

THE SOUTH WHIDBEY COHOUSING GROUP
PLANNED RESIDENTIAL DEVELOPMENT
AND
MAXWELTON CREEK COHOUSING
A Washington Non-Profit Corporation
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 3rd day of August, 1997, by The South Whidbey Cohousing Group, a Washington General Partnership, hereinafter called SWCG.

RECITALS

1. The lands owned by SWCG which have been developed under the ordinances of Island County as the South Whidbey Cohousing Group Planned Residential Development, are located in Island County, Washington, and are described as follows:

Parcel # -- R32922-487-1010
27 - NE NW NW & PT NW NW NW & OF SE NW NW LY ELY OF
CO RD EX S5 5/7 RDS (94.3') EX:BG NW 4/CR SEC 22
S89*E561.90' TPB S89*E323.69' S2*E234.70' S80*W331.76'
N1*W291.55' TPB EX RD SEC 22 TWP 29 R3E

Island County has granted final approval of the planned residential development and said planned residential development is recorded in Volume ____ of Planned Residential Developments, Records of Island County, State of Washington, page ____, under Auditor's File No. ____.

2. SWCG desires to provide for the preservation of values and amenities of the community established by the P.R.D. property in order to maintain landscaped areas, open spaces, forests and woodlands and facilities, and towards that end wishes to establish the following covenants, conditions, restrictions and easements hereinafter set forth, each and all of which is for the benefit of the entire P.R.D. property and each owner thereof.

NOW, THEREFORE, SWCG declares that the real property described in Recital 1 is and shall be held, transferred, sold, occupied and conveyed subject to the covenants, restrictions, easements and conditions set forth herein. The covenants shall run with and burden the property; shall be binding upon their heirs, successors and assigns; and shall inure to the benefits of each of the parties.

Article I - Definitions

Unless otherwise stated, the following terms have the following definitions in this Declaration and in the Articles of Incorporation and Bylaws of Maxwellton Creek Cohousing.

1.1 "South Whidbey Cohousing Group PRD" shall mean all the properties encompassed by the South Whidbey Cohousing Group PRD final Site Plan per the Records of Island County, Washington.

1.2 "Common Land and Facilities" shall mean the areas of land and any improvements situated thereon shown as common land, and designated as distinct areas, being COMMON OPEN SPACE and COMMUNITY AREA, consisting of smaller areas including but not limited to CASCARA WAY, PARKING AREA, GARDEN AND ORCHARD AREA, EXISTING BARN, TRAILS and PLAY FIELD as may be depicted on the SWCG PRD final Site Plan recorded in the records of Island County, Washington, and may also include areas for future facilities including a clubhouse, pasture, storage shed and accessory buildings. The common land and facilities is more particularly describe in Article IV herein.

1.3 "Community Association" shall mean MAXWELTON CREEK COHOUSING, a Washington non-profit corporation, whose only voting members are the owners of the Lots herein described, with membership in said organization being an obligation of ownership of said Lots. The Association shall hold title to the Common Land and Facilities described herein.

1.4 "Dwelling" shall mean any building located on a Lot for the purpose of residential occupancy.

1.5 "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any lot which is part of the property, and shall include contract purchasers, excluding those who have an interest merely as security for the performance of an obligation, and shall exclude contract sellers.

1.6 "Lots" shall mean the plots of land shown as building Lots in the SWCG PRD final Site Plan as per the records of Island County, Washington.

1.7 "Association Lot" refers to the lot drawn on the SWCG PRD Site Plan as Lot #8. Maxwellton Creek Cohousing shall hold title to Lot #8, for the purposes of constructing, enjoying and maintaining a community clubhouse with an attached dwelling. This Lot will have two connections to the water system, and a drainfield.

1.8 Residents and Tenants: "Resident" means any person residing in the community with a Lot Owner not a visitor or paid

tenant. "Tenant" means any person residing in the community as a paid tenant, subject to the Washington Residential Landlord Tenant Act.

1.9 "Roads and trails" shall mean the private road(s) and trails providing access to or lying within the SWCG PRD, but not including roads or trails within the boundaries of individual building Lots within said development.

1.10 "Water system" shall mean the well, pump house, meters, tanks, filtration system and all lines and other components of the facility providing domestic water supply to the SWCG PRD, but not including any components except meters, serving only individual building Lots within said development.

Article II
DESCRIPTION OF PLANNED RESIDENTIAL DEVELOPMENT

2.1 The SWCG PRD is a twenty-one and three tenths (21.3) acre parcel which includes eight (8) lots situated on approximately two and one-half (2 ½) acres with the remaining eighteen plus (18+) acres designated as Common Land.

2.2 The Common Land and Facilities, as described in Paragraph 1.2 herein, have been reserved as described in Article IV in this Declaration. Certain portions thereof are reserved and permanently committed as OPEN SPACE as defined in the Island County Code, and shall remain in their undisturbed, natural state, as it existed prior to the development of this PRD.

