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THE LOPEZ VILLAGE RESTRICTIONS, AMENDED

A Declaration
of
Restrictions, Covenants and Conditions

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63 PAGE 340
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Filed for Record at the Request
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FEB 8 1980 A.D., 19.....
at *55* mfu. past *11 A* M
and recorded in vol. *63* of
Official Records, page *340/407*
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SAN JUAN COUNTY, WA
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DEPUTY

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THE LOPEZ VILLAGE RESTRICTIONS

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THE LOPEZ VILLAGE RESTRICTIONS, AMENDED

A Declaration
of
Restrictions, Covenants and Conditions

PREAMBLE

This Declaration is made by Lopez Village Corporation, a Washington corporation, as owner and developer of a parcel of unique island property, the legal description of which is set forth in Exhibit A.

The purpose of this Declaration is to perpetuate, within the framework of a commercial-residential planned unit development, the scenic beauty and rich variety of this island coastal, pastoral, and forested environment for the benefit of all who acquire property within Lopez Village (as hereinafter defined).

Through Lopez Village, Lopez Village Corporation seeks to meet the increasing commercial and residential demands of the Lopez Island community in a responsible manner which insures the preservation and full enjoyment of the natural advantages of the area for all who acquire property there. Lopez Village Corporation believes that this fundamental concept which underlies the development and use of Lopez Village serves both public and private interests by fostering a beneficial land use which retains the unique beauty of the land and creates an atmosphere enriching the spirit of its participants.

It is to be assumed that all owners of commercial property within Lopez Village, by virtue of their purchase of such property, share in the philosophy of the Lopez Village Corporation, and are motivated by the prospect of providing Lopez Island with a center for commercial activities which provides

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a planned, ordered and unified organization and aesthetic appearance. It is to be assumed that those who are entrusted with the administration of Lopez Village will discharge their trust in full recognition of the philosophy set forth above.

It is to promote the foregoing that this Declaration is made, and it is the intention of Lopez Village Corporation that the limitations, restrictions, covenants and conditions of this Declaration will be understood and construed in accordance with this Preamble.

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ARTICLE I

DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Article I shall, for all purposes of The Lopez Village Restrictions, have the meanings herein specified. Terms not expressly defined herein are used in these Restrictions in accordance with the meanings, if any, given said terms by the Uniform Building Code, 1976 ed.

Articles: The term "Articles" shall mean the Articles of Incorporation of the Lopez Village Association.

Association: The term "Association" shall mean The Lopez Village Association, the nonprofit corporation described in Article V, its successors and assigns.

Board: The term "Board" shall mean the Board of Directors of the Association.

Building: "Building" is any structure built for the support, shelter, or enclosure of persons, animals, chattels, or property of any kind. It shall include both the main portion of any building and all projections or extensions thereof, including garages, outside platforms and docks, carports, canopies, enclosed malls and porches.

Bylaws: The term "Bylaws" shall mean the Bylaws of The Lopez Village Association, as such Bylaws may from time to time be amended.

Cellar: "Cellar" is that portion of a building between floor and ceiling, which is wholly or partly below grade, and so located that the vertical distance from grade to the floor below is equal to or greater than the vertical distance from grade to ceiling.

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Committee: The term "Committee" shall mean the Design Committee.

Common Area: The term "common area" shall mean all of the real property designated "Common Area" pursuant to Section 3.03 which has been conveyed in fee to the Association pursuant to Section 7.05, together with all of the improvements from time to time constructed thereon.

Common Expense Assessment: The term "common expense assessment" shall mean any assessment levied pursuant to Article VI.

Design Committee: The term "Design Committee" shall mean the committee created pursuant to Article IV.

Design Committee Rules: The term "Design Committee Rules" shall mean rules adopted by the Design Committee pursuant to Section 4.04.

Duly Called Meeting: A "duly called meeting" of the Board, the Association, the Committee or other group shall be a meeting as to which notice is given in accordance with Section 7.09(a) to every member of such Board, Association, Committee or group, respectively, and in accordance with Section 7.09(c), and at which a quorum is present.

File; Filed: The term "file" or "filed" shall mean, with respect to any legal document, that said document shall have been filed in the Office of the Recorder of the County of San Juan, State of Washington.

Fill: The term "fill" shall mean any addition of rock or earth materials to the surface of the land which increases the natural elevation of such surface by more than eighteen (18) inches.

Fiscal Year: The term "fiscal year" shall mean the year from March 1 through the last day of February.

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Grade: "Grade" (Adjacent Ground Elevation) is the lowest point of elevation of the finished surface of the ground between the exterior wall of a building and a point 5 feet distant from said wall, or the lowest point of elevation of the finished surface of the ground between the exterior wall of a building and the property line if it is less than 5 feet distant from said wall. In case walls are parallel to and within 5 feet of a public sidewalk, alley or other public way, the grade shall be the elevation of the sidewalk, alley or public way.

Grantor: The term "Grantor" shall mean Lopez Village Corporation, its successors and assigns.

Height of Building: "Height of building" shall be measured from the grade to the highest point of the building including, but not limited to, roof, skylights, signs and any mechanical equipment or stack, but not including chimneys, aerials, antennae, flagpoles, or windmills. In the case of berm construction or if fill is used, height shall be measured from the original grade (prior to any improvements to the lot) to the highest point of the building as set forth above.

Improvements: The term "improvements" shall include such buildings, outbuildings, roads, driveways, parking areas, fences, walls, stairs, decks, hedges, windbreaks, poles, signs, water lines, sewers, electrical and gas distribution facilities, loading areas, walkways, mass plantings, or any structures of any type or kind as are made by humans or applied to human use.

Lopez Village: The term "Lopez Village" shall mean all of the real property referred to in Section 2.01 and Exhibit A together with such other real property as is from time to time annexed thereto pursuant to the provisions of Section 2.02.

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Lopez Village Rules: The term "Lopez Village Rules" shall mean the rules from time to time in effect pursuant to the provisions of Section 5.06.

Lot: The term "lot" shall mean any lot having fixed boundaries and designated for residential or commercial use on the Plat of Lopez Village as amended from time to time, or as supplemented by annexation of other property; provided, however, that upon consolidation of two or more lots pursuant to Section 7.04, "lot" shall mean the parcel consisting of the lots so consolidated.

Manager: The term "manager" shall mean the person or corporation appointed as such pursuant to paragraph (e) of Section 5.05.

Mortgage; Mortgagee: The term "mortgage" shall be generally applied to include a deed of trust and a vendor's interest under real estate contract as well as a mortgage, and the term "mortgagee" shall mean a beneficiary under, or a holder of a deed of trust, or a vendor under a real estate contract, as well as a mortgagee.

Notice: The term "notice" shall mean a notice delivered pursuant to Section 7.09.

Owner: The term "Owner" shall mean the person or persons holding title to a lot in fee simple, and shall also include a vendee under a real estate contract. Grantor shall be considered an Owner for so long as Grantor holds the fee of any lot.

Plat: "Plat" is a map or representation of a subdivision, showing thereon the division of a tract or parcel of land into lots, blocks, roads and alleys or other divisions and dedications.

Plat of Lopez Village: The "Plat of Lopez Village" is the final set of drawings of the subdivision and dedication of

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Plat of Lopez Village: The "Plat of Lopez Village" is the final set of drawings of the subdivision and dedication of

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Lopez Village, as amended or supplemented from time to time, recorded with the county auditor and containing all elements required by law.

Property Line: "Property line" shall mean a line bounding a lot.

Record; Recorded: The term "record" or "recorded" shall mean, with respect to any document, that said document shall have been recorded in the Office of the Recorder of the County of San Juan, State of Washington.

Residential Lots: The term "residential lots" shall mean lots used primarily for dwelling purposes.

Residential Units: The term "residential unit" shall mean the individual dwelling unit within a residential lot, as, for example, an individual apartment, town house or condominium.

Road: The term "road" shall mean any vehicular way constructed within or upon any portion of common area or public area designated a street or road in the Plat of Lopez Village except any apron or other area constructed for the purpose of providing access from such way to any private area.

Right of Way Line: "Right of way line" shall mean a line bounding a road.

Setback: "Setback" shall mean the distance between a building and the nearest part of (a) any front or side property line, bounding the lot on which the building is situated, or (b) the nearest right of way line of any road abutting the lot on which the building is located.

Story: "Story" is that portion of a building included between the upper surface of any floor and upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the

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finished floor level directly above a basement, cellar or unused underfloor space is more than 6 feet above grade as defined herein for more than 50 per cent of the total perimeter or is more than 12 feet above grade as defined herein at any point, such basement, cellar or unused under-floor space shall be considered as a story.

Structure: "Structure" is that which is built or constructed, an edifice or building of any kind, or any piece of work, artificially built up or composed of parts joined together in some definite manner.

The Lopez Village Restrictions: The term "The Lopez Village Restrictions" shall mean, with respect to all property within Lopez Village, the limitations, restrictions, covenants, and conditions set forth in this declaration, as such declaration may from time to time be amended pursuant to Section 7.01, and, with respect to any property within Lopez Village which is annexed pursuant to Section 2.02, as such declaration may from time to time be supplemented or modified by the provisions of a declaration, if any, filed with respect to such property pursuant to Section 2.02.

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ARTICLE II

LOPEZ VILLAGE -- PROPERTY SUBJECT
TO THE LOPEZ VILLAGE RESTRICTIONS

Section 2.01: Lopez Village Initial Development.

Grantor hereby declares that Lopez Village is all of the real property located in the County of San Juan, State of Washington, described in Exhibit A.

