000.00) Dollars shall be paid by the Board without first obtaining the affirmative vote of a majority of Parcel Owners present at a meeting called for such purpose or if no such meeting is held then the written consent of a majority of Owners. Nothing contained herein shall be construed to give the Board authority to conduct and act of business for profit on behalf of any or all of the Parcel Owners;

(h) The Board shall have the right to contract for all goods and services, payment of which is to be made from the common funds of the Association.

(i) The Board may hold for the benefit of the Parcel Owners tangible and intangible personal property and real property on behalf of the Association.

4.5 Purpose of Assessment. The Assessments levied by the Association shall be exclusively for the services and facilities provided the Parcel Owners by the Association.

4.6 Amount of Annual Assessment. The amount of the annual Assessment shall be established by the Association. The total Assessment shall be equal to monies reasonably necessary to manage, maintain, and improve the common open space and to pay for the utilities, taxes, insurance, and administrative expenses of the Association. Each parcel shall bear an equal share of such Assessments which shall be established by the Members by majority vote at a Special Meeting of the Members on a date set by the Declarant in the year of conveyance of the Common Open Space to the Association and thereafter, at the annual meeting to be held in the first Quarter of each succeeding year on a specific date and time set by the Board of Directors of the Association. Assessments may be levied on a monthly or quarterly basis as determined by the Board.

4.7 Effect of Non Payment on Assessments. All Assessments together with such interest thereon and costs of collection thereof as hereinafter provided shall be a charge on the parcel

to which the Assessment is levied and shall be a continuing lien upon that parcel. Each Assessment together with such interest and costs of collection thereof (including reasonable attorney's fees) shall also be the personal obligation of the person who is the Owner of the parcel at the time the Assessment fell due. An Owner's personal obligation shall not pass to his successors in title unless expressly assumed by them. Any Assessment which is not paid when due shall be delinquent and if the Assessment is not paid within thirty (30) days after the due date it shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum until paid and the Association may bring an action of law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interests, costs and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. No Owner may waiver or otherwise escape liability for the Assessments provided for herein by abandonment of this parcel.

4.8 Subordination of Lien to Mortgages. Lien of any Assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any lot shall not affect the limited Assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage pursuant to a decree of forfeiture or foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such Assessment as to the payment thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such parcel from liability for any assessment thereafter becoming due or from the lien thereof.

4.9 Exempt Property. The following property subject to this Declaration shall be exempt from the Assessments created herein.

- (a) All properties held by the Declarant;
- (b) All properties dedicated to and accepted by local public authority.

4.10 Not a Condominium Association. Homestead Owners Association is not and shall not be a condominium association.

ARTICLE V

Design Review Board

5.1 Establishment. A Design Review Board is hereby established for Homestead. The purpose of the Design Review Board is to review all building and landscape plans prior to commencement of construction on any Lot or Condominium Unit in Homestead. The Design Review Board shall be primarily interested in architecturally sound, harmonious and aesthetically pleasing design for the development so that property values may be promoted and protected.

5.2 Members. The initial members of the Design Review Board are Robert Libolt, James Wynstra, and Dick VandenBurg. In the event of the resignation of any of these members the Declarant shall have the right to appoint a replacement so that three members are on the Design Review Board at all times. In the event that the Common Open Space is conveyed by deed to the Association then the Association shall have the right to appoint the membership of the Design Review Board. The Design Review Board may be increased to five members in the discretion of the Declarant and after transfer of the Common Open Space to the Association, then in the discretion of the Board.

5.3 General Duties. To preserve the architectural and aesthetic appearance of the development to very high standard no buildings shall be erected or remodeled on any parcel nor shall any landscape be installed on any parcel until the construction plans and specifications and the structure's location on the parcel and any landscape plans have been evaluated and approved by the Design Review Board which shall evaluate the plans. Any plans submitted to the Design Review Board shall be accompanied by payment of \$100.00 review fee. The plans will be evaluated for quality of specified workmanship and materials, harmony of design with existing and anticipated structures and appropriate placement with regard to topography and finished grade elevation. No ancillary structure, fence or barrier shall be built on any parcel unless similarly approved. If the Design Review Board does not approve or disapprove in writing of any proposed plans and specifications within thirty (30) days after such plans and specifications have been submitted such plans and specifications will be deemed to have been expressly approved. Refusal to approve any plans or specifications may be based by the Design Review Board upon any grounds which are consistent with the purposes stated hereinabove including truly aesthetic considerations so long as such grounds are not arbitrary or capricious.

