

**AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
SKY MEADOWS**

Adopted
by
Sky Meadows Community Association

July 22, 2016

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**AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SKY MEADOWS**

A Declaration of Covenants, Conditions and Restrictions was made on December 11, 1986, by PENN COVE ASSOCIATES, a limited partnership (referred to hereafter as “the Original Declarant”), which was then the Owner of certain tracts of real property situated in Island County, Washington. That document, which was recorded on January 13, 1987 in Volume 552, Page 1507 as Auditor’s No. 87000489 in the records of Island County, Washington, is referred to hereafter as the Original Declaration. It affected the real property known as Sky Meadows of Grasser’s Hill (referred to hereafter as “Sky Meadows” or “the Property”), namely those tracts which are delineated and described in those certain short plats recorded in Volume 2 of Short Plats, pages 45 through 61 inclusive, as Island County, Washington, Auditor’s File No. 86009249 through 86009262, inclusive. These short plat maps and legal descriptions are incorporated herein by this reference, and are legally described as the following Assessor’s numbers:

1. Lots 2A and 2B of Short Plat 84/08-3.13230.506-1330;
2. Lots 10A and 10B of Short Plat 84/09-3.13230.444-1370;
3. Lots 9A, 9B, 14A, and 14B of Short Plat 84/10-3.13230.444-2080, 400-1790;
4. Lots 3A and 3B of Short Plat 84/11-3.13230.503-2090;
5. Lots 4A and 4B of Short Plat 84/12-3.13230.507-2870;
6. Lots 5A and 5B of Short Plat 84/12-3.13230.507-3600;
7. Lots 6A and 6B and Tract 18 and 19 of Short Plat 84/14-3.13230.436-3750, 370-3400, 358-2590;
8. Lots 7A, 7B, 8A, and 8B of Short Plat 84/15-3.13230.436-3220; 436-2760;
9. Lots 17A and 17B of Short Plat 84/16-3.13230.344-1910;
10. Lots 13A, 13B, 15A, and 15B of Short Plat 84/17-3.13230.13230.372-1170, 306-1160;
11. Lots 16A and 16B of Short Plat 84/18-3.13230.291-1850;
12. Lots 12A and 12B of Short Plat 84/19-3.13230.417-0460;
13. Lots 1A and 1B of Short Plat 84/20-3.13230.506-0470;
14. Lots 11A and 11B of Short Plat 84/21-3.13230.465-0470;

Additionally, said tracts are fully depicted and delineated in that certain survey map prepared by Datum Pacific, Inc., recorded on April 8, 1986, in Book 6 of Surveys, Page 130, as Island County, Washington, Auditor’s File No. 87000488, and hereafter referred to as the “Survey of Sky Meadows.”

The Original Declarant further declared, and this document reaffirms, that certain of the referenced tracts or portions thereof are subject to certain covenants, conditions, restrictions, and easements which are contained in the Scenic Easement Deed, in favor of the United States of America, as fully referenced and incorporated below in Article 1.6. The affected tracts and/or portions thereof are delineated in the Survey of Sky Meadows. Declarant by this reference hereby confirms the binding nature of the Scenic Easement on the affected tracts or portions thereof. As to the property already subject to the Scenic Easement, this Declaration is intended to complement and/or supplement the provisions of the Scenic Easement and to provide reasonably uniform covenants and restrictions for all tracts. Nothing contained herein, however, shall be deemed to be a modification or alterations of the provisions of the Scenic Easement.

The Original Declarant further declared, and this document reaffirms, that all of the referenced tracts are subject to those certain covenants, conditions, restrictions, and easements contained in the Road Maintenance Agreement of April 8, 1986 as described in Article 1.9 herein incorporated by reference as though fully set forth. Declarant hereby confirms the binding nature of said Road Maintenance Agreement for the referenced tracts or any portions thereof.