Lopez Village is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to The Lopez Village Restrictions, meaning the limitations, restrictions, covenants and conditions set forth in this declaration, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of said real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property and every part thereof. All of The Lopez Village Restrictions shall run with said real property and shall be binding upon and inure to the benefit of Grantor, the Association, each Owner of said real property, or any part thereof, and each successor in interest of such Owner. Said real property, together with such other real property from time to time annexed thereto and made subject to The Lopez Village Restrictions pursuant to Section 2.02 shall constitute Lopez Village.

Section 2.02: Lopez Village: Annexation of Adjoining Lands.

(a) Any owner or owners, including Grantor, of property which adjoins or lies in the vicinity of the real property already subject to The Lopez Village Restrictions may apply in writing to the Lopez Village Association to have said property annexed thereto. Such application shall by plat map or Planned United Development Plan show the division of the

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property into lots. The application shall also include a proposed schedule of designated values of lots for voting rights purposes, and the total designated value of the annexation for voting rights purposes. The proposed schedule may be modified by the Board as a condition to approval of annexation.

Upon said application, and the favorable vote of a majority of the Board at a meeting of the Board duly called for that purpose, to the annexation of such adjoining property to Lopez Village, the owner or owners thereof may make such land subject to the Lopez Village Restrictions by executing an instrument in writing which describes said property, and which declares that said property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to The Lopez Village Restrictions; and by recording said Declaration and a copy of said Restrictions in the real property records of San Juan County, Washington. Upon such recordation, The Lopez Village Restrictions shall run with the land already subject thereto and with such adjoining land as if said Restrictions had always applied to all of said land from the inception of these Restrictions, and shall inure to the benefit of and be binding upon the Owners of all of such land, the Association, and any others having an interest therein, as tenants or otherwise, their respective heirs, successors and assigns. The sworn statement of persons declaring themselves to be a majority of the duly elected members of the Board, and declaring that they approved, at a duly called Board meeting, the inclusion of such land within The Lopez Village Restrictions, shall be sufficient evidence of compliance with this provision.

Any land owner, including Grantor, wishing to make his or its adjoining land subject to The Lopez Village

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Restrictions, subject, however, to certain specified conditions or modifications, may do so by following the procedures provided in this section and by having, in addition, such conditions or modifications specifically approved, at a duly called Board meeting, by a majority of the Board prior to recordation. The sworn statement of such persons declaring themselves to be a majority of the duly elected members of the Board and declaring that they approved, at a duly called Board meeting, the exceptions or modifications, shall be sufficient evidence of compliance with this provision.

(b) Upon any annexation becoming effective the property covered by such annexation shall become and constitute a part of Lopez Village, and the Association shall have and shall accept and exercise jurisdiction over such property as a part of Lopez Village. The voting rights of members of the Association shall be adjusted to reflect the annexation of additional property. The formula for determining percentage voting rights, as stated in Section 5.03, shall remain the same, and the total number of votes in the Association shall remain one hundred (100), but the total designated valuation of Lopez Village shall be increased by the designated value of the annexed property.

Section 2.03: Divisions 1 and 2.

(a) Development and Sale. Notwithstanding any other provision of this Article, the right is hereby reserved to Grantor to offer lots in Lopez Village for sale in two discrete divisions. These divisions, denominated Divisions 1 and 2, are defined in the Planned Unit Development Plan of Lopez Village and Exhibit A. Only lots in Division 1 shall be platted, developed and offered for sale initially; lots in Division 2 shall be similarly platted, developed and offered for sale at Grantor's discretion.

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(b) Inclusion in Lopez Village. Subject only to the exceptions noted in this Section, Divisions 1 and 2 of Lopez Village shall for all purposes be considered part of Lopez Village and held and conveyed subject to the Lopez Village Restrictions. Ownership of lots in Division 2 shall at all times entitle the Owners thereof, including Grantor, to the voting rights appurtenant thereto.

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ARTICLE III

LAND CLASSIFICATIONS, USE AND RESTRICTIVE COVENANTS

Section 3.01: Land Classifications.

All land within Lopez Village has been classified into the following areas: (a) public area, (b) common area, and (c) private area.

Section 3.02: Public Area.

Although no public area now exists, certain areas of Lopez Village may at some time be dedicated by Grantor or any Owner to public use for the purpose of providing roads, streets or other ways of access to and through Lopez Village. Upon the occurrence of such dedication, the use of such areas shall be governed by the general laws of the state, county and other local government entity where situated, provided, that where said government entity does not prohibit additional regulation of said areas by the Association, the Association may enact such rules and regulations governing the use of said areas as are reasonable, advisable, and permissible within the purview of The Lopez Village Restrictions.

Section 3.03: Common Area.

(a) Certain properties, facilities and improvements are designated in the Plat of Lopez Village, in the Planned Unit Development Plan, and in The Lopez Village Restrictions as owned in fee by the Lopez Village Association and reserved as common area for the common use and benefit of all Owners of land in Lopez Village. All such land within Lopez Village which is neither private area nor public area is hereby designated as common area. Included in this category of common area are lands, not included within any lot, which are intended to be used for roads, parks, parking strips, street "islands", parking areas, service drives, utilities easements, ways of

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ingress and egress, lighting facilities, sprinkler systems, walkway covers, walkways, signs, or other common or community purposes, and including improvements on those lands.

(b) The exclusive use of such common area shall be reserved to all Owners, subject however, to regulation by the Association. The use of such common area by the public or by customers or visitors of Owners shall be subject to the consent of, and regulation by, the Association.

(c) All common area shall be maintained, improved and owned in accordance with the provisions of The Lopez Village Restrictions as herein set forth, and shall be burdened and benefitted by the regulations, restrictions and covenants contained herein; provided, however, that no right, legal or equitable, shall exist in any Owner or user of the common area to require the Association to make any specified improvements thereto, the maintenance and improvement of common area being dependent on the Association's sole discretion and financial capabilities.

Section 3.04: Private Area.

(a) All lots within Lopez Village, identified in Exhibit B or otherwise made subject to the Lopez Village Restrictions, which are owned by an Owner and not by the Lopez Village Association or a public agency, are hereby designated private area.

(b) All land designated private area shall be maintained, improved, and owned in accordance with the provisions of The Lopez Village Restrictions as herein set forth, and is both burdened and benefitted by the regulations, restrictions and the covenants contained herein.

Section 3.05: General Regulations and Restrictions; Permitted Uses.

(a) Establishment of Restrictions. The Association, Grantor and each Owner hereby declare that each lot which is included in either the common area or the private

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area of Lopez Village, is now held, and shall hereafter be held, transferred, sold, conveyed, and occupied, subject to the regulations and restrictions herein set forth, each and all of which is and are for, and shall inure to the benefit of and pass with, each and every such lot, and shall apply to and bind the heirs, assignees and successors in interest of any Owner thereof.

(b) Purpose of Regulations and Restrictions. The purpose of these regulations and restrictions is to insure proper development and use of each lot, to protect the Owners, present or future, of each such lot against improper development and use of other lots; to prevent the erection on said property of structures of unsuitable design or built of improper materials; to prevent haphazard and inharmonious improvements; to secure and maintain sufficient setbacks from streets and adequate free spaces between structures, and, in general, to provide for a high quality of improvement of said property in accordance with a general plan.

(c) Permitted Operations and Uses. All principal uses shall be conducted within enclosed buildings, with the following exceptions:

- (1) off-street parking, loading and unloading;
- (2) service stations;
- (3) such other uses as are specifically authorized by the Association, in writing.

(d) Conditions of Use. No use shall be permitted or maintained which, in the opinion of the Association, unreasonably causes or produces any of the following effects discernible at the property line or affecting any adjacent property:

- (1) noise or sound that is objectionable because of volume, duration, intermittence or shrillness,

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- (2) smoke, other than from fire places,
- (3) obnoxious odors,
- (4) the accumulation of dust, dirt, waste materials or refuse,
- (5) noxious, toxic, or corrosive fumes or gases,
- (6) unusual fire or explosion hazard,
- (7) unsanitary conditions.

(e) Use of Lots. Lot A and Lots 2-50, inclusive, of the Plat of Lopez Village, and as depicted on the Lopez Village Planned Unit Development Plan, Sheet 2, shall be used exclusively for non-residential purposes consistent with the non-residential regulations and restrictions set forth in Section 3.06 herein. Lot 1 and Lots 51-56, inclusive, shall be used exclusively for residential purposes consistent with the residential regulations and restrictions set forth in Section 3.07 herein.

Section 3.06: Non-Residential Restrictions.

(a) Building Restrictions. Any building erected on Lot A and Lots 2-50, inclusive, shall conform to the following construction practices:

- (1) Materials. Building exteriors shall be constructed of wood, masonry, concrete or glass.
- (2) Roofs. Roofs of all buildings shall be of cedar or redwood shakes or shingles, or concrete or clay tiles, in wood or earth tone colors. Equipment mounted on roofs shall not be visible from the street.
- (3) Colors. Building exteriors shall be natural or painted or otherwise finished in natural or earth tone colors.
- (4) Utility Connections. All electrical and telephone connections and wires shall be located underground.

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(5) One Building Limitation. No more than one building may be constructed and exist on each Lot.

(6) Height of Building. The maximum height of all buildings shall be one story above the ground, and shall not exceed thirty (30) feet in height. (See Article I.) Any building may also have a cellar.

(7) Building Setbacks. No building shall be located nearer to the nearest right-of-way line of any road abutting the lot or the front or side property lines of the Lot than the setback distance specified on the Lopez Village Planned Unit Development Plan, Sheet 1. For the purpose of this restriction, eaves, steps or other projections shall not be considered as a part of the building.