5.4 Restrictions and Guidelines. In making their evaluation the Design Review Board shall have regard for the general restrictions set forth in Article VI hereinafter. The Declarant may apply additional specific restrictions as to certain areas within Homestead by a separate filing. If there is such a filing then those guidelines along with those set forth herein shall guide the Design Review Board in making their determinations.

ARTICLE VI General Restrictions

6.1 General Restrictions and Requirements. The following general restrictions and requirements shall apply to any parcel in Homestead:

6.1.1 Adjoining Agriculture. Any property owner in accepting a deed to a parcel in Homestead recognizes that the

property conveyed adjoins an area of intensive agricultural activities dominated by active dairy farming. Both the Declarant and the property Owner are determined to preserve the possibility of intensive agricultural and dairy operations so long as adjoining property is zoned for such activity. Therefore, the property Owner will not later object to the general nuisance of agricultural activities including, without limitation, noises caused by animals and mechanical devices and odors caused by sprays and manure storage, delivery, spreading or other causes.

6.1.2 Golf Course Lots; Easement. An easement is hereby reserved over the thirty (30) feet nearest the golf course of any parcel adjoining the golf course for purposes of ball recovery. No play shall be allowed in this area but players will be allowed to enter this area to recover balls. Therefore, no fencing of any kind or type is allowed in this area so that ball recovery may be possible.

6.1.3 Residential Use. Homestead is a planned residential development generally intended for residential use. Parcel Owners acquiring parcels in Homestead acknowledge the intention of the Declarant to develop a project of mixed residential uses. Areas of higher density may adjoin areas of lower density. In addition, the Parcel Owners understand that a convenience store not to exceed 2,000 square feet, a golf course clubhouse with pro shop and restaurant with banquet facilities of approximately 300 to 500 seats, a 40 unit or greater motel, an athletic club involving tennis and handball courts, golf course, driving range, weightlifting and other amenities will be built on the site. Other amenities may also be included. Parcel Owners acquiring a parcel in Homestead agree not to later object to the plan of development of the Declarant with respect to the Property.

6.1.4 No Temporary Buildings. No tents, trailers, commercial vans, shacks, tanks or temporary or accessory buildings or structures shall be erected or permitted to remain on any parcel without the written consent of the Design Review Board.

6.1.5 Antennae; Basketball Hoops. No property owner other than the Declarant or the Association shall maintain any aerial antenna or any satellite dish upon any parcel. Basketball hoops are allowed on any parcel subject to location approval by the Design Review Board.

6.1.6 Boats, Recreational Vehicles, Etc. No boats or recreational vehicles may be kept on any parcel except within a building totally isolated from public view provided that boats and recreational vehicles may be kept in driveways for not more than three (3) consecutive days (after which a minimum break of fourteen (14) days shall be required before the right arises again to park any such vehicles for three consecutive days) their removal shall be required. Inoperative, unsightly or improperly

licensed vehicles shall not be kept on a parcel except within a building totally isolated from public view. Any vehicles maintained on a parcel or on a public street in front of a parcel in violation of these rules shall be removed at the owner's expense.

6.1.7. Signs. No sign of any kind shall be displayed to the public view on any parcel provided that the Declarant and if the Declarant conveys title to the Common Open Space to the Association then the Board may by appropriate rule permit temporary placement of a sign at a designated space indicating that a parcel is for sale or lease. Further, provided that this section shall not apply to the Declarant or the Declarant's agent in exercising their rights of initial sale with respect to the properties.

6.1.8 Pets. All animals, which term includes livestock, domestic animals, poultry, reptiles or living creatures of any kind, shall be raised, bred, or kept in strict compliance with the laws and ordinances of the City of Lynden. All dogs or other animals outside buildings shall be kept on a leash under direct personal control of the Parcel Owner or occupant at all times.

6.1.9 Obnoxious or Offensive Activity. No obnoxious or offensive activity shall be carried on on any parcel nor shall anything be done thereon which may be or become an annoyance or nuisance to other owners and their guests.

6.1.10 Artificial Vegetation. No artificial grass, plants or other artificial vegetation shall be placed or maintained on the exterior portion of any parcel unless approved by the Design Review Board.

6.1.11 Clothesline Area. No portion of any parcel shall be used as a drawing or hanging area for laundry of any kind, it being the intention hereof that all such facilities shall be provided within buildings.