RECITALS

A. The Original Declarant held, sold and conveyed the properties collectively known as Sky Meadows subject to certain easements, protective covenants, conditions, restrictions, reservations, charges and liens set forth in the Original Declaration and hereafter collectively referred to as "Covenants" or "CCR's", all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. The Covenants were declared to run with the land and burden the property, to be binding upon all of the parties having or acquiring any right, title, or interest in the property or any part thereof, to be likewise binding upon their heirs, successors, and assignees, and to inure to the benefit of each owner thereof.

B. As specified in the Original Declaration, current owners of each lot within the property constitute a homeowners' association known as the Sky Meadows Community Association [or "SMCA"]. Its purpose is to promote and protect the health, safety, welfare, property value, and enjoyment of all owners of the Property.

C. It was the stated intention of the Original Declarant that the common area within the Property be owned and maintained by the Association, reserved exclusively for the use and enjoyment of the members of the Association, their tenants, lessees, and guests, all subject to the terms and conditions of the Governing Documents.

D. It is the intention of the Association to replace the original Declaration, in its entirety, with this **AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**. Said Amended Declaration in part reaffirms and incorporates portions of the original Declaration of December 11, 1986 as hereinafter set forth; and in part amends certain language of the original Declaration so as to unambiguously express the intentions of herein Declarants on behalf of the Association and its membership.

E. On _____, 2005, in accordance with the original Declaration, the members of Sky Meadows Community Association voted by written ballot to adopt this **Amended Declaration of Covenants, Conditions and Restrictions**, thereby voiding the original Declaration of December 11, 1986.

F. The members of SMCA, having adopted the Amended Declaration, have hereby authorized, directed and approved the Declarants herein to execute this Amended Declaration of Covenants and Restrictions and duly record the same.

ARTICLE 1. DEFINITIONS

1.1. "**Association**" shall mean the Sky Meadows Community Association (also hereafter referred to as "SMCA"), a non-profit corporation organized under the laws of the State of Washington, its successors and assigns.

1.2. "**Member**" shall mean any property owner(s) holding membership in the Association as specified in Article 2 of this Declaration.

1.3. "**Board of Directors**" or "**Board**" shall mean the duly elected Directors of the Sky Meadows Community Association, as specified in the SMCA Bylaws.

1.4. "**Original Declarant**" shall mean those legal entities and individuals having executed the original Declaration of December 6, 1986.

1.5. "**Declarant**" shall mean those officers of the Sky Meadows Community Association who have executed this Amended Declaration.

1.6. "**Properties**" and "**Property**" shall mean all that certain real property located within the referenced Survey of Sky Meadows prepared by DATUM PACIFIC, INC.

1.7. "**Common Area**" shall mean that real property now owned or later acquired by the Association for the common use and enjoyment of the owners, including, if any, roadways (other than any streets or other areas which may hereafter be dedicated to public use), water and appurtenant drainage systems, walkways, greenbelts, and reserve areas.

1.8. **"Scenic Easement"** shall mean that certain document entitled "Scenic Easement Deed", dated March 17, 1986, and recorded April 8, 1986, as Island County, Washington, Auditor's No. 86003749 and the accompanying survey map, entitled EXHIBIT A-1, Map of National Park Service Conservation Easement, Ebey's Landing National Historic Preserve, recorded April 8, 1986, in Book 6 of Surveys at Page 130, as Island County, Washington, Auditor's No. 86003748, which are incorporated herein by reference as if fully set forth.

1.9. **"Road Maintenance Agreement"** shall mean that certain document entitled "Road Maintenance Agreement", dated March 17, 1986, and recorded April 8, 1986, as Island County, Washington, Auditor's No. 86007065 which is incorporated herein by this reference as if fully set forth.

1.10. **"Lot"** shall mean any tract or plot of land shown upon the recorded Short Plat Maps of Grasser's Hill, recorded as Island County, Washington, Auditor's File No. 86009249 through 86009262, inclusive, and depicted and delineated in the referenced Survey of Sky Meadows, but not including any common area.

1.11 **"Owner"** shall mean the recorded owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, and to contract purchasers, excluding those having such interest merely as a security for performance of an obligation and excluding contract sellers. "Owner" shall also include any person or persons or entities holding a leasehold interest in any lot.