(8) Site Coverage. No building shall be erected which occupies an area in excess of the site coverage specified on The Lopez Village Planned Unit Development Plan, Sheet 1.

(b) Use Restrictions.

(1) Parking. Customer parking shall be permitted only in areas designated for that purpose on the Lopez Village Planned Unit Development Plan, Sheet 1. No parking of any kind shall be permitted on Tract A, Lot 2, or Lots 35 to 40, inclusive, or in lots located in Blocks A and B. No more than 3 parking stalls may be provided for the property owners' use on all other non-residential lots.

(2) Fences. No hedge, fence, or wall shall be grown, constructed or maintained on that portion of any lot within the front or side line setback areas that exceeds five (5) feet in height across the front of the lot, or exceeds eight (8) feet in height across that portion of any side or rear line behind the front setback area.

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(3) Storage Areas. No materials, supplies, or equipment shall be stored on any lot in Lopez Village except inside a closed building or behind a visual barrier which screens such materials, supplies or equipment from the street and from the view of adjoining properties.

(4) Waste Materials. No waste materials or refuse shall be dumped upon or permitted to remain upon any part of any lot outside of the building proper.

(5) Sewage Disposal Systems. No individual sewage disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of state and county public health authorities. Approval of such system as installed shall be obtained from such authority.

(6) Signs. The visual impact of advertising identification signs has a significant effect on the character of any community. It is possible and desirable that signs be functional and effective, yet blend well with the natural landscaping of Lopez Village. The following sign regulations are intended to meet the above objective while encouraging variety and originality.

(i) Size. Free standing signs shall not exceed four (4) feet in height or have dimensions (exclusive of supporting members) exceeding 36" x 36". "For Sale" signs may not exceed 24" x 24" (exclusive of supporting members).

(ii) Materials and Color. Where practicable signs should be made of wood. Background colors should be natural or earth tones.

(iii) Location. Signs placed on buildings shall not project above the eaves line of the building or outside the building silhouette.

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(iv) Prohibited Signs. The following shall not be permitted:

- signs with internal illumination
- signs with flashing lights
- moving or rotating signs

Section 3.07: Residential Restrictions.

(a) Building Restrictions. Any building erected on Lot 1 and Lots 51-56, inclusive, shall conform to the following construction practices:

- (1) Materials. Building exteriors shall be constructed of wood, masonry, concrete or glass.
- (2) Roofs. Roofs of all buildings shall be of cedar or redwood shakes or shingles, or concrete or clay tiles, in wood or earth tone colors.
- (3) Colors. Building exteriors shall be natural, or shall be painted or otherwise finished in natural or earth tone colors.
- (4) Utility Connections. All electrical and telephone connections and wires shall be located underground.
- (5) Sewage Disposal Systems. No individual sewage disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of state and county public health authorities. Approval of such system as installed shall be obtained from such authority.
- (6) Height of Building. The maximum height of all buildings shall be two stories above the ground. Any building may also have a cellar.
- (7) Building Setbacks. No building shall be located nearer to the nearest right-of-way line of any road abutting the lot or the front or side property lines of the Lot than the setback distance specified on the Lopez Village

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Planned Unit Development Plan, Sheet 1. For the purpose of this restriction, eaves, steps or other projections shall not be considered as a part of the building.

(8) Site Coverage. No building shall be erected which occupies an area in excess of the site coverage specified on the Lopez Village Planned Unit Development Plan, Sheet 1.

(b) Use Restrictions.

(1) Residential Parking. Up to four parking stalls may be provided for each residential unit, for the use and convenience of owners or tenants of said units and their guests. Driveways shall be used solely for access and shall not be used for parking. Unless authorized by the Design Committee rules, no trailers, mobile homes, or campers shall be parked on the property.

(2) Fences. No hedge, fence, or wall shall be grown, constructed or maintained on that portion of any lot within the front or side line setback areas that exceeds five (5) feet in height across the front of the lot, nor that exceeds eight (8) feet in height across that portion of any side or rear line behind the front setback area.

(3) Storage Areas. No materials, supplies, or equipment shall be stored on any lot in Lopez Village except inside a closed building or behind a visual barrier which screens such materials, supplies or equipment from the street and from the view of adjoining properties.

(4) Waste Materials. No waste materials or refuse shall be dumped upon or permitted to remain upon any part of any lot outside of the building proper.

(5) Signs.

(i) Size. Free standing signs shall not exceed four (4) feet in height or have dimensions (ex-

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clusive of supporting members) exceeding 36" x 36". "For Sale" signs may not exceed 24" x 24" (exclusive of supporting members).

(ii) Materials and Color. Where practicable signs should be made of wood. Background colors should be natural or earth tones.

(iii) Location. Signs placed on buildings shall not project above the eaves line of the building or outside the building silhouette.

(iv) Prohibited signs. The following shall not be permitted:

- internal illumination
- flashing lights
- moving or rotating signs

(c) Residential Unit Restrictions. In addition to all other restrictions set forth herein, the Owners, tenants and occupants of each residential unit shall be further bound by any restrictions imposed by means of lease or rental agreement, condominium declaration, or such other set of rules or regulations made specifically applicable to residential units.

Section 3.08: Enforcement of Restrictions.

(a) Inspection. Any member of the Design Committee, as an agent of the Association, may from time to time, at any reasonable hour or hours, enter and inspect any property subject to this declaration to ascertain compliance therewith.

(b) Constructive Notice and Acceptance. Every Owner shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, whether or not any reference to this declaration is contained in the instrument by which such Owner acquired an interest in said property.

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(c) Rights of Mortgagees. If any portion of the property is sold under a foreclosure of any mortgage or under the provisions of any deed of trust, any purchaser at such sale, and his successors and assigns, shall hold any and all property so purchased subject to all of the restrictions and other provisions of this declaration.

(d) Mutuality, Reciprocity; Runs With Land. All regulations restrictions, conditions, covenants and agreements contained herein are made for the direct, mutual and reciprocal benefit of each and every lot within the property; shall create mutual, equitable servitudes upon each lot in favor of every other lot; shall create reciprocal rights and obligations between the respective owners of all lots and privity of contract and estate between all grantees of said lots, their heirs, successors and assigns; and shall, as to the owner of each lot, his heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other lots.

(e) Violations. Violation or breach of any of the conditions, covenants, regulations, restrictions, or reservations herein contained shall give to the Association and its agents the right to enter upon any portion of the property upon or as to which such violation or breach exists, and to abate and remove at the expense of the Owner thereof any structure, thing, or condition that may be or exist thereon in violation of the provisions hereof. Additionally, such violation or breach shall give to the Association or to any Owner the right to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of the covenants, conditions, restrictions, and reservations, to prevent or enjoin them from so doing, to cause said violation to be remedied or to recover damages for said violation.

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The result of every act or omission whereby any conditions, covenants, restrictions, or reservations herein contained is violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against an Owner shall be applicable against every such result and may be exercised by the Association, the Grantor or the Owner of any lot. In any legal or equitable proceeding for the enforcement of or to restrain the violation of The Lopez Village Restrictions or any provision thereof, the losing party or parties shall pay the attorneys' fees of the winning party or parties in such amount as may be fixed by the Court in such proceeding. Such remedies shall be deemed cumulative and not exclusive.

(f) Validity. All of the restrictions, covenants, and reservations contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said restrictions, covenants, or reservations is invalid, or for any reason becomes unenforceable, no other restriction, condition, covenant, or reservation, or any part thereof, shall be thereby affected or impaired.

(g) Variances. Where unique, unnecessary hardships and practical difficulties are created for an Owner by the application and enforcement of The Lopez Village Restrictions, the Association, by its duly constituted agents, the Design Committee, shall have the power, in passing upon an application therefor, to grant a variance from the express provisions of said restrictions. Such variance must be found to be in harmony with the objectives of said restrictions as a whole, and the Design Committee must be justified in determining that the granting of the variance serves the purposes and implements the intents of the restrictions.

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(1) Initiation of Action. Upon receipt of an Owner's application for a variance in the form required by the Design Committee, the Committee, at a duly called meeting thereof, shall hear and decide said application for special property uses, exemptions, exceptions or other variances from the provisions of The Lopez Village Restrictions. Said meeting shall include reasonable opportunity for any Owner or any representative of said owner to support or oppose, by petition, letter or testimony at the meeting, any applicant's request for a variance. The petition, letter or testimony shall specify the reasons for supporting or opposing the application, and shall identify the Owner and describe the property of the Owner writing or testifying. Any petition or letter shall be submitted to the Design Committee no later than the time at which the meeting to hear and decide said application is adjourned.

(2) Grounds for Granting Variance. The purpose of this variance procedure is to provide relief to the Owner when strict compliance with the restrictions creates unnecessary hardships or practical difficulties unique to that Owner. In any such case, and provided that the other requirements of this subsection are met, the Design Committee shall have the power to grant a variance if it finds after public hearing that all of the following conditions exist:

(i) The hardship or difficulty which serves as the basis for granting of a variance is specifically and uniquely related to the property of the applicant.

(ii) The hardship results from the application of The Lopez Village Restrictions to the applicant's situation and not from the applicant's own actions.

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(iii) The variance granted will be in harmony with and serve the purposes and objectives of The Lopez Village Restrictions.

(iv) Public welfare and interest will be preserved; if more harm will be done to the area by granting the variance than would be done to the applicant by denying it, the variance will be denied.