6.1.12 Miscellaneous. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon any parcel and no refuse pile or unsightly object shall be allowed to be placed or suffered to remain thereon. In the event that any Parcel Owner shall refuse to keep his parcel free of weeds, underbrush, or refuse piles and in the event that he allows grasses and other vegetation to grow on the lot to a length of greater than six inches then the Declarant and/or the Association may enter the parcel and bring it into compliance with the provisions of this section. The Parcel Owner shall be charged a reasonable cost for this service and if the Parcel Owner shall refuse to pay then it may be enforced by lien and lawsuit in the same manner that the Declarant might enforce collection of maintenance fees in accordance with the terms of Article III

hereinabove and in the same manner in which the Association might enforce the payment of assessments in accordance with the provisions of Article IV herein.

ARTICLE VII

Cable Television and Security Service

7.1 Authority of the Declarant. The Declarant shall have the right to establish exclusive systems for the provision of cable television (CATV) services and a centralized security system service. The Declarant may establish and operate such systems itself or may enter into agreement with related or unrelated persons or entities for this purpose with any such agreements to be on such terms as the Declarant shall deem in its sole discretion to be in the best interest of the Parcel Owners. In the discretion of the Declarant any such systems for CATV services shall be mandatory for all Parcel Owners. Delivery of a centralized security system is optional to the Declarant.

7.2 Terms of Systems. The terms upon which the CATV and security systems are established and operated whether directly by the Declarant or by any party contracting with the Declarant for this purpose, the Declarant or any such party operating the CATV system or security systems or both, (being referred to herein as the "Operator") may include, but shall not be limited by or to the following:

7.2.1 Every parcel within the Property may be subject to a mandatory charge payable per parcel on the first day of each month or quarterly in advance of a specified dollar amount for cable television programming services and if separately arranged and agreed to, security services in such dollar amount subject to periodic adjustment.

7.2.2 The Declarant with respect to each parcel contained on the Property may impose assessments for CATV services which shall be due and payable as provided for in paragraph 7.2.1 and may collect the same and remit the amount collected to the Operator.

7.2.3 Every Parcel Owner hereby agrees that the Operator and its successors and assigns shall have a lien upon the Parcel Owner's parcel for the payment of CATV and if selected, security service fees (as the case may be).

7.2.4 Where an institutional mortgagee or other owner of a parcel obtains title to a parcel as a result of foreclosure of an institutional mortgage such acquirer of title, its successors and assigns shall not be liable for the payment of the aforementioned charges pertaining to any such parcel which become due prior to the acquisition of title in the manner provided hereinabove.

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7.2.5 The Declarant may exclude non residential property within the Property from the provisions of this Article and may further exclude residential property which in the determination of the Declarant has uses for CATV and security services inconsistent with the overall design of such services and the Property as a whole.

7.3 Easement for CATV and Security Services. The Declarant hereby reserves for itself and for any Operator and for any successors or assigns of any of the foregoing a perpetual, non exclusive easement, privilege and right, in and to and over, under, on, and across all of the Property for the purposes of erecting, installing, maintaining, operating and removing any and all equipment or other property associated with the CATV and/or security service systems provided that such access or use shall not unreasonably interfere with the reasonable use and enjoyment of the Property by the Parcel Owners.

7.4 Structures. Notwithstanding anything to the contrary in item 7.3 of this Article, the Declarant hereby reserves for itself and for any operators and for any successors or assigns of the foregoing, a right to erect, install, maintain, operate and remove from the property at any time and from time to time any satellite dish, tower or other such structure or equipment for the purpose of establishing or operating CATV and/or security service systems, provided that any such structures or equipment shall not unreasonably interfere with the reasonable use or enjoyment of the property by the Parcel Owners.

ARTICLE VIII General Provisions

8.1 Easements. The Declarant reserves for itself, its heirs, successors and assigns perpetual non exclusive easements which shall be covenants running with the land as follows:

8.1.1 An easement ten feet in width on each and every parcel adjoining all roadways dedicated to the City of Lynden for purposes of installing, maintaining, and improving utility services. Said utilities shall include without limitation, electrical power, natural gas, television cable, storm drainage systems, sanitary sewer systems, and water lines.

8.1.2 An easement to install, maintain and improve signage for the Homestead Planned Residential Development within the exterior seven feet of each and every lot, said signage not to interfere with entry driveways.