1.12. **"Residence"** shall mean a private, single family dwelling on a lot.

1.13. **"Residential Use"** shall mean occupation of a residence for single family dwelling purposes in conformity with the requirements imposed by applicable zoning or other governmental laws or regulations limiting the number of persons who may occupy residential dwellings.

1.14 **"Improvement"** shall mean, without limitation, the construction, installation, alteration or remodeling of any residence, guest house, outbuilding, wall, deck, fence, patio, swimming pool, spa, solar heating equipment, landscaping, or any structure of any kind, as well as placement of any visible antenna, satellite dish or utility line. In no event shall the term "Improvement" be interpreted to include projects solely restricted to the interior of a residence.

1.15. **"Architectural Control Committee"** [also hereafter referred to as "the ACC"] shall mean the Board-appointed body whose makeup, authority and procedures are specified in Article 6 of this Declaration

1.16 **"ACC Rules"** shall mean any rules, regulations, policies and guidelines proposed by the Architectural Control Committee as approved by the Board of Directors of the Association, pursuant to Article 6 of this Declaration.

1.17 **"Association Rules"** shall mean any rules, regulations and policies adopted by the Board of Directors of the Association pursuant to the Association Bylaws and Article 2 of this Declaration, including the ACC Rules.

1.18 **"Governing Documents"** is a collective term that shall refer to this Declaration as well as to SMCA's Articles of Incorporation, Bylaws and Amendments, Scenic Easement Deed, Road Maintenance Agreement, and rules, including ACC Rules.

1.19 **"Common Expenses"** shall mean any use of Association funds authorized by the Bylaws including, without limitation: (a) expenses incurred by or on behalf of the Association for operation, management, maintenance, additions or alterations of the common area; (b) expenses incurred to procure insurance for the protection of the Association and its common area; (c) amounts reasonably necessary for reserves for maintenance of the common area, for any nonpayment of assessments, and for defraying expenses incurred by the Association in the proper discharge of Board responsibilities as provided in the Governing Documents.

1.20. **"Annual Assessment"** shall mean a regular yearly assessment levied equally on all lots in order to defray common expenses as specified in Section 4.3 below.

1.21. **"Special Assessment"** shall mean an emergency assessment levied equally on all lots in order to defray common expenses as specified in Section 4.4. below.

1.21. **"Reimbursement Assessment"** shall mean an assessment made against an individual owner and his or her lot as specified in Section 4.5. below.

ARTICLE 2. THE ASSOCIATION

2.1. Membership. Every owner of a lot described herein and delineated in the referenced Survey of Sky Meadows shall be a member of the Sky Meadows Community Association, and shall be subject to its Governing Documents. Owners shall remain members of the Association until their ownership in all lots in the Properties ceases, at which time their membership shall automatically cease. Persons or entities who hold an interest in a lot merely as security for performance of an obligation are not members until such time as the security holder acquires title to the lot.

2.2 Voting Rights. Members of the Association shall be entitled to one vote for each lot owned by said member, whether improved or not. Notwithstanding the foregoing, however, there shall be no voting rights associated with Tract 18 (R13230-358-2590). When more than one person owns any lot, all owners shall be members, although in no event shall more than one vote be cast for any lot. In the event that the multiple owners of any lot disagree as to how the vote for that lot shall be exercised, any such person may deliver written notice of such dispute to the secretary of the Association, and the vote for the lot shall then be disregarded completely with respect to the matter(s) pending before the Association at that meeting. With the exception of Tract 18 (R13230-358-2590), the right to vote may not be severed or separated from any lot, except that it may be temporarily suspended under those circumstances described in Articles 4 and 8 below. Any sale, transfer, or conveyance of said property interest to a new owner shall automatically operate to transfer the appurtenant vote.