(3) Findings of Fact. The findings above shall be set forth in writing and signed by members of the Design Committee constituting a majority thereof, following approval of an application for variance. Included with such findings shall be reasons and factors in support thereof relied upon by the Committee in approving the application. Such findings shall be made available for inspection and copying to any and all Owners desiring to inspect or copy them.

(4) Appeals. Any Owner aggrieved by a decision of the Design Committee to grant or deny a variance may appeal the decision to the Board, provided that written notice of appeal is given to the board within thirty (30) days of the date on which the Committee gives notice to all Owners of its decision. The appellant shall have the right to appear before the Board at a duly called meeting and present arguments, testimony and documents in support of its appeal. The Board shall consider the findings of fact of the Committee de novo, and shall affirm or reverse the decision of the Design Committee, or remand the decision for further findings of fact, by majority vote of the entire Board. The Board's decision shall be final and binding as to all Owners.

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ARTICLE IV

DESIGN COMMITTEE

Section 4.01: Design Committee:
Organization; Power of Appointment and
Removal of Members.

There shall be a Design Committee, organized as follows:

(a) The Committee shall consist of five (5) members appointed by majority vote of the Board. Members of the Committee need not be members of The Lopez Village Association.

(b) Each Committee member shall hold his office for a term of two (2) years, or until such earlier time as he has resigned, or he has been removed and a successor appointed, as set forth herein.

(c) Members of the Association holding a majority of the votes present at a duly called meeting of the Association shall have the right at any time to appoint and remove any of the members of the Committee. The exercise of the Association membership's said rights of appointment and removal, shall be superior to and override the exercise of similar rights by the Board.

(d) Any member of the Design Committee may at any time resign from said Committee upon written notice delivered to the Board. Vacancies on the Committee shall be filled for the remainder of the unexpired term in accordance with the provisions of subsection (a) hereof, subject to the provisions of subsection (c).

Section 4.02: Design Committee: Powers; Duties.

(a) It shall be the duty of the Design Committee to act as agent of the Association for any purpose deemed reasonable by the Board; to monitor, regulate and approve the construction, repair and maintenance of improvements within Lopez

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Village; to exercise day-to-day supervision, as the representative and agent of the Association, over said improvements; to adopt Design Committee Rules pursuant to Section 4.04; and to perform such other duties as are from time to time delegated to it by the Association in accordance with The Lopez Village Restrictions.

(b) The Design Committee shall have power to grant variances in accordance with the provisions of Section 3.08(g). Any decision of the Design Committee may be appealed to the Board as provided in Section 3.08(g). In such cases the majority vote of the Board shall be binding.

Section 4.03: Design Committee: Meetings; Action; Compensation; Expenses.

The Design Committee shall meet from time to time as necessary to properly perform its duties hereunder. The presence of three (3) members shall constitute a quorum. The vote of any three (3) members at a duly called meeting of the Committee shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required by The Lopez Village Restrictions. The Committee shall keep and maintain a record of all action from time to time taken by the Committee at such meetings or otherwise. Unless authorized by the Board, the members of the Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Committee function.

Section 4.04: Design Committee Rules.

The Design Committee may, from time to time and in its sole discretion, adopt, amend and repeal by unanimous vote, rules and regulations, to be known as "Design Committee Rules", which, among other things, interpret or implement the provisions of The Lopez Village Restrictions. A copy of the

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Design Committee Rules as they may from time to time be adopted, amended, or repealed, certified by any member of the Committee, shall be recorded and shall thereupon have the same force and effect as if they were set forth in and were a part of The Lopez Village Restrictions.

Section 4.05: Non-Waiver.

The approval by the Design Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Committee under The Lopez Village Restrictions, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently or additionally submitted for approval.

Section 4.06: Estoppel Certificate.

When thirty (30) days have elapsed after written demand therefor is delivered to the Design Committee by any Owner, and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Association, the Committee shall record an estoppel certificate executed by any three of its members, certifying with respect to any lot of said Owner, that as of the date thereof either (a) all improvements and other work made or done upon or within said lot by the Owner, or otherwise, comply with The Lopez Village Restrictions, or (b) such improvements and/or work do not so comply, in which event the certificate shall also (1) identify the noncomplying improvements and/or work and (2) set forth with particularity the cause or causes for such non-compliance. Any purchaser from the Owner, or mortgagee or other encumbrancer shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association,

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Grantor and all Owners and such purchaser, mortgagee or other encumbrancer.

Section 4.07: Liability.

Neither the Design Committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or rejection of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development, or manner of development of any property within Lopez Village, or (d) the execution and filing, or failure to execute or file, an estoppel certificate pursuant to section 4.06, whether or not the facts therein are correct; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

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ARTICLE V

THE LOPEZ VILLAGE ASSOCIATION

Section 5.01: Organization.

The Association is formed to provide for the control, maintenance, and improvement of areas and facilities of Lopez Village used in common and to undertake such other activities as are related to maintaining Lopez Village as a desirable development for members of the Association. The Association shall accept and retain legal title to the common area designated in the Plat of Lopez Village and to such other common area as may hereafter be deeded thereto by Grantor or Owners. The Association shall hold such legal title for the use and benefit of the members of the Association.

The Association shall be responsible for the improvement of the common area, the maintenance of any improvements thereon, and for any other actions authorized by these Restrictions. The Association shall pay, or arrange for payment directly by its members on an equitable basis, for such utility services as may be required for street lighting, water fountains, sprinkler systems and other uses in connection with such commonly used facilities. To these ends set forth hereinabove, the Association may assess its members in accordance with the provisions of Article VI. Such assessments shall constitute a lien against property owned by the members and shall constitute a debt owed by them to the Association.

The Association may establish its own Bylaws for the conduct of its affairs, which shall include reasonable notice to each member prior to any meeting. Unless otherwise provided herein, decisions or acts of the Association shall be by a majority vote of the members of the Board, at a duly called Board Meeting. Any decision required to be made by the Association's entire membership shall be by majority of votes cast

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at any duly called meeting of the membership, except as otherwise provided herein.

(a) The Association is a nonprofit membership corporation charged with the duties and empowered with the rights set forth herein. It was created by the Articles and its affairs shall be governed by the Articles and Bylaws, as they may be amended, in accordance with the provisions thereof, from time to time.

(b) In the event that the Association as a corporate entity is dissolved, a nonprofit, unincorporated association shall forthwith and without further action or notice be formed and succeed to all rights and obligations of the Association hereunder. Said unincorporated association shall be known as The Lopez Village Association and its affairs shall be governed by the laws of the State of Washington and, to the extent not inconsistent therewith, by the Articles and Bylaws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

(c) The Association may, by appropriate agreement, assign or convey to any person or corporation all of the rights, powers, reservations, and privileges herein reserved by it, and by such agreement assignment, or conveyance being made, its assigns or grantees may, at their option, exercise, transfer, or assign those rights or any one or more of them at any time or times, in the same way and manner as though directly reserved by them, or it, in this agreement.

Section 5.02: Membership.

(a) Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall be a member of the Association, or, in the event of its dissolution, a member of the unincorporated Association succeeding to the Association, as provided for in paragraph (b) of Section 5.01.

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(b) The rights, duties, privileges and obligations of an Owner as a member of the Association or its succeeding unincorporated association or its assignees shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of The Lopez Village Restrictions.

(c) In the event of the dissolution of the Association and the formation of an unincorporated association, as provided for in paragraph (b) of Section 5.01, each member of the unincorporated association shall have an underlying beneficial interest in all of the Association's property transferred to or for the account or benefit of said unincorporated association proportional to the total designated value of any and all lots or undivided portions thereof owned by such member; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member or other person acquiring any interest in said property, or any part thereof, seek any such judicial partition.

Section 5.03: Value and Voting Rights Appurtenant to Lots in Lopez Village

(a) Total Lots; Total Value. At the time this Declaration is filed, Lopez Village consists of 57 lots intended and designated as private area, together with related common areas. The total value of the properties comprising Lopez Village is \$500,000.00.

(b) Percentage Voting Formula. The designated value of each lot for the purposes of The Lopez Village Restrictions includes its percentage of undivided interest in the common areas. The designated value of each lot is set forth in Exhibit B to establish percentage voting rights with respect to The Lopez Village Association. These values do not necessarily reflect the amount for which a lot will be sold from time to time by Grantor or by others. Also indicated in

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Exhibit B is the percentage of undivided interest in the common area held in common and appurtenant to each lot.

The number of votes to be exercised by each Owner in Lopez Village is derived by the following formula:
No. of Votes = $100 \times \frac{\text{Designated Value of Lot(s) Owned by Owner}}{\text{Total Designated Value of Lopez Village}}$

The total number of votes exercisable by members of the Association is 100.

(c) Cumulative Voting; Non-Severability. Every Owner entitled to vote at any election of the members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes held by the Owner multiplied by the number of directors to be elected. The right to vote may not be severed or separated from any lot, and any sale, transfer or conveyance of any lot to a new Owner shall operate to transfer the appurtenant votes without the requirement of any express reference thereto.

(d) Designated Voting Representative. The owners of any one lot may designate one representative to represent them in the Association, by written notice to the Association's Board. A designated representative need not be an Owner. A designation may be revoked at any time by the owners of the lot on written notice to the Board, and the death or judicially declared incompetence of all the owners of a lot shall revoke the designation; provided, however, that such revocation shall not be effective until the Board has been notified. In the event that no designation is made, or that a designation has been made, but is revoked and no new designation is made, the designated representative of such lot shall be the group comprised of all its owners. In that event, all such owners may attend meetings, but no vote of such designated representative shall be cast without the unanimous consent of all owners of said lot.

