

DRAFT

WHEN RECORDED RETURN TO:

JACK O. SWANSON
BELCHER SWANSON LAW FIRM, P.L.L.C.
900 DUPONT STREET
BELLINGHAM, WA 98225

Document Title: Declaration of Covenants, Conditions, Reservations & Restrictions for Red Mountain Estates
Reference # (if applicable):
Declarant: Columbia Investment Company I, a Washington limited partnership (formerly Columbia Investment Company), S.C. Goshen, LLC, a Washington limited liability company, and Holly Associates, LLC, a Washington limited liability company
Legal Description: PLAT OF RED MOUNTAIN ESTATES
Assessor's Tax Parcel ID#:400522 450133 0000
400522 467201 0000

**DECLARATION OF COVENANTS, CONDITIONS,
RESERVATIONS AND RESTRICTIONS FOR RED MOUNTAIN ESTATES**

A. RECITALS

1. The undersigned Declarant is the Owner in fee simple of the following described real property located in the County of Whatcom, State of Washington:

See legal description on attached Exhibit "A."

(hereinafter referred to as the "Property".)

2. The Declarant has recorded the Plat of Red Mountain Estates for the Property under Whatcom Auditor's File No. _____ (the "Subdivision"). This Declaration is for the purpose of ensuring maintenance and regulation of the storm water facilities, the private roads, common areas dedicated to recreation, easements, common parking areas and other Common Properties or facilities.

3. Declarant desires to provide the means to enforce the rights, reservations, easements, liens and charges provided in this Declaration, to provide for necessary maintenance and enhancement of the Property and to provide for the formation of an association in the form of a nonprofit corporation whose members includes the owners of the lots established by the Subdivision.

B. DECLARATION

The Declarant hereby certifies and declares that the following covenants, conditions, reservations and restrictions shall endure and be binding upon the respective Owners of each Parcel or Tract within the Property, and the Declarant further declares that all of the property within the Property described herein is held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, reservations and restrictions for the purpose of maintaining, enhancing and protecting the value, desirability and attractiveness of the Property and every part thereof. All of the following covenants, conditions, reservations and restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof.

1. LAND CLASSIFICATION AND DEFINITION

The following words and classifications of land shall have the following meanings under this Declaration:

1.1 Association. The Association is the Red Mountain Estates Homeowner's Association, whose members shall be the owner of the Lots in the Subdivision.

1.2 Board. The Board of Directors of the Association.

1.3 Common Property. Consists of rights of real or personal property owned by Lot Owners and/or the Association for their common use, benefit and enjoyment.

1.4 Declarant. The Declarant is the undersigned, who presently owns the Property, together with any successor in interest thereto.

1.5 Design Review Committee. The Design Review Committee (DRC) is the entity established to review building and site development plans for compatibility with the subdivision.

1.6 Improvements. Improvements shall mean and include, without limitation, any buildings, out-buildings, private roads, driveways, parking areas, fencing, retaining walls, swimming pools, screening, walls, ornamentation, signs, stairs, decks, hedges, wind breaks, plantings, planted trees, shrubs, poles, lighting, hot tubs and any other structure or landscaping.

1.7 Lot. Any parcel of real property within the boundaries of the Property identified by Arabic numerals which may be utilized for the location and construction of a single-family residence, now or in the future.

1.8 Open Space Tract. To be provided

1.9 Owner. Any person owning a Lot including any person who has acquired a Lot by real estate contract.

1.10 Person. Any individual, firm, corporation, partnership, association, unincorporated association or other legal entity.