2.3 Easements are reserved throughout the SWCG PRD as may be required for ingress, egress and utility services.

2.4 Each of the Lots (except the Association Lot) will be used for single family residential purposes in accordance with the zoning regulations of Island County, Washington.

Article III
INCIDENTS OF OWNERSHIP

3.1 The units of ownership in the SWCG PRD are Lots. The Lots under individual ownership are depicted in the locations shown on the PRD Site Plan approved and recorded herewith, incorporated herein by this reference as though fully set forth. These Lots are designated by the numbers 1, 2, 3, 4, 5, 6, and 7. Lot 8 is owned by the Association. Each Lot is approximately 1/3 acre in size.

3.2 The legal description of each Lot shall be in the following form:

SITUATED IN COUNTY OF ISLAND, STATE OF WASHINGTON.

LOT ____ OF SOUTH WHIDBEY COHOUSING GROUP PLANNED RESIDENTIAL DEVELOPMENT RECORDED IN VOLUME ____ OF PLANNED RESIDENTIAL DEVELOPMENTS, PAGES ____, UNDER ISLAND COUNTY AUDITOR'S FILE NO. ____.

3.3 Ownership of each Lot includes the exclusive right of use of at least TWO (2) PARKING SPACES, which spaces shall be assigned and re-assigned by the Board of Directors of the Association, in its sole discretion.

3.4 Ownership of Lots 1, 2, 3, 4, 5, 6, or 7 in this PRD entitles the owner or owners thereof to ONE (1) service connection to connect a THREE (3) BEDROOM HOUSE to the community water system, subject to the rules and regulations set forth herein and set forth in Article VII of these covenants.

3.5 The Association Lot is entitled to TWO (2) service connections to the water system, one for the clubhouse and one for use in an attached dwelling.

3.6 Ownership of each Lot in this PRD includes a required membership in MAXWELTON CREEK COHOUSING which shall own and manage all of the Common Lands and Facilities that are a part of this PRD.

3.7 Ownership of each Lot includes the right of the owner or owners thereof to cast a total of TWO (2) VOTES on any matter placed before the membership for a vote.

3.8 Owners of each Lot will take title to said Lot subject to the Articles of Incorporation and Bylaws of the Association, and the easements, reservations, restrictions, rules and regulations shown on the face of the recorded Site Plan or stated in this Declaration. Copies of the following documents are attached hereto and incorporated herein by this reference as

though fully set forth. Purchasers will be provided with copies of these documents upon request:

- 3.8.1 Articles of Incorporation of Maxwellton Creek Cohousing
- 3.8.2 Bylaws of Maxwellton Creek Cohousing
- 3.8.3 Site Plan
- 3.8.4 This Declaration
- 3.8.5 Water System Maintenance and Operation Manual

3.9 Each Lot Owner shall install sewage disposal facilities which conform to the current requirements of waste disposal imposed by Island County or any successor agency. No disposal facility, or any part thereof, shall be installed on or in any owner's lot unless the same has been previously approved for use thereon or therein by Island County or any successor agency. Every owner shall at all times maintain his sewage disposal system in good working order and shall assume all maintenance costs thereof.

Article IV
COMMON LANDS AND FACILITIES

4.1 Description and Purpose: The Common Lands and Facilities consist of all lands and facilities of the SWCG PRD other than Lots 1, 2, 3, 4, 5, 6, or 7, including but not limited to Open Space, Community Areas, parking areas, roads, trails, garden areas, and water system. See also Paragraphs 1.2 and 2.2 herein. Said lands are to be owned in fee simple by the Association, pursuant to the conveyances herein, and Lot Owners shall have the full right of enjoyment of said property, subject to the restrictions and reservations stated herein. The common lands cannot be partitioned, divided, or conveyed without the consent of the Association and not in a way inconsistent with the purposes set forth herein. The Common Open space may not be divided, sold or transferred if such transaction does not meet the conditions of PRD approval and the Island County Code. The purposes of the Common Lands and Facilities are to:

- 4.1.1 Preserve the natural features and landscaping including perimeter buffer areas, wildlife and stream protection, and drainage management.
- 4.1.2 Provide community facilities and areas that encourage recreation and enhance the quality of life for the residents.

4.2 Conveyance, Dedication and Reservation of Common Open Space: The area designated as COMMON OPEN SPACE B on the PRD Site Plan is hereby conveyed in fee simple to MAXWELTON CREEK COHOUSING, for the benefit of the Lot Owners herein, subject to the restrictions and reservations herein, and is hereby dedicated, reserved and permanently committed in an undisturbed, natural state, for passive recreation and the establishment of primitive trails.

4.3 COMMON OPEN SPACE Restrictions and Protective Covenants: The designated COMMON OPEN SPACE shall be preserved and maintained as follows:

- 4.3.1 Trees and other vegetation shall not be removed or disturbed except if determined to be diseased or which reasonably pose a threat to people or property, or for the intent of preserving and enhancing the forest ecosystem.
- 4.3.2 Plantings are permitted for the intent of preserving and enhancing the forest ecosystem.
- 4.3.3 Motor vehicles of any type (except motorized wheelchairs) shall not be permitted except in connection with the preservation, maintenance or removal of vegetation in accordance with the provisions of Paragraph 4.3.1
- 4.3.3 Discharging of firearms or hunting is prohibited.