2.2. General Powers and Authority. The Association has the responsibility of owning, managing and maintaining the common area, including roadways, water and appurtenant drainage systems, and discharging such other responsibilities as are specified by the Governing Documents. In carrying out such duties, the Association has all the powers of a nonprofit mutual benefit corporation organized under the laws of the State of Washington in the ownership and management of its properties and the discharge of its responsibilities for the benefit of its members, subject to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association by and through its Board of Directors has the power to do any and all lawful things authorized, required or permitted by the Governing Documents, and to do and perform any and all acts which may be necessary or proper to promote and protect the health, safety, welfare, property value, and enjoyment of all owners of the Property.

2.4 Rule-Making Power. The Board may, from time to time and subject to provisions of this Declaration, propose, enact and amend rules and regulations of general application to all owners of lots within the Property. Such rules may concern, but need not be limited to (a) matters pertaining to the maintenance, repair, management and use of the common area by owners, their family, tenants, guests, or any other person(s); (b) architectural control and the rules of the Architectural Control Committee; (c) avoidance and/or termination of nuisances, dangers and threats to common enjoyment of the Property; (d) minimum standards for the maintenance of landscaping or other improvements on any lot; (e) the conduct of hearings or disciplinary proceedings if such are necessary due to violations of the rules; and (f) any other matter within the jurisdiction of the Association as provided in the Governing Documents.

2.4.1. Adoption and Amendment of Rules. Association rules may be adopted or amended by majority vote of the elected Board. Any duly adopted rule or rule amendment shall not take effect until it has been distributed to all of the owners.

2.4.2. Priority of Authority. Notwithstanding the foregoing grant of authority, Association rules shall not be inconsistent with or materially alter any provision of this Declaration or other Governing Documents. In the event of any material conflict between any Association rule and any provision of the other Governing Documents, the Governing Documents shall prevail.

2.5. Right to Exercise Easements. The Association retains easement rights over, under, and across any property upon which the community's utilities, water and related drainage system components are located or are to be located, as provided and set forth as easements in the legal descriptions for the referenced lots and/or in

the Survey of Sky Meadows. Such easements are designated to enable SMCA, its agents, and/or any utility district, utility company, or authorized public body to install, operate, maintain and renew wells, pumps, pipes, conduits, cables, wires, or other necessary facilities and equipment providing the lots within Sky Meadows with present or future water, electric, telephone, natural gas, sewer, television cable or broadband service.

2.6. Limited Right of Entry. The SMCA Board and/or its agents shall have the right, when necessary, to enter any lot to carry out the Association's obligations under this Declaration, including (a) maintenance or replacement of water and appurtenant drainage systems, common roadways and public utilities; (b) oversight of the architectural and land use provisions of this Declaration; and/or (c) necessary maintenance that an owner has failed to perform which, if left undone, poses a threat to, or causes an unreasonable interference with, Association property or the owners in common. In case of an emergency originating in or threatening the lot where entry is required, or any adjoining lots or common area, the Association's right of entry shall be immediate and its work may be performed whether or not the owner or lessee is present. In non-emergency situations, the Association or its agents shall furnish the owner or lessee with at least 24 hours' notice and shall make every effort to schedule its entry and perform its work in a manner that respects the privacy of the residents.

2.7 Right to Transfer Property. The Association shall have the right to dedicate or transfer all or any part of the community road, water easements, or common areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association, according to Association Bylaws. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the owners agreeing to such dedication or transfers has been recorded with the office of the Auditor, Island County, Washington.

2.8. Right to Borrow Money. The Association shall have the right, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving or maintaining easements and/or common areas with the assent of two-thirds (2/3) of the members and to mortgage, as security for a loan of money, all or a portion of such areas.

2.9. Liability of Officers. No officer or director of the Association shall be personally liable to any Association member, or to any tenant, family member, guest, employee, or any other person, for the conduct of his or her responsibilities EXCEPT for knowing violation of the law or other willful misconduct, gross negligence or financial malfeasance. It is the intent of Section 2.9. to affirm volunteer directors' and officers' protection from liability to the full extent afforded by the Revised Code of Washington.

ARTICLE 3.