8.1.3 An easement to enter each and every parcel within the Homestead Planned Residential Development for the purposes of maintaining landscape and berms installed by the Developer. Generally, the duty to maintain berms shall lie with the lot owner, but particularly with respect to berms along public

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thoroughfares which affect the appearance of the entire planned residential development the Declarant shall have the right to enter and maintain such berms and to modify and improve the same to preserve the overall appearance of the Homestead Planned Residential Development.

8.2 Amendments.

8.2.1 Amendments by the Declarant. So long as the Declarant retains ownership of the Common Open Space the Declarant specifically reserves for itself, its successors and assigns the absolute, unconditional right to alter, modify, change, revoke, rescind or cancel any and all of the restrictive covenants contained in this Declaration or hereinafter included in any subsequent Declaration provided that nothing herein shall prejudice or otherwise impair the security of any mortgagee of record as to any lot or parcel. Within forty-five (45) days after any such change in the Declaration the Declarant shall provide written notice of the change to Parcel Owners.

8.2.2 Amendments by the Association. In the event that and after the Declarant conveys its interest in the Common Open Space to the Association then this Declaration may be amended at any time upon the affirmative vote in favor of the amendment of three-fourths (3/4) of the members of the Association at a duly held meeting of the Association where a quorum is present. Amendment to Article VII herein shall be made only upon 100% vote of all Parcel Owners.

8.3 Remedies for Violation. Violation for breach of any condition, covenant or restriction herein contained shall give the Declarant and/or the Association and/or the Parcel Owners in addition to all other remedies, the right to proceed at law or in equity to compel compliance of the terms of said conditions, covenants and restrictions and prevent the violation or breach of any of them and the expense of any such litigation shall be borne by the then owner of the subject parcel provided that such proceedings, results in findings that such Parcel Owner was in violation of the covenants, conditions and restrictions herein. Expenses of litigation shall include reasonable attorney's fees incurred by the prevailing party in seeking such enforcement. Failure by the Declarant, the Association, or any Parcel Owner to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel the right to enforce the same thereafter.

8.4 Notices. Any notices required to be sent to any Parcel Owner or to the Declarant and/or the Association under the provisions of this Declaration shall be deemed to have been properly sent when mailed postage prepaid to the last known address of the Parcel Owner on the records of the Declarant and/or the Association at the time of mailing.

8.5 Severability. Invalidation of all or any part of one of these covenants and restrictions by a judgment or court order shall in no way affect the remainder of any such provisions or any other provisions which shall remain in full force and effect.

8.6 Usage. Whenever used, the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders for interpretation. The Declarant shall have the right except as limited by any of the provisions of this Declaration to determine all questions arising in connection with this Declaration and to construe and interpret its provisions and its good faith determination, construction or interpretation shall be final and binding. In all cases provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of the Homestead development.

8.7 Effective Date. This Declaration shall become effective upon its recordation in the public records of Whatcom County, Washington.

IN WITNESS WHEREOF the undersigned have executed this Declaration at Lynden, Washington, this 19 day of June, 1992.

DECLARANT:

HOMESTEAD NORTHWEST, INC.

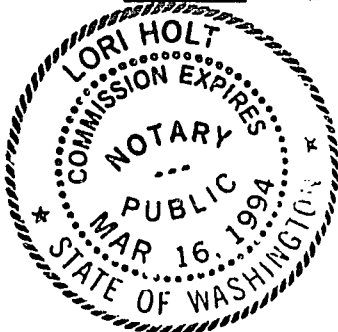
By:

James A. Wynstra
James A. Wynstra, President

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I hereby certify that I know or have satisfactory evidence that James A. Wynstra is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of HOMESTEAD NORTHWEST, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 19th day of June, 1992.



Lori Holt
NOTARY PUBLIC in and for the State
of Washington, residing at Lynden.

EXHIBIT A

**LOTS 1 TO 33, MABERRY PLAT, SITUATE IN WHATCOM COUNTY,
WASHINGTON.**

EXHIBIT B

**OPEN SPACE: "TRACT A" AS IT APPEARS ON THE FACE OF
MABERRY PLAT. SITUATE IN CITY OF LYNDEN, WHATCOM
COUNTY, WASHINGTON.**

**SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR
PLAT OF MABERRY**

This Supplemental Declaration of Covenants, Conditions, Restrictions and Reservations applies to Lots 1 through 33, Plat of Maberry, situate in City of Lynden, Whatcom County, Washington, and is made on this 19 day of JUNE, 1992, by **HOMESTEAD NORTHWEST, INC.**, a Washington business corporation, owner of the above described real property (hereinafter referred to as the "Declarant").