4.4 The Association Board of Directors shall designate a Common Lands Management Committee, comprised of three members, each serving up to a three year term. Each year one member will rotate off the committee and a new member will rotate onto the committee. This committee will have responsibility to oversee the use and continued maintenance of the Common Land and Facilities.

4.5 Conveyance, Dedication and Reservation of COMMUNITY AREA: The area designated as COMMUNITY AREA A on the PRD Site Plan is hereby conveyed to MAXWELTON CREEK COHOUSING, for the benefit of the Lot Owners herein, subject to the restrictions and reservations herein, and is hereby dedicated, reserved and permanently committed to use for community facilities, active recreation and vegetated buffer areas along property lines. This area may be suitably improved for structures and improvements including but not limited to clubhouse, garden, pasture, trails, and outbuildings.

4.6 COMMUNITY AREA Restrictions and Protective Covenants: The COMMUNITY AREA shall be preserved and maintained as follows:

- 4.6.1 Improvements, such as utilities, garden sheds, greenhouse, carport, drainfields, or any such improvement as agreed upon by the Board of Directors, in compliance with the code of Island County, shall be made with minimal disturbance of the natural vegetation, and where possible, vegetation shall be replaced with suitable vegetation for the purpose of drainage management and protection of the watershed.
- 4.6.2 Motorized passenger and recreation vehicles of any type shall be restricted to improved roads or driveways in accordance with the provision of Paragraph 11.7 of this Declaration. Motorized equipment shall be restricted to improved roads except in connection with the construction, placement, operation, maintenance and repair of grounds, facilities and utilities, including the water system and septic systems.
- 4.6.3 Discharging of firearms or hunting shall be prohibited.
- 4.6.4 The Landscape buffer that is a minimum of thirty-five (35) feet in width around the perimeter of the site, other than at the entrance onto the site, shall be preserved as natural, undisturbed open space except for the construction and use of trails and maintenance to remove only dead or diseased vegetation or vegetation that poses a threat to people or property. Drainfield placement is allowable in the portion of the landscape buffer that is adjacent to Maxelton Road, which has been

used for agricultural purposes, and is indicated on the final Site Plan.

4.6.5 The 100 foot radius control area around the well shall be maintained free of contamination from any pollution source, to include pesticides, toxic wastes or domesticated animals. No person shall be allowed to undertake any action which could reasonably result in the contamination or pollution of the well and water source. No one shall be allowed to construct, maintain, or suffer to be constructed or maintained within ONE HUNDRED (100) FEET of the well, for so long as the same is operated to furnish water for human consumption, any of the following: cesspools, sewers, privies, septic tanks, drain fields, manure piles, garbage of any kind or description, chicken houses, rabbit hutches, or any other enclosure or structure for the keeping of birds or animals, or for the storage of toxic liquid or dry chemicals, herbicides, insecticides, or any other practice deemed injurious to public health and therefore not acceptable by the Island County Health Department.

4.7 Change in Use of Common Land: Any change in use of the COMMON OPEN SPACE and COMMUNITY AREA within the PRD shall be permitted only following an amendment to the PRD. Any application for such amendment to the PRD shall be processed in accordance with Island County Code, and subject to Article XIII (AMMENDMENTS) herein.

4.8 Conveyance, Dedication and Reservation of ACCESS AND UTILITY EASEMENT: An easement shall be reserved for and granted to all utilities serving the PRD and their respective successors and assigns, over, under and upon the common areas and facilities (including private roads and tracts) in which to install, lay, construct, renew, operate and maintain underground conduits, cables, pipes and wires: together with other necessary facilities and equipment, for the purpose of serving this subdivision and {enter upon the lots for the purposes stated herein.

4.9 Conveyance, Dedication and Reservation of PARKING EASEMENT: An easement is hereby conveyed in that part of the COMMUNITY AREA designated as PARKING AND UTILITY EASEMENTS on the PRD Site Plan recorded herewith to benefit Lot Owners herein and subject to the restrictions and reservations herein. The purpose of the esement is ingress, egress and parking over and across the area defined.

ARTICLE V
ALLOCATED INTERESTS, VOTING RIGHTS AND ASSESSMENTS

5.1 The owner(s) of each Lot is/are responsible for 1/7 of the expenses of the Association and of the Common Lands and Facilities of the whole PRD.

5.2 Assessments against Lots or Lot Owners for common expenses shall be pursuant to the Bylaws and shall be allocated on the basis of the percentage set forth in Paragraph 5.1 of this Declaration. All assessments shall be personal obligations of the Lot Owners.

5.3 Purpose of Assessment: Assessments against owners for common expenses including but not limited to maintenance, repairs, construction and improvements of road, ground, buildings and structures, shall be made pursuant to the Articles of Incorporation and Bylaws of the Association.