RIGHTS AND OBLIGATIONS OF OWNERS

3.1. Easement of Enjoyment. Every owner shall have a right and non-exclusive easement for ingress, egress, and utilities as delineated in the Survey Map of Sky Meadows, and in and to those common areas specified for use by owners and their guests, which easement shall pass with the title to every lot, subject to the provisions of Article 8 hereunder.

3.2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, that owner's rights to use and enjoy common areas and facilities to members of the owner's family, tenants, or guests subject to any such limitations in Article 8 or the Governing Documents.

3.3 Persons Subject to Governing Documents. All present and future owners, family members, tenants, guests and occupants of lots within Sky Meadows shall be subject to, and shall comply with, each and every provision of the Governing Documents, as any of them may be amended from time to time. Any rental or lease of a residence shall be subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the lease or rental agreement. Each owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the owner's tenant, lessee or guest with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy of the residence.

3.4. Right to Improve Property. Every owner shall have the right to make Improvements to his or her residence or lot, subject to the Association's Governing Documents, rules and procedures.

3.5 Financial Obligations of Owners. Owners of lots within the Property shall be obligated to pay any duly levied Annual, Special or Reimbursement Assessment or fine as outlined in Articles 4 and 8 of this Declaration. No owner, by non-use of the common area, abandonment of the owner's lot or otherwise may avoid the obligations imposed the Governing Documents.

3.6. Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a lot to a new owner, the transferor-owner shall not be liable for any assessments or fines levied on such lot which become due after the deed evidencing said transfer has been recorded. Upon such recording, all Association membership rights possessed by the transferor shall cease.

ARTICLE 4. ASSESSMENTS AND LIENS

4.1. Purpose of Assessments. All assessments levied by the Association shall be used exclusively to promote and protect the health, safety, welfare, property value, and enjoyment of the owners and for the improvement and maintenance of the roadways, community water and appurtenant drainage systems and other common areas used for community purposes within Sky Meadows.

4.2. Personal Obligation of Assessment. Each owner of any lot, by acceptance of a deed therefor or execution of a contract to purchase or lease, or like document relating to a lot within Sky Meadows, whether or not it shall be so expressed in such document, is deemed to covenant and agree to pay to the Association the applicable assessments set forth below, together with any interest and/or necessary collection costs.

4.3. Annual Assessments. In order to defray common expenses, the Board of Directors of the Association shall levy an equal Annual Assessment on each lot.

4.3.1. Amount and Schedule: The amount of each Annual Assessment shall be announced by the Board of Directors via mail by February of the current year and payable by May 1 of that same year. The amount of any Annual Assessment is a matter of public record and can be obtained by prospective buyers or their agents from the Treasurer of the Association.

4.3.2. Maximum Annual Assessment Rates. The Annual Assessment rate for owners of lots shall not be increased or decreased by the Board of Directors in excess of ten percent (10%) in any one year, except such rate may be increased or decreased in a greater amount by a simple majority vote of the owners voting in person or by proxy at a meeting called for that purpose; PROVIDED, however, that nothing contained herein shall limit the ability or right of the Board of Directors to levy Special Assessments in addition to the regular Annual Assessment as provided in Section 4.4 below, or to levy a Reimbursement Assessment as provided in Section 4.5 below.

4.3.3. Notice and Quorum. Written notice of any general membership meeting authorized under Section 4.3.2.above shall be sent to all owners not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first meeting called, the presence of fifty percent (50%) of all owners or their proxies entitled to cast votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum of the subsequent meeting shall be one-half of the required quorum at the preceding meeting. Any such subsequent meeting shall be held no more than sixty (60) days following the preceding meeting.

4.4. Special Assessments: In unusual circumstances an additional Special Assessment may be levied by the Board of Directors against all lots equally in accordance with the Association's Bylaws for emergency purposes: namely, that the regular Annual Assessment for any fiscal year is insufficient due to extraordinary expenses not contemplated but required for the Association's performance of its obligations.