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The Grantor shall be the voting owner with respect to any lot owned by it. Natural persons, partnerships, corporation, trusts or other legal entities may own or have ownership interests in lots. If a person, partnership, corporation or trust owns more than one lot, he or it shall have the votes for each lot owned.

(e) Pledges to Mortgagee. In the event the owner of a lot has pledged its vote regarding special matters to a mortgagee, beneficiary of a deed of trust or the the vendor under a real estate contract and written evidence of the pledge has been filed with the Association, only the vote of such mortgagee, beneficiary or vendor will be recognized concerning the special matters for which the vote was pledged. This paragraph shall not be amended without the written consent of the owner(s) or the representatives of all owners and their respective mortgagees, deed of trust beneficiaries or vendors.

Section 5.04: Specific Powers and Duties of the Association

The Association shall have the power and duty to do and perform each and every of the following acts, whenever in the exercise of its discretion it may deem them necessary or advisable, for the benefit of the Owners and for the maintenance and improvement of Lopez Village; provided, however, that all improvements constructed or other acts performed by the Association shall be in accordance with the design restrictions and all other provisions of The Lopez Village Restrictions.

(a) The Association shall enforce, either in its own name or in the name of any Owner, any and all covenants, conditions and restrictions which may have been imposed upon any of the land in Lopez Village; provided, however, that nothing herein contained shall be deemed to prevent any owner

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having the contractual right to do so from enforcing any such restrictions in his own name; and also provided, that this right of enforcement shall not serve to prevent such changes, releases or modifications of restrictions or reservations being made by the parties having the right to make such changes, releases or modifications as are permissible in the deeds or contracts in which such restrictions and reservations are set forth, nor shall it serve to prevent the assignment of those rights by the proper parties, wherever and whenever such right of assignment exists. The expenses and costs of any such proceeding shall, however, be paid out of the general fund of the Association as provided for in Article VI.

(b) The Association shall care for, spray, trim and protect and replant shrubbery, plantings, grasses and trees in common areas and in other public places as recommended by the Design Committee;

(c) The Association shall, as recommended by the Design Committee, mow, care for, or otherwise maintain common or public areas in front of or adjoining vacant and unimproved property and remove weeds and grass from such areas as necessary; pick up and remove therefrom loose material, trash and rubbish of all kinds as necessary; and do any other thing necessary or desirable in the judgment of the Board of the Association to keep such vacant and unimproved property neat in appearance and in good order.

(d) The Association shall provide such lights as the Design Committee may deem advisable on streets, parks, parking strips, gateways, entrances or other features, and in other common or public areas.

(e) Unless provided by a municipal, county or other governmental body and unless the cost thereof is assessed directly against the Owners by such body, the Association

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shall provide such facilities as, in the judgment of the Board, it deems necessary or desirable, including, but not limited to receptacles at suitable locations for the collection of rubbish and areas and services for the disposal of such rubbish as is collected.

(f) The Association shall provide for the maintenance of gateways, entrances and other ornamental features now existing or which may hereafter be erected or created in any public street or park, or in any common area.

(g) The Association shall exercise control over such easements as it may acquire from time to time.

(h) The Association shall exercise such control over roads and streets as may be within its powers and as it may deem necessary or desirable.

(i) The Association shall, in its discretion, repair, maintain, pave or repave and reconstruct streets or roads, lanes and pedestrian ways, and clean streets, gutters and sidewalks, and pedestrian ways.

(j) The Association shall accept as part of Lopez Village, all property annexed to Lopez Village pursuant to Section 2.02 and shall accept all Owners thereof as members of the Association.

(k) The Association shall accept title to all common area from time to time conveyed to it pursuant to Section 7.05.

(l) Notwithstanding anything to the contrary contained in paragraph (b) of Section 5.01, immediately prior to any dissolution of the Association as a corporate entity the Association shall convey all real property vested in it to an independent corporate trustee, to hold such real property in trust for the benefit of the unincorporated association formed pursuant to said paragraph (b) and for the benefit of the Owners.

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(m) To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon any portion of common area.

(n) The Association shall obtain and maintain in force the following policies of insurance:

(1) fire and extended coverage insurance on all improvements owned by the Association and from time to time located upon or within any common area, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavations, foundations and footings), of such improvements as from time to time determined by the Association;

(2) bodily injury liability insurance with limits of not less than Two Hundred Thousand Dollars (\$200,000) per person and One Million Dollars (\$1,000,000) per occurrence insuring against any and all liability with respect to Lopez Village or any portion thereof, or arising out of the maintenance or use thereof; and

(3) property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500) and a limit of not less than Five Hundred Thousand Dollars (\$500,000) per accident.

The policy or policies of insurance referred to in subparagraphs (2) and (3) above shall name as insureds (aa) the Association, the Board, the Design Committee, and their representatives, members and employees, and (bb) with respect to any liability arising out of the maintenance and use of common area, the Owners. Such policy or policies shall protect each of the insureds as if each were separately insured under separate policies; provided, however, that such policy or policies shall not require the insured or insurers to pay

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any amount in excess of the maximum limits stated therein. Each and every policy of insurance obtained by the Association, whether or not required to be obtained pursuant to the provisions of The Lopez Village Restrictions, shall expressly waive any and all rights of subrogation against Grantor, its representatives and employees, and any Owner.

(o) The Association shall from time to time make, establish, promulgate, amend and repeal The Lopez Village Rules, as provided for in Section 5.06.

(p) To the extent provided for in Section 4.01, the Association shall exercise its rights to appoint and remove members of the Design Committee to insure that at all reasonable times there is available a duly constituted and appointed Design Committee.

(q) The Association shall take such action, whether or not expressly authorized by The Lopez Village Restrictions, as may reasonably be necessary to enforce the restrictions, limitations, covenants, and conditions of The Lopez Village Restrictions, the Lopez Village Rules and the Design Committee Rules.

(r) The Association shall construct, maintain and repair the drain field and all related pumping equipment, pipes and conduit, as may be described or referred to in the Plat of Lopez Village to the extent it deems necessary or desirable. In the event the Plat of Lopez Village contains restrictions on the amount of effluent which may be disposed of through the described drain field, the Association shall adopt rules allocating the total permitted effluent between the lots on a fair equitable basis.

Section 5.05: General Powers and Authority of the Association.

The Association shall have all of the powers set forth in the Articles, together with its general powers as a

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nonprofit corporation, subject only to the limitations upon the exercise of such powers as expressly set forth in the Articles, the Bylaws and in The Lopez Village Restrictions, to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of The Lopez Village Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and/or general welfare of the Owners of Lopez Village. Unless otherwise provided herein by the Articles or Bylaws, the Board shall exercise the power and authority of the Association. Without in any way limiting the generality of the foregoing:

(a) The Association shall have the power and authority at any time, and from time to time, and without liability to any Owner, to enter upon any property for the purpose of enforcing any and all of the provisions of these Restrictions, or for the purpose of maintaining and repairing any such area if for any reason whatsoever the Owner thereof fails to maintain and repair such area as required. The Association shall also have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of The Lopez Village Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions The Lopez Village Restrictions.

(b) In fulfilling any of its obligations or duties under The Lopez Village Restrictions, including, without limitation, its obligations or duties for the improvement, maintenance, repair, operation or administration of common areas or vacant or unimproved areas, the Association shall have the power and authority.

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(1) to contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all improvements of whatever kind and for whatever purpose from time to time located upon common area;

(2) to obtain, maintain and pay for such insurance policies or bonds, whether or not required by Section 5.04, as the Association shall deem to be appropriate for the protection or benefit of The Lopez Village, the Association, the members of the Board, the members of the Design Committee, or Owners, including, but without limitation, builder's risk insurance, workmen's compensation insurance, malicious mischief insurance, additional comprehensive liability insurance and performance and fidelity bonds;

(3) to contract and pay for, or otherwise provide for, such utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;

(4) to contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and non-professional services as the Association deems necessary;

(5) to contract and pay for, or otherwise provide for, fire, police and such other protection services as the Association shall from time to time deem necessary for the benefit of Lopez Village, any property located within Lopez Village or Owners;

(6) to contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary; and

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(7) to pay and to discharge any and all liens from time to time placed or imposed upon any common area on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(c) The Association shall have such power and authority as is from time to time necessary to grant and convey to any third party such easements, rights of way, parcels or strips of land, in, on, over or under any common area, for the sole purposes of constructing, erecting, operating and maintaining thereon, therein and thereunder, the following utilities and public facilities: (1) public roads, streets, walks, driveways, parkways, and park areas, (2) conduits for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith, and (3) public and private sewers, storm water drains, land drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes and such equipment as is necessary in connection with the foregoing.

(d) The Association may, from time to time, employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Washington and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers under The Lopez Village Restrictions.

(e) The Association shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or any part of any common area, or upon any personal property belonging to the Association; provided, however, that prior to the sale or other disposition

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of any property to satisfy the payment of any such tax or assessment, the Association shall pay and discharge the lien imposed with respect to such property.

(f) The Association shall at all times observe all of the State, County, and other laws, and if at any time any of the provisions of The Lopez Village Restrictions shall be found to be in conflict therewith, then such parts of said Restrictions as are in conflict with such laws shall become null and void, but no other parts of said Restrictions not in conflict therewith shall be affected thereby. The Association shall have the right to make such reasonable rules and regulations and provide such means and employ such agents as will enable it adequately and properly to carry out the provisions of said Restrictions, subject, however, to the provisions of its Articles and Bylaws.

Section 5.06: Lopez Village Rules.