5.4 Payment of Assessment: Assessments and installments thereon paid on or before sixty (60) days after the date when due shall not bear interest but all sums not paid on or before sixty (60) days after the date when due shall bear interest at a rate that will be based upon circumstances of the time, which is to be determined by consensus of the Board of Directors. All payments on account shall first be applied to interest and then to the assessment payment first due.

5.5 Delquent Assessments: The Association requests one month advance notice if a payment will not arrive at assessment due date. If this is not possible, notice shall be given as soon as possible.

5.5.1 Any plans for late payment of an assessment must be presented to MCC in writing and mutually agreed upon by the consensus process.

5.5.2 Monthly dues shall be determined by the Board of Directors. When monthly dues are sixty days late, a late fee of five dollars per month since the date due shall be charged.

5.6 Any person subject to this Declaration whose interest in any affected parcel is that of a beneficiary of a deed of trust, holder of a mortgage, or real estate contract seller, shall not be responsible to share in any of the costs of maintenance until or unless such person should come into or retake the rights of possession of the subject property. In that event, the liability for share of costs, fees and assessments may be limited by covenants pertaining to the rights or Mortgagees, if any such covenants exists.

ARTICLE VI
MAINTENANCE AND ALTERATION OF COMMON LAND AND FACILITIES

6.1 Responsibility: The Association shall at its expense have the sole right and responsibility to maintain, repair, replace and improve all Common Land and Facilities described in Article IV (COMMON LAND AND FACILITIES) of this document.

6.1.1 The Association shall at its expense have the sole right and responsibility to provide for the adequate drainage of the Command Lands and Common Open Space.

6.2 Methods: Maintenance methods and standards shall be in a manner determined by the Board of Directors and pursuant to applicable Washington State and Island County standards.

6.3 Assessment: The Association has the authority to levy assessments against all Lot Owners for the purpose of funding the activities needed to construct, maintain, repair, replace and improve the Common Land and Facilities, in accordance with the procedures set forth in the Association Bylaws.

6.4 Road Maintenance and Alteration: The Association shall be responsible for the maintenance, repair, replacement or improvement to the private road(s) and road signs within and leading to the SWCG PRD. Such roads and road signs shall be maintained and improved consistent with applicable Island County standards for such private roads and road signs.

6.4.1 The Association or any entity with responsibility for present or future road maintenance of alteration has the right and responsibility to drain properly all streets over and across any lot or lots where water might take a natural course after the road or roads are graded.

6.5 Water System Maintenance: The Association shall be responsible for the maintenance, repair, replacement and improvement of the water system serving the SWCG PRD. The water system shall be maintained and improved consistent with applicable Washington State and Island County standards for such water systems. Maintenance of the system is described in detail in these covenants in Article VII (WATER SYSTEM OPERATIONS AND MAINTENANCE) and in the Operation and Maintenance Manual.

ARTICLE VII
WATER SYSTEM OPERATIONS AND MAINTENANCE

7.1 Name: The name of the water system is Maxwellton Creek Cohousing Water System.

7.2 Control: The Associates shall manage and control the water system, maintain, repair, replace and improve the water system consistent with applicable Washington State and Island County standards for such water systems and the residential purposes of this community.

7.3 Management: The Association Board of Directors shall designate a Water System Management Committee, comprised of three members, each serving up to a three year term. Each year, one member will rotate off the committee and a new member will rotate onto the committee. This Committee will carry out the terms of these covenants and perform other tasks required to meet Island County and the State of Washington requirements.

7.4 Size: There shall be a total of NINE (9) water connections to the water system.

7.4.1 Lots 1,2,3,4,5,6, or 7 in the SWCG PRD, as defined in ARTICLE III (INCIDENTS OF OWNERSHIP) of this Declaration, shall be allocated ONE (1) water connection each to the water system.

7.4.2 The Association shall be allocated TWO (2) water connections to the water system for use in the Common Facilities (clubhouse/dwelling) on the Association Lot.

7.5 Prohibition on serving other parcels: Water to any parties not belonging to the Association shall not be furnished without the approval of the Association and the Island County Health Department.

7.6 Regulation of Water Use: The Association establishes the following methods of regulating water usage:

7.6.1 Water meters shall be installed and utilized at all water connections and at the wellhead.

7.6.2 The total amount of water usage shall not exceed a maximum of 5,000 gallons per day (gpd) for the water system.

7.6.3 The Association shall establish a maximum per day rate for each water connection not to exceed an average of 555 gpd per water connection. The maximum per day rate per connection, shall be calculated using a per capita rate based on the number of permanent occupants. The Association shall establish a rate structure for water usage

which provides water conservation incentives and penalties, for usage above the maximum gallons per day rate for the Lots and common usage set by the Board of Directors.

- 7.6.4 The maximum service connection shall not exceed 45 pounds per square inch per connection at delivery, except where made unfeasible by physical characteristics of the water system, or when public health is threatened.
- 7.6.5 All connection meters shall be read and recorded on a monthly basis. The source meter will be read on a weekly basis. This data shall be kept as official records of the Association, and provided to the Island County Health Department on a bi-annual basis.