2. RESERVATIONS

2.1 Reservation of Easements. Easements for drainage, sewers, water pipes and utilities, facilities and services (including, but not limited to, water supply, electricity, gas, telephone and television) are hereby reserved over, under, upon, in and through all roadways including the Private Roads and walkways, and over, under, upon, in and through those certain portions of Lots and Parcels in which are and/or shall be installed, laid, constructed, repaired, renewed, operated, maintained and inspected underground pipes, sewers, conduits, cables, wires and any and all necessary facilities and equipment for the purpose of serving the Property, together with the right to enter upon said easement areas, easements, Lots and Parcels, roads and walkways for or pertaining to the aforesaid. This reservation of easements is for the benefit of the Declarant and its successors in interest, as well as for the benefit of Whatcom County,

Puget Sound Power & Light Company, Cascade Natural Gas Company, Pacific Northwest Bell, Nationwide Cablevision, and any other purveyors of such services as herein before described, as well as any of their successors in interest.

2.2 Conveyance of Common Properties. The Common Properties shall be conveyed by the Declarant to the Association at such time as the Association has been formed.

2.3 Reservation of Drainage Easement and The Right to Drain. The Declarant hereby reserves the right to drain all roadways, walkways, easement ways and areas over and across any parcel or Lot within the Property where water might take a natural course after the grading of such parcel or Lot. These easements shall be conveyed to the Association concurrent with the conveyance as set forth in paragraph 2.2 above, and the Association shall then be responsible for the maintenance and upkeep thereof, including regular cleaning to remove sediments, the replanting of grass and the replacement of rock as necessary to insure the effective operation thereof.

2.4 Private Roads. Private Roads shown on the Subdivision are hereby established for the purpose of ingress, egress and utilities to the Lots.

3. GENERAL USE RESTRICTIONS AND REQUIREMENTS

3.1 Permanent Residential Purposes. All Lots within the Property shall be used for residential purposes and approved home occupations.

3.2 Pets. No animals, livestock, birds or poultry of any kind shall be raised, bred, or kept by any owner upon any portion of the lot, provided that a reasonable number of generally recognized house pets may be kept subject to rules and regulations adopted by the Declarant and/or the Association (should one be established) and further provided that such pet or pets are kept or maintained solely as domestic pets and not for a commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance.

3.3 Garbage/Refuse. No Owner shall deposit or permit the accumulation of any trash, ashes, garbage or other refuse or debris on or about such Owner's Lot or any other parcel within the Property, except in appropriate covered trash receptacles. Each Owner shall keep such Owner's Lot neat and orderly in appearance and shall not cause or permit any noxious or odorous conditions to exist, nor maintain any tangible objects which are unsightly in appearance to exist, on any Lot or parcel within the Property.

3.4 Vehicles. All automobiles and all other permitted vehicles, if kept or parked on any Lot or otherwise within the Property, shall be in good order and in working condition. Any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices shall be stored inside or completely screened from view. Partially wrecked vehicles, discarded vehicles, unlicensed vehicles or vehicles which are in a state of disrepair shall not be kept on any Lot nor shall they be maintained within the Property, unless enclosed in a garage or otherwise completely screened from view from outside the Lot. Provided, that out-of-county resident guests of an Owner may, with such Owner's permission, park (but may not live in) a recreational vehicle or travel trailer on an Owner's Lot for up to a maximum of two (2) weeks within any calendar year without being in violation of this subparagraph.

3.5 Lease/Rental. The lease or rental of a dwelling for residential purposes shall also not be considered to be a violation of this Declaration provided so long as the lease is (i) for not less than the entire dwelling and all of the improvements thereon; (ii) for a term of at least three months; and (iii) otherwise in compliance with any rules and regulations adopted by the Declarant, or the Association if applicable, from time to time. Any Lessee or tenants shall in all respects be subject to the terms and conditions of this Declaration and any rules or regulations adopted hereunder.

3.6 Surface Water Run-off. No Lot shall be improved in such a way as to cause excess surface water run-off that may damage or inconvenience other Lots, contiguous properties and/or the Owners thereof.

3.7 Owner's Maintenance Responsibilities. The maintenance, up-keep and repair of individual Lots and homes shall be the sole responsibility of the individual owners thereof. Owners shall maintain their Lots and homes in good repair in a clean, sightly and sanitary condition at all times, including without limitation, maintaining the landscaping on the Lot in a healthy and attractive state and in a manner comparable to that on the other Lots in the Project. No storage of firewood shall be permitted in front yards. Owners are further responsible for maintenance of any portion of the private drainage system situated on their respective lots.