(a) The Association may, from time to time and subject to the provisions of The Lopez Village Restrictions, adopt, amend, and repeal rules and regulations, to be known as Lopez Village Rules, governing, among other things,

- (1) the use of common area;
- (2) the use of roads;
- (3) the collection and disposal of refuse;
- (4) the burning of open fires; and
- (5) the maintenance of animals within Lopez

Village.

(b) With respect to subparagraph (a)(1) above, the Lopez Village Rules may, without limitation and to the extent deemed necessary by the Association in order to preserve the benefits of Lopez Village for all Owners, restrict and/or govern the use of common area by any Owner or User of such area; provided, however, that with respect to use of common

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area, the Lopez Village Rules may not discriminate between Owners.

(c) A copy of the Lopez Village Rules, as they may from time to time be adopted, amended or repealed, certified by the Secretary of the Association, shall be recorded and delivered to each Owner. Upon such recordation and delivery the Lopez Village Rules shall have the same force and effect as if they were set forth in and were a part of The Lopez Village Restrictions.

Section 5.07: Liability of Members of Board.

No member of the Board shall be personally liable to any Owner, or to any other person, including Grantor, for any error or omission of the Association, its representatives and employees, the Design Committee or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

Section 5.08: Exclusive Powers of the Association.

The Association, through the Board and its duly authorized representatives, shall have the exclusive right to exercise the powers and authority referred to in paragraphs (b) through (f), inclusive, of section 5.05.

Section 5.09: Grantor's Initial Organization and Control.

(a) The Grantor shall adopt the initial Articles and By Laws of the Association to provide for the administration of Lopez Village consistent with The Lopez Village Restrictions.

(b) The Grantor shall, at such time as it deems appropriate, appoint a Temporary Board of Directors of three (3) persons who need not be Owners of lots. This Temporary Board (and the Grantor until the Temporary Board is appointed) shall exercise the rights, duties and functions of the Board

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as set forth in The Lopez Village Restrictions until the Grantor calls a special meeting of the Association for the purpose of electing the Board in accordance with subsection 5.09(c) below.

(c) The Grantor shall call a special meeting of the Association for the purpose of electing the Board no later than two (2) years after the date The Lopez Village Restrictions are filed for recording or after the date of filing of the plat map for Division 1 of Lopez Village, as shown in the Planned Unit Development Map of Lopez Village, whichever is later. At said special meeting the Owners or their designated representatives shall elect a Board of Directors consisting of five (5) persons, who shall serve without compensation in accordance with the provisions of The Lopez Village Restrictions. The members of the Board elected at said meeting shall take office, and their terms shall commence immediately upon adjournment of the meeting at which they are elected, and shall continue until the next succeeding annual meeting of the Association.

(d) For the purpose of providing all design services required for any necessary improvements proposed or made by the Association to common areas or for the benefit of the Owners as a group, Grantor has retained a licensed architect, John Ottenheimer. Grantor will, at its expense, provide all said design services during the period not to exceed two years defined in subsection (c) above; provided, however, that should contractual relations between Grantor and John Ottenheimer terminate for any reason prior to the end of said period, this subsection shall be of no further effect.

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ARTICLE VI

COMMON EXPENSE ASSESSMENT

Section 6.01: Method of Assessment.

The Board shall have power to levy assessments against all lots and Owners for the purpose of creating and replenishing a general fund to enable the Association to perform the duties and to maintain the improvements herein provided for, and to make any other expenditures which the Board or the Association is herein authorized to make. All such assessments shall be levied in proportion to the designated values of the respective lots as set forth in Exhibit B of this Declaration. Within thirty (30) days prior to the beginning of each fiscal year, the Board shall estimate the net expenses to be paid during such year (including a reasonable provision for contingencies, replacements, acquisitions and operating reserves, less any surplus available from the prior year's fund) which sum shall be the "estimated cash requirements," and the Board shall thereupon levy an assessment against all lots in Lopez Village in an amount equal to such "estimated cash requirements." One-twelfth of the assessment against each lot shall be due and payable on the first day of each calendar month commencing on March 1 of the fiscal year for which the assessment is made, or, if the Board so directs, such other time or times. Each lot's share shall be determined (to the nearest hundredth of a dollar) by applying the lot's appurtenant percentage interest in the total voting power of the Association to the total estimated cash requirement assessed. If the sum estimated proves inadequate for any reason, including non-payment of any owner's assessment, the Board may at any time levy a further assessment, which shall be assessed against the lots in like proportions and paid in like manner unless otherwise provided herein.

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Section 6.02: Unpaid Assessment.

Any unpaid assessments shall bear interest at the rate of twelve percent (12%) per annum (or at the highest rate otherwise provided by law) from due date until paid. Unpaid assessments shall constitute a lien upon the lot, the Owner of which has not paid his respective share thereof, from the due date until paid.

Section 6.03: Interim Assessments.

When the temporary Board of Directors is appointed or the first elected Board of Directors takes office, it shall determine the estimated cash requirements, as hereinabove defined, for that period commencing thirty (30) days after its appointment or election and ending on the last day of February of the then current fiscal year. Then and thenceforth assessments shall be levied against the Owners during said period as provided in Section 6.01 above.

Section 6.04: Insurance.

The Board of Directors shall require that the Association maintain separate accounts for current operations, reserves, and a special separate account for payment of insurance. Each month the Board shall first deposit to the insurance reserve account that portion of the assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies authorized herein and such insurance reserve account shall be held separate and inviolate until utilized for payment of insurance premiums. Thereafter, the remainder of the assessment collected may be utilized for payment of other expenses or deposited or credited to other accounts.

Section 6.05: Non-Waiver.

Any failure by the Board or the Association before the expiration of any fiscal year to fix the estimated cash

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requirements and assessments hereunder for that or the next fiscal year, shall not be deemed a waiver or modification in any respect of the provisions of these Restrictions, or a release of the owner from the obligation to pay the assessments, or any installment thereof, for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 6.06: Records.

The Board of Directors shall cause to be kept detailed, accurate records in the form established by the Association's Treasurer of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses of the common areas and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner or designated representative at convenient hours of week days.

Section 6.07: Collection of Assessments.

Unpaid assessments shall be the separate, joint and several personal debts of the Owner(s) of lots for which the same are assessed. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same. The amount of any assessment against a lot, plus interest as set forth herein and costs (including attorneys' fees), shall constitute a lien upon such lot prior to all other liens, except (1) tax liens on the lots in favor of any assessing unit or special district, and (2) all sums unpaid on all mortgages of record, made in good faith and for value. The Board shall enforce collection of any delinquent assessment in the following manner, or in any other manner permitted by law:

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(a) Should an Owner be chronically delinquent in paying monthly assessments, the Board may, in its discretion, require such owner from time to time to make a security deposit not in excess of three (3) months' estimated monthly assessments, which may be collected in the same manner as other assessments. Such deposit shall be held in a separate fund, credited to such Owner, and resort may be made thereto at any time when an Owner is ten (10) days or more delinquent in paying his monthly or other assessments.

(b) The Board may commence an action to foreclose a lien for assessments and in any such action shall be entitled to recover reasonable attorneys' fees and other costs. Upon commencing action to foreclose such lien, the Board may apply for the appointment of a receiver for the lot and such receiver shall require the payment of a reasonable rental for such lot from the Owner of the lot, which rental shall be in no event less than an amount equal to the regular monthly assessments and any special and additional assessments plus taxes and other charges accruing against such lot hereunder or otherwise. If the Owner shall fail to pay such rental, the receiver shall be entitled to remove the Owner and any tenants or occupants therefrom and may rent or permit its rental to others. The sums received by the receiver from such rental shall be applied as follows:

1st - to pay the expenses of the receivership, including reasonable attorneys' fees;

2nd - to reimburse the costs of renting the lot, if any;

3rd - to pay unpaid taxes and other public charges against the lot;

4th - to pay all delinquent mortgage payments on the lot; and

5th - to pay to the Association all delinquent assessments accrued or accruing against the lot and any sums the Association may have advanced to protect the lien of its assessments.

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The judgment in the action foreclosing the lien shall be for an amount equal to all delinquent assessments and advances, plus all costs and expenses in connection with such action and receivership, including a reasonable sum as attorneys' fees and for costs, if any, of obtaining a title report.

(c) In the event the mortgagee of Grantor's interest in Lopez Village is conveyed any unsold lots in lieu of foreclosure, obtains possessory rights, legal title or sheriff's certificates or certificate of sale to or covering said unsold lots as a result of the foreclosure of the mortgage or deed of trust covering Lopez Village, or if after initial sale any mortgagee reacquires any lot, or if at any time a mortgagee retains any lot and grants or leases the same, the mortgagee shall be liable for the normal assessments for such lot, provided that in no event will the mortgagee be liable for any past-due assessments which accrued or became due prior to the time the mortgagee obtained possession of a lot by foreclosure or by deed in lieu of foreclosure.

(d) A certificate executed and acknowledged by a majority of the Board of Directors, stating the indebtedness or lack thereof secured by the lien upon any lot created hereunder shall be conclusive upon the Board and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrancer or prospective encumbrancer of a lot within a reasonable time after request, in recordable form, at a reasonable fee, not to exceed Ten Dollars (\$10.00). Any encumbrancer holding a lien on a lot may pay any unpaid assessment payable with respect to such lot and upon such payment such encumbrancer shall have a lien on such lot for the amounts paid of the same rank as the lien of his encumbrance.

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ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01: Amendment or Repeal; Duration.