7.7 Water Conservation: The Association established the following water conservation measures for 9 water connections:

- 7.7.1 All toilets connected to the water system shall be rated not to exceed a maximum number of gallons of water per use to be established by the Board of Directors as part of the Water System Rate Structure, initially 1.6 gallons per use.
- 7.7.2 All shower heads and faucets connected to the water system shall be rated not to exceed a maximum number of gallons per minute to be established by the Board of Directors as part of the Water System Rate Structure, initially 2.0 gallons of water per minute.
- 7.7.3 All hot water pipes shall be thermally insulated.
- 7.7.4 All water devices used for outdoor watering, connected to the water system, shall have a means of control designed to facilitate water conservation.
- 7.7.5 Outside watering devices connected to the water system shall be by drip irrigation, mechanically timed, hand held or other established means of water conservation.
- 7.7.6 Outside watering devices connected to the water system shall be used at times of the day which minimize water evaporation.
- 7.7.7 All appliances and devices used for water conveyance are subject to the inspection and approval of the Association.
- 7.7.8 Conservation of water will be used as a criterion in decisions affecting the development and use of the Common Land and Facilities.
- 7.7.9 The Association shall adopt other water conservation programs and rate incentives as deemed appropriate by the Board of Directors.

- 7.7.10 The Association shall strongly encourage the use of native or low water consumption vegetation.
- 7.7.11 The Association shall submit to the Island County Health Department this Declaration containing these operation and maintenance covenants and an Operations and Maintenance Manual for the Water System. The covenants and Manual contain specific information to meet State and County requirements for the system. A copy of the manual shall be made available at all times in the wellhouse, not later than the completion of the first building of the PRD. The covenants and Manual may be revised from time to time as necessary to meet State and County requirements or as the Board deems appropriate, not inconsistent with State and County requirements.

7.8 Water System Assessment:

- 7.8.1 A Water System Repair and Maintenance Fund shall be established for the maintenance, repair, replacement or improvement of the water system funded by an assessment against each Lot or Lot owner(s) in accordance with ARTICLE V (ALLOCATED INTERESTS, VOTING RIGHTS AND ASSESSMENT) of this Declaration.
- 7.8.2 The Association shall establish an assessment based on a Water System Rate Structure, which includes a Water Usage Rate Schedule, that shall be reviewed and revised periodically by approval of the Association Board of Directors.
- 7.8.3 An assessment for the Water System shall be billed bi-monthly to each Lot Owner(s).
- 7.8.4 A bi-monthly base rate charge shall be assessed to each water connection.
- 7.8.5 A bi-monthly water usage charge, based on actual water usage, shall be assessed to each Lot Owner for each water connection, and based upon the following three-tiered block rate structure:
 - (a) A CONSERVATION RATE shall be established for a designated water usage range falling below a certain maximum gallons per day (gpd) rate per connection.
 - (b) A AVERAGE RATE shall be established for a designated water usage range above the conservation rate and below the allowable maximum gallons per day rate.
 - (c) A HIGH-USE RATE shall be established for water usage above the average rate up to the maximum allowable gallons per day rate.
- 7.8.6 Each water connection shall be assessed a water usage charge calculated by using the appropriate

water usage rate (either the CONSERVATION RATE, AVERAGE RATE or HIGH-USE RATE) for all water used during the assessment period.

7.8.7 The initial water usage assessment ranges and rates are set forth on the WATER SYSTEM RATE STRUCTURE, which is to be determined by the Water System Management Committee in consultation with the Board of Directors.

7.9 Termination for Excessive Use: If a water connection exceeds the allowable maximum gallons per day rate, the Lot Owner(s) shall receive a written warning with their assessment, in addition to being assessed at the higher HIGH-USE RATE. If after TWO (2) WARNINGS the maximum rate is still not adhered to, the Association reserves the right to shut off the water connection to the Lot. To reconnect to the water system, the Lot Owner(s) shall pay a fee of two hundred dollars and sign a compliance agreement.

7.10 Collection and Lien Rights: Assessments in arrears shall be handled in accordance with ARTICLE V (ALLOCATED INTERESTS, VOTING RIGHTS AND ASSESSMENT), of this Declaration. For assessments that remain unpaid for more than SIX (6) MONTHS after written notice, the Association reserves the right to shut off the water connection to the Lot until payment is received, and to place a lien on the property served by the connection. The amount of the lien shall include the amount of the arrearage plus attorney's fees and costs reasonably incurred in connection with enforcing collection.

7.11 Special Assessment: In the event of malfunction or damage of the water system caused by any event including weather, vandalism, or other unforeseen agents, if the Water System Repair and Maintenance Fund is insufficient to cover the repairs, the Association has the right to levy a special assessment against all Lots and Lot Owners to pay for the repairs.

7.12 Insurance: The water system shall be insured in accordance with ARTICLE X (INSURANCE) of this Declaration, for damages caused by circumstances allowable by a certified insurance carrier and as required by the State of Washington and Island County.