3.8 Damaged Improvements. No improvement which has been partially or totally destroyed by fire, earthquake or any other cause shall be allowed to remain in a state of disrepair for a period in excess of four months from the date of such partial or total destruction. Corrective construction or reconstruction shall be required to commence within such four month period and shall be completed in accordance with the provisions of Paragraph 4.1 hereof; provided, however, that said four month period shall be extended for a reasonable period thereafter in the event that corrective construction or reconstruction has not commenced as a result of factors beyond the control of the subject Owner and in the event that the subject Owner has exercised and does thereafter continue to exercise due diligence in an effort to eliminate such factors causing such delay in commencement.

3.9 Relief from certain Provisions. In cases where an Owner has made a factual showing that strict application of the provisions of this Declaration constitute a severe hardship, then the DRC, or its successor, may grant relief from any such provision; provided, however, that such relief shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the DRC, or its successor, violate the intent of provisions of this Declaration or provisions of the various permits and governmental regulations applicable to the Project. The decision to grant or deny such relief shall be final, conclusive and not subject to appeal.

4. ASSOCIATION

The Declarant shall form an Association, designated herein as the Association, to include the Owners of all Lots as members. This organization shall be a nonprofit corporation pursuant to Title 24 of the Revised Code of Washington and shall be known as "Red Mountain Estates Association".

4.1 Purpose. The purpose of the Association shall be the enforcement of the provisions of this Declaration; the protection and preservation of the interests of the Lot Owners for the common good; the regulation, use, care, construction, operation, repair, maintenance and preservation of common property which the Association may own or hereinafter acquire.

4.2 Maintenance of Common Property. Initially, the common property is limited to the easement rights and entrance signs mentioned above and located on the plat maps.

4.3 Assessments and Liens.

(a) Authority. The Association shall be organized at the request of a majority of the Lot Owners. Each Lot Owner shall be a member of the Association.

(b) Purposes. Assessments shall be collected for the purposes set forth in Section 6.1 and 6.2 above.

(c) Personal Obligation and Lien Foreclosure. Assessments shall constitute a personal obligation of any Owner of record of a Lot on the due date thereof and shall also constitute a lien on the Lot assessed. Such lien may be enforced by the Association in the same form and manner of procedure as foreclosure of real property mortgages under the laws of the State of Washington.

(d) Amounts Included. Each Owner and each party hereinafter owning or claiming an equity interest in a Lot agrees that in the event of such foreclosure action involving such Lot, the Owner or Owners thereof

or other party asserting an equity interest therein will pay the Association's expenses of title examination and insurance, the cost of attorney's fees incurred by the Association and court costs, as well as all other costs reasonably and necessarily incurred in such foreclosure action. In any such action, delinquent assessments shall bear interest at the rate of twelve percent (12%) per annum from the date the same became due until the date of the entry of the judgment of foreclosure thereon.

(e) Other Liens and Foreclosure Actions. The method and manner provided for foreclosure of liens set forth in this paragraph shall pertain to all liens referred to in this Declaration. First mortgage liens placed upon any Lots for the purpose of constructing improvements thereon shall be superior to any and all charges, assessments and liens thereafter asserted, pursuant to this Declaration.

4.4 Establishment of Assessment and Charges. When and if the Association is formed, the Board shall establish and fix a charge of yearly assessments against the Lots. Each Lot shall be assessed an equal amount. The Board and Association shall thereafter assess an annual amount at the annual meeting held by the Members of the Association. Assessments shall not accrue on each Lot until said Lot is sold by the Declarant to the first purchaser thereof.

4.5 Annual Statement. As soon as shall be practical in each calendar year, the Association shall send a written statement to each Owner setting forth the dollar amount of the assessment for such Lot for such calendar year. The Association may, in its sole discretion, provide for payment of such assessments on a periodic basis during such calendar year, with or without a service charge.