4.5. Reimbursement Assessments: The Board of Directors shall have the authority to levy a Reimbursement Assessment against a particular owner's lot for repayment of expenses incurred by the Association in enforcing CCR's, Association or ACC Rules or other Governing Documents when the owner's breach of these covenants or rules has resulted in expense to the Association.

4.5.1. Circumstances Giving Rise to Reimbursement Assessments shall include the following:

4.5.1.1. Damage to the Common Area. In the event of damage to or destruction of any portion of the common area by the misconduct or negligent act or omission of any owner, any member of his or her family, or any of his or her tenants, guests, employees, or licensees, the Board shall cause the same to be repaired or replaced, and all expenses incurred in connection therewith shall be assessed and charged solely to such owner as a Reimbursement Assessment.

4.5.1.2. Required Maintenance on Lots. If any lot is maintained so as to become a nuisance, fire or safety hazard for any reason, including, without limitation, the accumulation of trash, junk, animal waste or inoperable vehicles or equipment, or improper noxious insect, vermin, weed or vegetation control, the Association shall give written notice to the owner to repair or abate the offending condition. Upon failure of the owner to comply, the Association shall have the right to enter said lot, correct the offensive or hazardous condition and recover the cost of such action through a Reimbursement Assessment against the offending owner.

4.5.1.3. Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any expense to accomplish (a) the payment of delinquent assessments or fines; (b) any repair, maintenance or replacement pursuant to section 4.5.1.2 above; or (c) to otherwise bring the owner and/or his or her lot into compliance with the Governing Documents, the amount incurred by the Association (including title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be charged solely to such owner as a Reimbursement Assessment.

4.5.2. Right of Appeal. No Reimbursement Assessment may be imposed until the owner has been given 14 days written notice thereof, providing a reasonable opportunity to comply voluntarily with the Association's Governing Documents. If desired, the affected owner has the right to a hearing before the Board of Directors, to be held within 21 days of the written notice. After hearing arguments, the Board shall determine whether to reaffirm, modify or cancel the Reimbursement Assessment.

4.5.3. Payment of Reimbursement Assessment. Once a Reimbursement Assessment has been levied, reaffirmed or modified by the Board, the assessment shall be due as a separate debt of the owner payable in full to the Association within 30 days after the mailing of the assessment notice.

4.6. Nonpayment of Assessment: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law or in equity against the owner personally obligated to pay the same, or foreclose a lien against the assessed owner's land. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment as a Reimbursement Assessment.

4.6.1. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any tract shall not affect the assessment lien except by operation of law.

4.6.2. Suspension. The Association has the right to suspend any lot owner's voting rights and right to use common areas for a period during which an assessment against the owner's lot remains unpaid, or during which an owner egregiously or repeatedly violates published rules, covenants or other Governing Documents.

4.7 Exempt Property. The following property shall be exempt from any assessments created herein: (a) all property dedicated to and accepted by local public authority; (b) all common areas, but this exemption shall not be deemed to include areas subject to an easement for community use, such as community roads; and (c) Tract 18 (R13230-358-2590), in consideration of that certain agreement recorded July 21, 2016, as Island County, Washington, Auditor's File No. 4403507, confirming the status of Tract 18 as a parcel with restrictions as to development, as a parcel that will not be sold or otherwise transferred separately from Tract 19 (R13230-370-3400), and as a parcel with no voting rights in matters related to the SkyMeadows Community Association.

ARTICLE 5.

RESTRICTIONS ON USE OF PROPERTY

5.1. Permitted Uses. The character of Sky Meadows is and shall remain residential and rural. No industrial and/or commercial uses or activities shall be permitted or conducted on or within any lot.

5.2. Structures Allowed. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family dwelling per lot; a reasonable number of accessory buildings; any

required sewage disposal appurtenances; and a private garage for not more than three motor vehicles per lot. All of these improvements require the prior approval of the Architectural Control Committee and, where applicable, the Board as specified in Article 6.