7.13 Repair and Maintenance: The Water System Management Committee shall be responsible for the following:

7.13.1 Carrying out the repair and maintenance of the water system.

7.13.2 Serving as contact with the Island County Health Department for the dissemination of data, water quality test results and notification of system problems.

7.14 A maintenance schedule and repair program shall be established and documented in an Operations Manual, as prescribed by a professional water system consultant; to monitor and maintain the water system in accordance with the State of Washington and Island County regulations, and for the prevention and early detection of leaks and water quality issues.

7.15 Water samples will be taken as required by the State of Washington (WAC 246-291), Island County, and federal water quality regulations. The Island County Health Department and all parties served by water connections shall be notified of the results of water quality tests in accordance with WAC 246-291-300, and applicable State of Washington, Island County and federal regulations.

7.16 Water System emergencies and repairs to the system will be considered urgent and will be arranged and completed in a timely manner.

7.17 The Operations Manual, which is easy to read, with step-by-step instructions, shall be made available at all times in the wellhouse; as well as the name, address and phone number of the Water System Manager and Assistant. The Manual shall include all information necessary for anyone who is unfamiliar with the water system, to attend to any function, routine or otherwise, which requires attention.

7.18 Prohibited Practice: The parties herein, their heirs, successors and/or assigns, will not construct, maintain or suffer to be constructed or maintained upon the said land and within one hundred feet of the well herein described, so long as the same is operated to furnish water for public consumption, any of the following: septic tanks and drain fields, sewer lines, underground storage tanks, county or state roads, railroad tracks, vehicles, structures, barns, feeding stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dry chemical storage, herbicides, insecticides, hazardous waste or garbage of any kind. The parties will not cross connect any portion or segment of the water system with any other water source without prior written approval of the Island County Department of Public Health and/or other appropriate governmental agency.

ARTICLE VIII
SEPTIC SYSTEM OPERATIONS AND MAINTENANCE

8.1 Sewage Disposal: All on-site sewage disposal facilities on the property shall conform to the then current requirements of waste disposal imposed by Island County, or any successor agency. No disposal facility, or part thereof, shall be installed on or in any owner's lot unless the same has been approved for user thereon or therein by Island County or any successor agency. Every owner shall at all times maintain his/her sewage disposal system in good working order and shall assume all maintenance costs thereof. The Association is responsible for installation, maintenance and repair of septic transport lines within the utility easement, except in the event that damage is caused by negligent use of the septic system by a Lot Owner.

8.2 All Lot owners shall be granted access to their respective drainfield areas for the purposes of installation, maintenance and repair of said drainfield areas.

8.3 There shall be a total of eight (8) sewage disposal systems.

8.3.1 Lots 1,2,3,4,5,6, or 7 in the SWCG PRD, as defined in ARTICLE III (INCIDENTS OF OWNERSHIP) of this Declaration, shall be allocated ONE (1) drainfield area.

8.3.2 The Association shall be allocated ONE (1) drainfield area for the use of the Common Facilities (clubhouse/dwelling) on the Association Lot.

8.4 Repair and Maintenance: The individual lot owner shall be responsible for the following:

8.4.1 Carrying out the repair and maintenance of the drainfield.

8.4.2 Serving as contacts with the Island County Health Department for the dissemination of data, and notification of system problems.

ARTICLE IX
THE ASSOCIATION

The operation of the SWCG PRD shall be by Maxwellton Creek Cohousing, hereinafter called the "Association", which shall be organized and fulfill its functions pursuant to the following provisions:

9.1 Administration of the SWCG PRD shall be by the Board of Directors of MAXWELTON CREEK COHOUSING pursuant to the Articles of Incorporation and the Bylaws of said Association. A copy of the Articles of Incorporation approved by the Secretary of State of the State of Washington and a copy of the Bylaws are attached hereto and incorporated herein by this reference as though fully set forth.

9.2 The Association shall be incorporated as a non-profit corporation under the laws of the State of Washington.

9.3 The members of the Association shall consist exclusively of Lot Owners, and residents and tenants legally residing in the SWCG PRD. Residents and tenants shall be non-voting members of the Association.

9.4 The Articles of Incorporation and Bylaws of the Association may be altered, amended or repealed in the manner specified in those documents.

9.5 Notwithstanding the duty of the Association to maintain, repair, replace or improve parts of SWCG PRD, the Association shall not be liable to its members or residents for injury or damage caused by any latent conditions of the property to be maintained, repaired, replaced or improved by the Association, or for injury or damages caused by the elements or other owners or persons.

9.6 To the full extent authorized by law, all Owners of the Lots agree to hold harmless and indemnify the Association for loss, damage, claims or expenses arising or occurring as a result or caused by maintenance, repair, replacement or improvement of the land and improvements of the SWCG PRD.

9.7 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to that Owner's Lot. No Owner has any right to possession or control of any Association funds as against the Association, its Board and officers.