4.6 Penalty on Delinquent Assessments. If an Owner shall fail to pay any installment of an annual assessment within thirty (30) days from the date the same is due, then the entire annual assessment for such Lot shall be delinquent and shall become immediately due and payable, shall bear interest at the rate of twelve percent (12%) per annum thereafter until paid and may bear a penalty in such amount as shall be determined by the Board of the Association.

4.7 Delinquency For More Than Ninety (90) Days. If the Owner of any assessable Lot shall be delinquent in the payment of the annual assessment, or any installment thereof, for more than ninety (90) days following the date the same is due, then the Association shall have the right to commence legal action seeking a personal judgment against such Owner and, in addition thereto, shall have the right to foreclose its lien upon such Lot. The total amount due from such Owner shall be such sums as provided in paragraphs 6.4 and 6.3(d), plus any penalty imposed under paragraph 6.6 hereof. The Association may file a notice of lien on any Lot where the assessments are more than ninety (90) days past due. Such lien shall relate back to the first delinquency for the purpose of establishing lien priorities.

4.8 Rules and Procedures for Billing and Collecting Assessments. The Board of the Association shall have the power and authority to adopt rules and procedures respecting the billing and collecting of annual assessments, which shall be binding upon all Owners.

4.9 Increase in Assessments. The amount of the annual assessment against each Lot shall be initially determined and may thereafter be increased or decreased for any one year period, or any such greater period, as may be determined by the affirmative vote of at least fifty-one (51%) percent of the voting members of the Association, represented in person or by proxy, at a meeting, annual or special, called for such purpose; provided, however, that any Owner who is delinquent in the payment of assessments shall not be entitled to vote thereon.

4.10 Application of Assessment. The Association shall apply all funds received by it pursuant to this Declaration in the following order:

(a) Administrative costs and expenses incurred by the Association in the exercise of its powers, authority and duties described in its Articles of Incorporation, Bylaws and this Declaration.

(b) The payment of taxes and insurance premiums on the Common Properties and the payment of utility charges therefore, including any charge for electricity supplied for the entrance signs.

(c) The service, repair, maintenance and/or replacement of any and all improvements to the Common Property.

4.11 Authority to Maintain Surplus. The Association shall not be obligated to spend in any particular time period all of the sums collected or received by it during such time period or any other time period. The Association may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual assessment in any future year.

4.12 Maintenance of the Storm Water Facility. The stormwater facility shall be maintained by the Association per current Whatcom County Development Standards, Chapter 2, Section 220. The catch basins, pipes, ponds, and control outlet shall be inspected quarterly and cleaned of debris, sediment and/or vegetation when they affect the functioning of and/or design capacity of the facility. The Declarant shall be the designated person under the Whatcom County Development Standards Chapter 2, Section 220, until such time as the Declarant transfers control, at which time a designated person shall be appointed by the Association. The Association hereby adopts the Stormwater Facility Maintenance Plan attached as Exhibit "B" to this Declaration.

4.13 Drainage Facility/County Action. The Lot Owners and the Association have the responsibility to properly maintain all stormwater facilities not within County right-of-way. The County may inspect all stormwater facilities and Association inspection records. If the individual Owners or the Association has failed to maintain the stormwater facilities, the County may issue written notice specifying the required actions. If the required actions are not taken in a timely manner, or in the event failure to take the actions create a public hazard, the County may enter the Property and perform the actions required, and bill the Owners and Association. Any action taken by the County shall not relieve the Owners or the Association from their responsibility to maintain the stormwater facilities.

5. ARCHITECTURAL CONTROL AND PROCEDURE.

5.1 Architectural control shall be accomplished by one or more individuals designated as the DRC. Initially, the DRC shall have a single member who shall be _____ or his designee who shall occupy the position until such time as all lots in the project are sold, or resignation by _____. Thereafter, the DRC shall be enlarged to three members who shall be appointed by a majority of the owners of the Lots subject to this Declaration, or by the Association in the event one should be formed.