The Declarant declares that the real property described above shall be held, transferred, sold, conveyed and occupied subject to these supplemental covenants, conditions, restrictions, reservations, licenses, easements, charges and liens hereinafter set forth which are established for the purpose of protecting the value and desirability of the real property. The following design guidelines are to be used by the Design Review Board for Homestead in accordance with and supplemental to the provisions of the Master Declaration of Covenants, Conditions, Restrictions and Reservations for Homestead, a Planned Residential Development, which is to be recorded simultaneously herewith. This supplemental design guideline is with respect to the above described property only. Other specific guidelines will apply to other areas of the Homestead Planned Residential Development.

The supplemental guidelines which shall apply to Lots 1 through 33 Plat of Maberry are as follows:

Size - 2200 sq.ft. plus garage, 30 ft. maximum height. Variances may be granted on Lots 1 to 9 and Lot 14 subject to Design Review Board approval.

Set backs - 25' front, 30' rear, 10' side (measured to roof eaves).

Lot Coverage - not to exceed 25%.

Roof - Roof pitches, materials, and colors will be subject to Design Review Board approval.
- Recommended roofing materials: cedar shakes or shingles, laminated asphalt (Timberline or equivalent).

Exterior Walls - high quality cedar sidings and shingles, 5 1/2" maximum, exposure board, stucco, or masonry products. Composite materials are discouraged but may be considered when compatible with architectural design.

Masonry - use of brick and rock is encouraged but must be integrated into design to avoid "pasted on" appearance. Material samples must be approved by Design Review Board.

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Garage Doors - two or three stalls, not more than two stall doors in one wall plane. 8' maximum door height, raised panel doors.

Windows - wood or vinyl trimmed with wood. Size, style and fenestration appropriate to design. Grids must be high quality.

Chimneys & Chases - raw metal pipe protrusions are prohibited. Designed chases are recommended. Roof protrusion to be located away from street view.

Exterior Colors - subtle colors appropriate to style and blended to existing neighborhood homes subject to Design Review Board approval.

Landscape - design must be approved and must be installed within nine months of construction. Specific lots may have required street trees and/or perimeter plantings.

Fencing - Courtyard fencing only attached to house; wood, stucco, or masonry; integrated to house design, rear yard only and only within 20 feet of the house; buffered with landscape. Variances may be granted for lots not exposed to common areas.

Driveway/sidewalks - paved areas must be divided using combinations of smooth concrete, exposed aggregate and/or masonry materials. Lot owner must install city sidewalk within six (6) months of lot purchase.

Out-Buildings - not permitted without variance from Design Review Board.

Antennas & Satellite Dishes - not permitted.

General: The intent of these guidelines is to assure that all homes built at Maberry will be constructed of high quality materials and designed to sound architectural standards. Variety of design is encouraged including both traditional and contemporary styling. While elements of individuality are desired, careful blending and integration of the neighborhood will be considered in the approval of any design. Designs by licensed architects are encouraged but not required. Much attention will be given to landscape design and quality.

IN WITNESS WHEREOF, the undersigned has executed this Supplemental Declaration at Lynden, Washington, the day and year first above written.

DECLARANT:

HOMESTEAD NORTHWEST, INC.

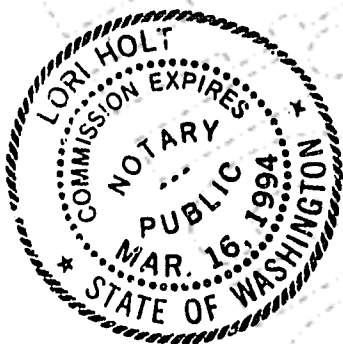
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By: 
James A. Wynstra, President

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I hereby certify that I know or have satisfactory evidence that JAMES A. WYNSTRA is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of Homestead Northwest, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 19th day of June, 1992.



Lori Holt
NOTARY PUBLIC in and for the State
of Washington, residing at Lynden.

WHATCOM COUNTY
BELLINGHAM, WA
06/24/92 09:57 AM
REQUEST OF: WEDEN ENG
Shirley Forslof, AUDITOR
BY: DB, DEPUTY
\$28.00 D/RC

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