ARTICLE X
INSURANCE

10.1 Duty to Obtain Insurance: Not later than the time of first conveyance of a Lot to a person other than the Declarant, to the extent reasonably available, insurance policies of the SWCG PRD property covering the items described in Paragraph 10.2 below of this Article shall be purchased by the Association for the benefit of the Association and the Lot Owners and their mortgagees. Provisions shall be made for the issuance of certificates of insurance to the mortgagees of Lot Owners.

10.2 Types Insurance: Insurance shall be written on a multi-peril basis to cover the following:

10.2.1 Property Insurance: Property insurance, insuring against all risks of hazard and direct physical loss commonly insured against, including fire and extended coverage on insurable Common Land and Facilities on a current replacement cost bases in an amount at least ONE HUNDRED PERCENT (100%) OF THE INSURABLE VALUE (based on current replacement cost).

10.2.2 Liability Insurance: liability insurance, including medical payments insurance, in the amount determined by the Board of Directors but not less than ONE MILLION DOLLARS (\$1,000,000) per person per occurrence, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in the connection with the use, ownership or maintenance of the Common Lands and Facilities.

10.2.3 Other: In addition to the specified coverage there shall be such other insurance, such as directors and officers liability insurance, as the Board of Directors shall determine from time to time to be desirable or necessary.

10.3 Premiums: Premiums upon such insurance policies purchased by the Association shall be paid by the Association as a common expense, assessed to Lot Owners as provided in Paragraph 5.2 herein.

ARTICLE XI
GENERAL COVENANTS

11.1 Use of Lots: The Lots as described in Article III (INCIDENTS OF OWNERSHIP) of this document, are under the sole authority of the individual Lot Owners to determine appropriate use, except as indicated in the Article, or as restricted elsewhere in this Declaration. All uses of Lots must conform to Island County Code and the conditions of the approval of the PRD.

11.2 Use of Common Land and Facilities. The Association shall have the sole authority to determine the appropriate use of the Common Land and Facilities as described in Article IV (COMMON LANDS AND FACILITIES) of this Declaration. Use of the Common Land and Facilities by individual Owners, including but not limited to storage or keeping of personal property, use by pets and other animals, building of structures for personal use, planting and harvesting of crops, and wood gathering, will be governed and regulated by the Association as set forth in the Bylaws and any Rules and Regulations adopted by the Association. All uses of the common areas must conform to Island County Code and the conditions of the approval of the PRD.

11.3 Regulation of Lot Activities. The Association shall have the authority to govern and regulate, as set forth in the Bylaws, any activities occurring on Lots that adversely impact other Lots, or the Common Land and Facilities, with regard to noise, visual aesthetics or restrictions, safety, solar access and pollution or disposal of hazardous waste.

11.3.1 Cutting down mature trees on Lots may be done with the agreement of the Board of Directors.

11.3.2 Hooved animals on Lots are permissible by agreement of the Board of Directors, if in conformance with state and local codes.

11.4 Architectural/Building Restrictions

11.4.1 As used in this Article, "design" shall mean the materials, location, size, configuration and architectural style of all dwellings, additions, accessory buildings, fences and trees.

11.4.2 All buildings and structures shall be designed to promote the harmonious integration of structures within the community and its natural environment and to promote the creation of energy efficient, ecologically sound home of a quality and size consistent with the Project.

11.4.3 There shall be a maximum of 1500 square feet of built space per lot. This does not include buildings smaller than 10' x 12', which are permissible, and are to be designed and built

according to the Association principles of unified design.

- 11.4.4 In order to minimize fire hazard, all roofing materials shall be fire retardant; this would prohibit materials such as wood shingles.
- 11.4.5 In order to minimize fire hazard, all structures shall be situated on the site in such a way as to maintain a FIFTY (50) FOOT setback between buildings.
- 11.4.6 As a condition of ownership, Lot owners agree to consider and resolve issues involving the design and impact of dwellings, additions, accessory buildings, fences and trees, on other Lots and the impact on the Common Land and Facilities. Lot Owners agree to solicit comment from the Board of Directors on proposed plans and designs, and agree to work to resolve issues in order to enhance the overall Project, and to minimize the impact on other Lots and on the Common Lands and Facilities. All issues shall be resolved in accordance with the decision making processes set forth in the Bylaws of the Association.
- 11.4.7 The Board of Directors shall establish a process for Lot Owners to make available for comment proposed plans and design for dwellings, additions, accessory buildings, fences and trees.
- 11.4.8 The Board of Directors reserves the right to establish an application and design review approval process which may include Rules and Regulations regarding architecture and building.
- 11.4.9 At least the exterior and roofing of any dwelling or structure shall be completed within EIGHTEEN (18) MONTHS after construction is started.
- 11.4.10 Variations from these restrictions are subject to review and approval by the Board of Directors as set forth in the Bylaws.
- 11.4.11 All buildings must meet state and local codes, and permits, when required, must be obtained prior to the start of construction.
- 11.4.12 Buildings and setbacks on the Lot shall be no less than five (5) feet and the front and back of the Lot and Zero (0) Feet at the sides.

11.5 Water Conservation. See Article VII (WATER SYSTEM OPERATION AND MAINTENANCE) of this Declaration for water conservation requirements which shall apply to all dwellings, Common Land and Facilities.