(a) Each of the restrictions above set forth shall continue and be binding upon each Owner, Grantor and the Lopez Village Association, and upon their successors and assigns, in perpetuity; provided, however, that unless otherwise herein provided, the Owners holding 66 2/3% or more of the voting power of the Association may at any time release all of the land hereby restricted from any one or more of said restrictions or amend said restrictions by executing and acknowledging an appropriate agreement or agreements in writing for such purposes, and filing the same for record.

(b) The restrictions herein set forth shall run with the land and bind each Owner, Grantor and the Lopez Village Association and their successors and assigns, and all parties claiming by, through or under them shall be taken to hold, agree, and covenant with said parties, with each of them, to conform to and observe said restrictions as to the use of said land and the construction of improvements thereon, but no restriction herein set forth shall be personally binding on any corporation, person or persons, except in respect of breaches committed during its, his, or their seisin of, or title to, said land,

Section 7.02: Enforcement; Non-Waiver.

(a) Except to the extent otherwise expressly provided herein, the Association and any Owner shall each have the right to enforce any and all of the limitations, restrictions, covenants, conditions, obligations, liens and charges now or hereafter imposed by The Lopez Village Restrictions upon other Owners, or upon any property within the Lopez Village.

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(b) Except to the extent otherwise expressly provided herein, any Owner or Owners shall have the right to enforce any and all limitations, restrictions, covenants, conditions and obligations now or hereafter imposed by The Lopez Village Restrictions upon the Association.

(c) Every act or omission whereby any restriction, condition or covenant of The Lopez Village Restrictions is violated in whole or in part is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or by an Owner or Owners, as provided for in paragraphs (a) and (b) above; provided, however, that any provision to the contrary notwithstanding, only the Association or its duly authorized agents may enforce by self-help any limitation, restriction, covenant, condition or obligation herein set forth.

(d) Each remedy provided for in The Lopez Village Restrictions is cumulative and not exclusive.

(e) The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien or charge of The Lopez Village Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of The Lopez Village Restrictions.

Section 7.03: Construction; Compliance with Laws;
Severability; Singular and Plural;
Titles.

(a) All of the limitations, restrictions, covenants and conditions of The Lopez Village Restrictions shall be liberally construed together to promote and effectuate the fundamental concepts of The Lopez Village, as set forth in the introductory paragraphs of this declaration.

(b) No provision of The Lopez Village Restrictions shall be construed to excuse any person from observing any law

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or regulation of any governmental body having jurisdiction over such person or The Lopez Village or any part thereof.

(c) Notwithstanding the provisions of paragraph (a) above, the limitations, restrictions, covenants and conditions of The Lopez Village Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any of such limitations, restrictions, covenants or conditions shall not affect the validity or enforceability of any other provision.

(d) The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

(e) All titles used in The Lopez Village Restrictions including those of articles and sections, are intended solely for convenience of reference and the same shall not nor shall any of them affect that which is set forth in such articles, sections, nor any of the terms or provisions of The Lopez Village Restrictions.

Section 7.04: Lot Splitting; Consolidation.

(a) No lot within Lopez Village may be split or divided except where part or all of the lot is consolidated with an adjoining lot. No lot may be so split or divided and consolidated unless such action has been approved by the Board at a meeting duly called for that purpose.

(b) Nothing contained in paragraph (a) above shall apply to or prohibit the splitting or division of any lot by Grantor or the consolidation of two or more lots into one lot by Grantor.

(c) Upon the splitting and consolidation of a lot or lots pursuant to the terms of this section, the voting rights appurtenant to each lot so split or consolidated shall be redetermined as follows:

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(i) Where a lot is split, the designated value of each resulting portion thereof shall be calculated according to the following formula:

Designated Value of Portion = $\frac{\text{Area of Portion}}{\text{Total Lot Area}}$ x Designated Value of Lot Prior to Splitting

(ii) Where lots are consolidated, the designated value of the resulting consolidated lot shall be the sum of the designated values of the component lots or portions of lots.

(iii) The resulting voting rights shall be calculated according to the formula in Section 5.03, using the designated values resulting from application of paragraphs (i) and (ii) hereof.

Section 7.05: Conveyance of Common Area; Reservation of Easements and Rights of Way; Reclassification of Land Area.

(a) Grantor shall transfer and convey to the Association and the Association shall accept, the fee interest to all of the real property designated common area on the Plat of Lopez Village. Such real property may be subject to any or all of the following exceptions, liens and encumbrances:

(1) the lien of real property taxes and assessments not delinquent;

(2) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor or granted to any Owner for the use thereof in accordance with the provisions of The Lopez Village Restrictions;

(3) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor for access to real property contiguous to common area;

(4) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor or granted to or for the benefit of the United States of

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America, the State of Washington, or the County of San Juan, any other political subdivision or public organization, any public utility corporation, or any lot, for the purpose of constructing, erecting, operating and maintaining thereon, therein and thereunder, at that time or at any time in the future (aa) roads, streets, walks, driveways, parkways and park areas, (bb) poles, wires and conduits for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith, and (cc) public and private sewers, sewage disposal systems, systems sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection therewith;

(5) the obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of Washington or any other political subdivision or public organization having jurisdiction over such property, or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation.

(6) any other lien, encumbrance or defect of title of any kind whatsoever (other than of the type which would at any time from time to time create a lien upon such property to secure an obligation to pay money) which would not materially and actually prejudice the Owners in their use and enjoyment of such property.

(b) The land classification of any real property within Lopez Village which is not common area may be changed to common area by the transfer of such property to the Association from all persons having any right, title or interest therein. The Association may accept such property and, if it does so accept it, shall file a plat map with respect thereto

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designating the same common area. Such property shall thereupon become common area in accordance with such designation.

Section 7.06: Assignment of Powers.

Any and all of the rights and powers vested in Grantor pursuant to The Lopez Village Restrictions may be delegated, transferred, assigned, conveyed or released by Grantor to the Association, and the Association shall accept the same, effective upon the recording by the Grantor of a notice of such delegation, transfer, assignment, conveyance or release.

Section 7.07: Condemnation of Common Area

If at any time, or from time to time, all or any portion of common area or any interest therein be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the Association and deposited into the general fund. No Owner shall be entitled to any portion of such award and no Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reserved exclusively to the Association which shall, in its name alone, represent the interests of all Owners.

Section 7.08: Obligations of Owners; Avoidance; Termination.

(a) No Owner, through his non-use of any common area or by abandonment of his lot may avoid the burdens or obligations imposed on him by The Lopez Village Restrictions by virtue of his being an Owner.

(b) Upon the conveyance, sale, assignment or other transfer of a lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such lot after the date of such transfer, and no person, after the

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termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under The Lopez Village Restrictions following the date of such termination.

Section 7.09: Notice; Documents; Delivery.

(a) Any notice or other document permitted or required by The Lopez Village Restrictions to be given shall be delivered either personally or by mail. If delivery is made by mail, notice shall be deemed to be given forty-eight (48) hours after a copy thereof is deposited in the United States mail, postage prepaid, addressed as follows: if to the Association, the Board or the Design Committee, addressed to said Association, Board or Committee at the office of The Lopez Village Association, Lopez Village, San Juan County, Washington; if to an Owner, addressed to or delivered at any lot within Lopez Village owned by the Owner; if to Grantor, at Box 116, Lopez, Washington 98261; (b) Any person or entity may change its own address from time to time, and shall give notice of such change in writing as follows: notice of change by an Owner or Grantor shall be given to the Association; notice of change by the Design Committee or the Board shall be delivered to the Association and all Owners; notice by the Association shall be by notice in writing delivered to all Owners; (c) In addition to the notice requirements stated above, notice to Owners of every meeting of the Board, the Association, or the Design Committee shall be conspicuously posted at the office of the Association no less than twenty-four (24) hours prior to such meeting.

Section 7.10: Easements for Utilities and Facilities

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the

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Plat of Lopez Village. In addition to reserving said easements, the Association shall have and does hereby reserve the further right to locate, erect, construct, maintain, and use, or authorize the location, erection, construction, maintenance and use of drains, sanitary and storm sewers, gas and water mains and lines, electric and telephone lines and other utilities, and to give or grant rights of way or easements therefor over and upon any part of said land described herein.

ARTICLE VIII

MORTGAGEE PROTECTION

Section 8.01: Priority of Mortgages.

Notwithstanding all other provisions hereof the liens created under this The Lopez Village Restrictions upon any unit for assessments shall be subject to tax liens on the lot in favor of any assessing unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by mortgages which were made in good faith and for value upon the lot. Where such mortgagee of the lot, or other purchaser of a lot, obtains possession of a lot thereof, such possessor and his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit which become due prior to such possession, but will be liable for the common expenses and assessments accruing after such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the lot owners including such possessor, his successor and assigns.

Section 8.02: Sale of Common Area.

The Association shall not, without consent of seventy-five percent (75%) of all first mortgagees of record of the

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lots, seek by act or omission to abandon, encumber, sell or transfer any of the common area.

Section 8.03: Partition and Subdivision.

The Association shall not combine nor subdivide any lot nor partition or subdivide any common area, nor accept any such proposal, without the prior approval of seventy-five percent (75%) of all first mortgagees of record of the lots, and without unanimous approval of the first mortgagees of the lots to be combined, partitioned or subdivided.

Section 8.04: Material Amendments to Declaration and Bylaws.

The Association shall not make any material amendment to The Lopez Village Restrictions or Bylaws (including changes in the percentage of voting rights) without the prior approval of seventy-five percent (75%) of all first mortgagees of record of the lots, and without unanimous approval of the first mortgagees of the lots for which the percentage(s) would be changed.