5.2 To preserve the architectural and aesthetic appearance of the Property, no new construction or improvements of any nature whatsoever shall be placed on any Lot or other parcels within the Property until detailed plans have been reviewed and approved by the DRC in accordance with this Declaration.

5.3 Any person requesting approval of the DRC shall submit two copies of the plans, specifications and related data to the DRC together with a fee in the amount of \$250.00 for the review specifically, the applicant shall provide a site plan, site/building cross section, floor plans, exterior elevations, roof plan and outline specifications of major exterior materials with examples of final color choices for all exterior surfaces. The application fee may be adjusted by the DRC, subject to review by a majority of the Owners of the Lots, or the Association in the event one is formed. The DRC may obtain the advice of development consultants, including (without limiting), architects, engineers, landscapers, and arborists. Fees incurred for the review by such consultants shall be the responsibility of the Owner. Upon approval of plans, one set shall be retained in the records of the DRC and one copy shall be returned to the Owner, appropriately marked.

5.4 The DRC shall consider, in addition to Architectural Standards and aesthetic issues, the location of improvements on the Lot, the effect on views from other Lots and compliance with governmental regulations

applicable to the Project. The DRC's determination on all matters shall be solely within the discretion of the DRC and shall not be subject to appeal.

5.5 The DRC shall approve or disapprove plans, specifications and details (with or without conditions) within sixty (60) days of the actual receipt thereof and the submission of any further information required by the DRC in order to make a decision. If the DRC fails to respond within sixty (60) days of receipt of plans and any additional information, then the plans shall be automatically approved. DRC should be requested prior to submitting applications for approvals of permits from the City of Bellingham or other governmental authorities with jurisdiction.

5.6 Neither the DRC nor any person who succeeds him/them shall be liable to any person for any action or for any failure to act under or pursuant to the provisions of this Declaration, provided that the DRC shall have proceeded hereunder in good faith and without malice.

6. ARCHITECTURAL STANDARDS AND REQUIREMENTS.

6.1 Purpose. The purpose of the Architectural Standards is to preserve and enhance property values by encouraging environmentally sensitive home designs that work in harmony with the natural topography and minimize disturbance to the land. In order to objectively review home design submittals and encourage innovative variations within the specific written requirements and restrictions, all projects will be evaluated against the following goals:

1. Minimize high, bulky, unmodulated wall expanses along all sides of the home.
2. Minimize impact of garages facing the street by stepping back or providing side entry drives.
3. Encourage various roof heights to provide more open space, light and view corridors, especially between lots.
4. Minimize high retaining walls and landscaping that does not appear native to the location.
5. Every effort should be made to consider the positive design effects on view, open space and the relationship to any existing built homes, trees and solar access.

6.2 Design Objectives.

1. The objective is to enhance and preserve the overall character and desirability of the Lots as they are improved and maintained.

2. The landscape and architectural design and all other proposed improvements shall be compatible with the existing terrain and site features.

3. Esthetic considerations in the design shall include acknowledgement of the context, proportion and scale of the architectural and landscape design. Important features include the grading, massing, rooflines, selection of materials, textures and color palette.

6.3 Architectural Review. The DRC is commissioned to review for approval, all proposed architectural and landscape improvements. Subsequent additions, modifications, and maintenance of the built or landscaped environment also require DRC review and approval. All improvements need to be monitored for conformance to approved plans, specifications and revisions in their implementation.

Additional requirements by Whatcom County and all State and Federal regulating authorities may also apply. Each Lot Owner and respective agents (i.e. architect, designer and contractors) shall be familiar with all these regulations.

6.4 Lot Development. A portion of the lot development, including (without limiting) grading, new landscaping, and structures is limited herein, by the project permits and other governmental regulations, discussed elsewhere herein. For a complete determination for requirements, the agency with jurisdiction should be consulted.

6.5 Dwelling Size. No residence shall be constructed on any Lot with a total floor area (excluding unroofed areas and garages) which does not exceed _____ square feet.