11.6 Home-based Business/Cottage Industries: The Association has the authority to govern and regulate, as set forth in the Bylaws, any home-based business or cottage industry.

11.7 Use/Parking of Motorized Vehicles: The use/parking of motorized vehicles on Common Land and Lots will be governed and regulated by the Association, as set forth in the Bylaws, to ensure the primacy of use and safety for pedestrians and non-motorized vehicles on roads and trails, and to visually separate motorized vehicles from Lots and the central Community Area.

11.8 Firearm/Hunting Restrictions: No loaded or unloaded firearms may be used or stored on Common Land and Facilities, and may not be used on Lots. Hunting is not permitted on either Common Land or Lots.

11.9 Solid Waste Disposal: The Association has the authority to govern and regulate, as set forth in the Bylaws, solid and toxic waste disposal for all Lots, Common Land and Facilities including but not limited to, centralized collection, recycling and burning.

ARTICLE XII RIGHT OF FIRST REFUSAL

12.1 The Association or any Lot Owner whose dues and assessments are fully paid has a Right of First Refusal to purchase any of the real property that is part of this PRD.

12.2 In the event a Lot Owner decides to sell a Lot in the project, the Owner shall notify the Secretary of the Association in writing of that intent, and the terms and conditions of sale.

12.3 Within TEN (10) DAYS of receipt of the notice of intent to sell, the Secretary of the Association shall make that fact known by written notice to all other owners, identifying the Lot and stating the terms of the sale. Then the Association and each Lot Owner shall have THIRTY (30) DAYS after postmark or personal delivery of the notice in which to exercise the Right of First Refusal by bringing a "qualified" buyer with an offer acceptable to the Seller, or with an offer whose terms are identical to those stated in the notice.

12.4 If a Lot Owner receives an unsolicited offer to purchase any Lot and intends to accept said offer, the Owner must give notice of that offer to the Secretary of the Association, and provide the Secretary of a copy thereof. Then the notice provisions and time periods for exercise stated in Paragraph 12.3 will apply.

12.5 Any Lot Owner and the Association have the right to bid at any foreclosure sale of any Lot.

12.6 Neither the Association or any Lot Owner has the right of first refusal to purchase the premises simply as a result of the Lot Owner encumbering the property with liens or deeds executed as security only.

12.7 In the event a Lot Owner lists a Lot for sale with a realtor or broker, the Lot Owner shall exclude any sale to another Lot Owner or to the Association from the commission agreement.

ARTICLE XIII AMENDMENTS

13.1 This Declaration may be amended by the Association at a duly called meeting called for that purpose, subject to the procedural requirements of the Articles of Incorporation and Bylaws of the Association. Amendments brought before the Association shall have had prior approval by the Board of Directors of the Association. The Declaration shall be amended by the unanimous consent of the Lot Owners involved.

13.2 The rates for water usage are subject to annual review and change by adoption of an updated rate schedule by the Board of Directors without prior notice to Lot Owners, without the assent of all of the Lot Owners and without the necessity of recording amendment to this Declaration. Persons needing to be informed of the current rate schedule in effect are instructed to contact the Association for a certified copy of the rate schedule then in effect.

13.3 Amendments pertaining to the water system, including covenants pertaining to maintenance and operations, and including the Operations Manuals shall be discussed with Island County Health Department prior to the Board of Director's approval. A notarized copy of any amendments shall be provided to the Island County Health Department.

ARTICLE XIV DISCLAIMER

14.1 Other than the responsibility for the maintenance and operation costs related to the water system stated herein, neither SWCG nor any of the present or future owners of the Lots of this PRD shall have any individual liability for any damage, claim, loss, or injury, which may hereafter arise from, or in connection with, the water system or water supply. SWCG MAKES NO WARRANTY OR REPRESENTATION CONCERNING THE WATER SYSTEM OR CONCERNING THE QUALITY OR QUANTITY OF WATER PRODUCED BY SAID SYSTEM, and shall have no individual future liability concerning the quality, quantity or purity of the water.

14.2 In the event the water system fails the owners of the system shall share equally in the expense of finding and establishing a new source of water.

Article XV
Reference to PRD Site Plan

15.1 The PRD Site Plan for the SWCG PRD referred to herein was filed with the Island County Auditor simultaneously with the recording of this Declaration, in Volume _____ of Planned Residential Development, Pages _____, under Auditor's File No. _____. SWCG, or any title company or escrow company or institutional lender is authorized to insert the correct recording numbers in this Paragraph.

DATED THIS 3rd DAY OF AUGUST, 1997, BY THE GENERAL PARTNERS
NAMED BELOW

DECLARANT:

SOUTH WHIDBEY COHOUSING GROUP
A WASHINGTON GENERAL PARTNERSHIP

<signed>
Annette Bader

<signed, both>
Bonnie & Jay Freundlich
(a marital community)

<signed>
Lea Kuba

<signed, both>
Jeanie & Paul McElwain
(a marital community)