Section 8.05: Effect of Amendment of Restrictions.

No amendment of these Restrictions shall be effective to modify, change, limit or alter the rights expressly conferred upon mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage. Any provision of these Restrictions conferring rights upon mortgagees which is inconsistent with any other provision of The Lopez Village Restrictions or the Bylaws shall control over such other inconsistent provisions.

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Section 8.06: Written Notice.

Where a first mortgagee of a unit has filed a written request with the Board of Directors, the Board of Directors shall:

(a) Furnish Copies. Furnish such mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover any portion of the common area.

(b) Notice of Cancellation. Require any insurance carrier to give the Board of Directors and any and all mortgagees at least thirty (30) days' written notice before cancelling, reducing the coverage or limits, or otherwise substantially modifying any insurance with respect to any portion of the common area (including cancellation for a premium non-payment).

(c) Approval of Settlement. Not make any settlement of any insurance claim for loss or damage to the common area exceeding Five Thousand Dollars (\$5,000) without the approval of such mortgagee; provided, that such approval shall not be unreasonably withheld.

(d) Notice of Taking. Give such mortgagee written notice of any loss or taking affecting common area, if such loss or taking exceeds \$10,000.

(e) Notice of Owner's Default. Give such mortgagee written notice that an owner/ mortgagor of a lot has for more than sixty (60) days failed to meet any obligation under The Lopez Village Restrictions.

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(f) Notice of Meetings. Give such mortgagee written notice of all meetings of the Association and permit such mortgagee to designate a representative to attend all such meetings.

Section 8.07: Inspection of Books; Audited Financial Statements. First mortgagees shall be entitled to inspect at all reasonable hours of week days all of the books and records of the Association, and, upon request, to receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

Section 8.08: Right of Board of Directors to Cure Defaults.

Nothing herein contained shall limit or restrict the right of the Board of Directors on behalf of all the owners to cure defaults under mortgages to which the liens created hereunder are subordinated under this Section. The Board of Directors is expressly authorized to cure any and all such defaults by payments to the mortgagee or mortgagees of any defaulting owner from the maintenance fund. Any such payments shall be specially assessed against the lot of the defaulting owner and said special assessment shall be secured by the lien created under Section 6.07 hereof; provided, however, that the Board of Directors shall not be able to assign their lien rights under Section 6.07 or otherwise transfer the lot or any interest therein except when such transfer occurs pursuant to a lien foreclosure proceeding.

ARTICLE IX

ADOPTION OF AMENDED RESTRICTIONS

The Lopez Village Restrictions, Amended, amend and supersede all previous instruments of record entitled The Lopez Village Restrictions. Pursuant to the provisions of Sec-

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tion 7.01 of The Lopez Village Restrictions filed hereinbefore, Lopez Village Corporation, which is presently the sole Owner of all lots in Lopez Village and the Developer, has executed The Lopez Village Restrictions, Amended, this 27th day of August, 1979.

LOPEZ VILLAGE CORPORATION

By: *Robert Olson*
Robert Olson, Manager

Howard S Cole
Howard Cole, Secretary

STATE OF WASHINGTON)
COUNTY OF San Juan) SS

On this 27th day of August, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Robert Olson and Howard Cole, to me known to be the Manager and Secretary respectively, of Lopez Village Corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year above written.

Marjorie M. Roe
NOTARY PUBLIC in and for the State
of Washington, residing at Lopez

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EXHIBIT A

Portions of Government Lots 3 and 4, Section 15, Township 35 North, Range 2 West, W.M., Lopez Island, County of San Juan, State of Washington, described as follows:

Commencing at the monument marking the southeast corner of said Section 15; thence along the easterly boundary of said Section 15, North $0^{\circ}16'10''$ West, 383.75 feet to the true point of beginning of the parcel to be described; thence leaving said easterly boundary and running along the centerline of Lopez South County Road #133, as described by instrument recorded under Auditor's File No. 70544, records of San Juan County, Washington, North $89^{\circ}11'20''$ West, 431.45 feet; thence North $56^{\circ}35'57''$ West, 415.14 feet; thence leaving said centerline North $33^{\circ}24'03''$ East, 30.0 feet to a point on the northeasterly margin of said County Road; thence along said northeasterly margin North $56^{\circ}35'57''$ West, 218.55 feet to the southeast corner of that certain tract of land described by instrument recorded under Auditor's File No. 99303; thence along the outer boundary of said tract North $33^{\circ}24'03''$ East, 183.0 feet; thence North $56^{\circ}35'57''$ West, 159.0 feet; thence South $33^{\circ}24'03''$ West, 183.0 feet to a point on said northeasterly County Road margin; thence along said northeasterly margin North $56^{\circ}35'57''$ west 165.79 feet to the most southerly corner of that certain tract of land described by instrument recorded under Auditor's File No. 99302, records of said County; thence along the outer boundary of said tract north $25^{\circ}30'$ east 170.14 feet; thence north $0^{\circ}21'32''$ west 72 feet; thence north $89^{\circ}37'33''$ west 134.0 feet to a point on the easterly margin of the Lopez North County Road #132, as described by instrument recorded under Auditor's File No. 70544, records of said County; thence along said easterly margin north $0^{\circ}21'32''$ west 151.82 feet to a point on the southeasterly margin of the Weeks County Road #245, as described by instrument recorded under Auditor's File No. 87053, records of said County; thence along said southeasterly margin north $53^{\circ}27'48''$ east 13.62 feet to a point marked by a concrete monument on the northerly boundary of said Government Lot 4, from which point the point of inter section of said northerly boundary and the centerline of the County Road as shown on the Plat of Lopez Park, as recorded at Volume 1 of Plats, page 41, records of said County, bears north $89^{\circ}37'33''$ west 49.95 feet; thence from said monument along said northerly boundary south $89^{\circ}37'33''$ east 322.71 feet to the southeast corner of that certain tract of land described by instrument recorded under Auditor's File No. 84149, records of said County; thence along the northeasterly boundary of said tract north $36^{\circ}32'12''$ west 193.82 feet to a point on the southeasterly margin of said Weeks County Road #245; thence along said southeasterly margin north $53^{\circ}27'48''$ east 55.00 feet to the most westerly corner of that certain tract of land described by Auditor's File No. 84251, records of said County; thence along the southwesterly boundary of said tract south $36^{\circ}32'12''$ east 199.73 feet to the P.C. of a curve to the left having a central angle of $9^{\circ}18'43''$ and a radius of 233.02 feet; thence along said curve 37.87 feet to a point marked by a concrete monument on the northerly boundary of said Government Lot 4, said point also being the most westerly corner of that certain tract of land described by instrument recorded under Auditor's File No. 99301, records of said County; thence along the northerly boundary of said Government Lot 4, South $89^{\circ}37'33''$ East, 239.67 feet; thence continuing along said northerly boundary, South $89^{\circ}37'33''$ East, 145.00 feet; thence continuing along said northerly boundary, South $89^{\circ}37'33''$ East, 490.70 feet to the northeast corner of said Government Lot 4; thence along the easterly boundary of said Government Lot 4, South $0^{\circ}16'10''$ East, 936.87 feet to the true point of beginning, EXCEPT County roads, AND ALSO,

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EXCEPT that certain portion of said Government Lot 4 as described by instrument recorded under Auditor's File No. 56143, said parcel of land being described by record as follows:

Beginning at a point on the west margin of the county road which is North $0^{\circ}40'$ East, 703.6 feet and North $89^{\circ}20'$ West, 15 feet of the southeast corner of said Section 15; thence North $89^{\circ}20'$ West, 300 feet; thence South $0^{\circ}40'$ West, 300 feet to a point on the northerly margin of the county road; thence along said north margin, South $89^{\circ}20'$ East, 300 feet to a point on the said west margin; thence along said west margin, North $0^{\circ}40'$ East, 300 feet to the point of beginning.

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EXHIBIT B

DESIGNATED VALUES AND PERCENTAGE UNDIVIDED INTEREST

<u>LOT NO.</u>	<u>DESIGNATED VALUE</u>	<u>PERCENTAGE UNDIVIDED INTEREST</u>
A	\$ 9,000	1.8
1	7,000	1.4
2	12,000	2.4
3	9,000	1.8
4	12,000	2.4
5	12,000	2.4
6	12,000	2.4
7	7,000	1.4
8	7,000	1.4
9	7,000	1.4
10	7,000	1.4
11	7,000	1.4
12	12,000	2.4
13	12,000	2.4
14	12,000	2.4
15	12,000	2.4
16	12,000	2.4
17	12,000	2.4
18	12,000	2.4
19	12,000	2.4
20	12,000	2.4
21	12,000	2.4
22	12,000	2.4
23	12,000	2.4
24	9,000	1.8
25	5,000	1.0
26	5,000	1.0
27	5,000	1.0
28	5,000	1.0
29	5,000	1.0
30	5,000	1.0
31	5,000	1.0
32	5,000	1.0
33	5,000	1.0
34	9,000	1.8
35	9,000	1.8
36	9,000	1.8
37	9,000	1.8
38	9,000	1.8
39	9,000	1.8
40	9,000	1.8
41	9,000	1.8
42	9,000	1.8
43	12,000	2.4
44	12,000	2.4
45	12,000	2.4
46	7,000	1.4
47	7,000	1.4
48	7,000	1.4
49	7,000	1.4
50	7,000	1.4
51	7,000	1.4
52	7,000	1.4
53	7,000	1.4
54	7,000	1.4
55	7,000	1.4
56	7,000	1.4
TOTAL	\$ 500,000	100.0

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