6.6 Roofs.

1. No roof top mechanical equipment shall be allowed except for flues and vent stacks. Solar collectors and skylights are allowed, but their visibility is to be minimized from viewing by adjacent and/or uphill homes.

2. All exposed roofing materials shall be wood, tile, slate, similar natural material, or approved composition roofing material. Any new, composite material, such as composition roofing or other similar approved material is to have an earth tone color and a dull (non-shiny) finish. Metal roofing will only be allowed if it tarnishes to a soft, dull patina over a short time period, similar to natural copper. Provided, copper roofs are prohibited in accordance with the shoreline substantial development permit issued by the City. A sample of the proposed material is to be submitted for prior approval from DRC.

3. Limited use of non-vinyl awnings are permitted, but shall be reviewed for location and appearance by the DRC.

6.7 Exterior Walls. Exterior wall surfaces shall be restricted to wood siding or shingles, stone (natural or cultured) or brick masonry veneer. Siding materials of metal, vinyl, plastic, fiber-reinforced cement or exposed concrete block are not allowed. Very reflective exterior materials, siding, hardware, windows and sash or fittings are not permitted. Exterior colors are to be "earth tone" hues. All finish materials and colors are subject to approval by the DRC.

6.8 Exterior Lighting. All exposed fixtures shall have a non-reflective finish. Lighting levels shall be minimized by shielding all lamps or directing them to the ground. No new or maintained fixture shall present an exposed lamp over 20 watts, or lamps in a group, to a neighboring property or roadway.

High wattage lighting, such as HID, Metal halide, strip fluorescent, flashing lamps or light fixtures shall not be installed or maintained.

6.9 Walls, Fences and Enclosures. Required screening, trellis, pergolas or fences shall be comprised of approved building materials relating to the architectural character of the main residence. Such fences or enclosures may be used in conjunction with landscape hedges or other equally effective plant materials to achieve an opaque effect. All structures shall be finished on all sides.

Heights of walls or fences shall be limited to maximum of 60" in height above finish grade, with decorative features at a maximum 72" height. Specialized features, such as, entries and gates may exceed these heights to a maximum 8 feet in height and 6 feet in width, and subject to final approval by the DRC.

6.10 HVAC, Water features, Mechanical and Appurtenances. All mechanical equipment shall be visually screened behind enclosures to attenuate sound. Sound levels and other occasional noise emanating from the mechanical equipment shall not exceed 40 decibels at any property line.

Satellite dishes, antennae, related wiring and equipment shall be screened from view of adjacent properties and the roadway. All wiring shall be underground. No permanent exterior speakers, apart from annunciators serving entry gates, shall be permitted.

The exposure of all metering devices shall be minimized and integrated within the building design while meeting requirements from utilities for monitoring.

6.11 Service yards, Driveways, Signage and Parking. Each lot shall provide visually-screened areas to serve as service yards for garbage receptacles, fuel tanks, meters, mechanical equipment, vehicles, supplies, materials, etc. to conceal them from view from roads and adjacent properties. Any visual barrier shall be at least 6 feet high.

Development of each lot shall provide covered and enclosed parking for 2 cars per dwelling unit within the setback lines. Driveway material shall be concrete, brick or cementitious pavers. Gravel surfaces are not permitted. New, sustainable and permeable materials, such as "grass crete", may be allowed, subject to DRC approval.

No signs or billboards shall be placed on any Lot, except that one identification sign bearing the Owner's name and address may be placed upon the Owner's Lot.

6.12 Time for Completion. Construction of all improvements shall be prosecuted diligently from the date of commencement of work until the exterior is completed and painted or finished and all sanitation and health requirements have been fulfilled. Furthermore, the maximum time limit for the completion of construction of an improvement shall be twelve months from the date construction commences, which is defined as the date building materials are first delivered to the Lot for such purpose. Construction shall not be deemed to be completed until the improvement is finished, the Lot has been cleaned of construction debris and the Lot has been landscaped.

7. PROTECTION OF MORTGAGE OR DEED OF TRUST HOLDER

No violation or breach of any covenant, condition, reservation or restriction contained in this Declaration, or in any supplement hereto, and no action to enforce the same, shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith and for value against any title or interest in any Parcel or Tract which is the subject of an action arising from such violation or breach. A purchaser of any such Parcel or Tract at a trustee's sale, Sheriff's sale or Tax Foreclosure sale shall take title to such Parcel or Tract free and clear of any violations or breaches which have occurred on such Parcel or Tract, or by the previous Owner thereof, prior to such foreclosure, but such purchaser shall nevertheless take subject to this Declaration and to any supplements hereto.

8. ENFORCEMENT

The Association, the Declarant and any Owner shall have the right to enforce, by any proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by this Declaration. The failure of the Association, of the Declarant or of any Owner to enforce any rights hereunder shall not be deemed to constitute a waiver of the right to do so thereafter. The prevailing party in any litigation involving the enforcement of any provision of this Declaration shall be entitled to judgment for the reasonable attorney's fees and costs incurred in such litigation by such prevailing party.

9. GRANTEE'S ACCEPTANCE

The grantee of any Parcel or Tract subject to this Declaration shall, by the acceptance of a deed conveying title thereto or by the execution of any contract for the purchase thereof, whether from Declarant or any subsequent Owner of such Lot, accept such deed or contract upon, and subject to, each and every provision of this Declaration and the provisions contained herein, including the jurisdiction, rights and powers of Declarant, and by such acceptance shall, for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant and with the grantees and subsequent Owners of each Parcel or Tract, to keep, observe, comply with and perform all obligations set forth herein.

Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors or assigns, all of the risks and hazards of ownership and occupancy attendant to such Parcel or Tract, including, but not limited to, its proximity to any Common Properties, public paths, streams or other water courses.

10. AMENDMENT TO DECLARATION

This Covenant may be amended or terminated by an instrument signed by Owners who have seventy-five percent (75%), or more of the votes in the Association. Such amendment shall take effect upon recording with the Whatcom County Auditor.

Amendments to or termination of this Declaration will in no way affect:

- (a) the on going obligation of the Owners, in common to care for and maintain all improvements located in the Common Properties; and
- (b) any of the easements described herein.

11. DECLARANT ASSIGNMENT

The Declarant reserves the right to assign the status of Declarant under this Declaration.

12. SEVERABILITY

In the event that any provision hereof is deemed by proper judicial decree to be invalid, then the remaining portion of this Declaration shall in no way be affected.

13. PARAGRAPH HEADINGS

The paragraph headings in this Declaration are for convenience only and shall not be considered in construing this Declaration.

14. NO WAIVER

The failure of any party entitled to enforce any provision hereof to take steps to enforce such provision shall not, in any fashion, operate or be deemed to be a waiver of any such provision or of any other provision hereof.

DATED this _____ day of February, 2009.

COLUMBIA INVESTMENT COMPANY I

By: _____

S.C. GOSHEN, LLC

By: _____

HOLLY ASSOCIATES, LLC

By: _____

STATE OF WASHINGTON)
)ss.
COUNTY OF WHATCOM)

On this ____ day of _____, 2009, before me personally appeared _____ to me known to be the president of COLUMBIA INVESTMENT COMPANY I, a Washington limited partnership, the company that executed the within and foregoing instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.
My Commission Expires _____.

STATE OF WASHINGTON)
)ss.
COUNTY OF WHATCOM)

On this ____ day of _____, 2009, before me personally appeared _____ to me known to be a member of S.C. GOSHEN, LLC, a Washington limited liability company, the company that executed the within and foregoing instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.
My Commission Expires _____.

STATE OF WASHINGTON)
)ss.
COUNTY OF WHATCOM)

On this ____ day of _____, 2009, before me personally appeared _____ to me known to be a member of HOLLY ASSOCIATES, LLC, a Washington limited liability company, the company that executed the within and foregoing instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____.
My Commission Expires _____.