5.2.1.1. Motor vehicles shall refer to automobiles; trucks and vans; motor homes, truck-mounted campers, camping trailers, and similar recreational vehicles; trailered boats; trains; and full-sized tractors, bulldozers, forklifts, or similar mechanical equipment. Riding mowers and small garden tractors are exempt from the quota.

5.2.1.2. One additional motor vehicle as defined above may be permissible on certain lots, PROVIDED that it is stored unobtrusively either in an ACC-approved outbuilding or by parking it in an area adequately screened from public view by other buildings, fencing and/or vegetation. Such use requires prior Board and, where applicable, ACC approval. On lots subject to the Scenic Easement, recreational vehicle structures and parking areas are expressly prohibited in Zones A and D. For Lots in Zone F, any such structure or parking area requires prior approval by the Department of the Interior as well as the Board and ACC.

5.3. Temporary Dwellings. No trailer, basement, motor home, camper, recreational vehicle, tent, shack, barn or other outbuilding, or any other structure of a temporary character, shall be used on any lot as either a temporary or permanent residence, except as follows:

5.3.1. During construction of an approved residence on that lot, such a temporary dwelling is permissible PROVIDED that in no event shall such use exceed eight (8) months.

5.3.2. Tents, trailers, motor homes, campers, or similar recreational vehicles are permitted for use by residents' guests for periods not to exceed thirty (30) days, PROVIDED they are sited as unobtrusively as the lot permits. However, such use is not permitted on certain lots subject to the Scenic Easement.

5.4. Nuisance. No noxious or offensive activity shall be carried on or tolerated upon any lot or common area, nor shall anything be done or tolerated thereon which is or may become an annoyance or nuisance to other owners, including (but not limited to) unreasonable accumulation of debris, leftover building materials, and other waste; inoperative vehicles; inadequate insect, vermin, weed or vegetation control; offensive odors such as smoke or animal waste; and decibel levels likely to become an annoyance or nuisance to other owners, such as the operation of loud machinery or animal and livestock noises, e.g. the unreasonable barking of dogs or untimely crowing of poultry. Operation of any permissible but noisy equipment (such as tractors and mowers, chainsaws and similar mechanical apparatus) is restricted to the hours between 7 A.M. and 7 P.M.

5.5. Safety. No activity which endangers the safety of residents, including but not limited to reckless driving, shall be carried on or tolerated upon any roadway, lot or common area. Posted speed limits and precaution for pedestrians shall be observed at all times.

5.6. Garbage. No garbage, refuse, or rubbish shall be deposited or kept on any lot except in suitable covered containers which shall be secured, fastened and protected from animals and screened or obscured from the view of the public and shall be regularly hauled by or for the owner to a public or other suitable dump site not within the Property. All equipment for the storage or disposal of trash, garbage, or other waste shall be kept in a clean and sanitary condition.

5.7. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot for commercial, business, trade, or profit purposes. All pets must be kept on a leash, or otherwise controlled, when not confined to the owner's lot, and the owner shall observe and obey all laws applicable to a resident of Island County pertaining to the care, control, and husbandry of animals and pets. The owners of permitted animals and livestock shall provide adequate and appropriate pasture, fencing, housing and waste disposal for such animals. Barns, coops, stables, corrals, paddocks, arenas, fences or other structures for livestock use are subject to prior ACC and, where applicable, Board approval.

5.8. Clotheslines. All exterior clotheslines shall be hidden from public view, and no article of clothing, household linen, or similar items shall be permitted to hang on balconies, fences, or other places in public view.

5.9. Noisy Vehicles. Use of non-muffled motorcycles, motor bikes, trail or dirt bikes, ATV's or other noisy vehicles is prohibited within the Property, whether licensed or unlicensed.

5.10. Signs. No sign shall be placed in public view on the Property without prior Board approval other than: (a) a Sky Meadows entrance sign; (b) owners' name and/or address signs; (c) advisory or caution signs including, but not limited to, "No Hunting," "Private," "Beware of dog" and speed limits; (d) a sign no larger than

five square feet advertising the property for sale or rent; (f) a sign of similar size erected by a builder to identify a site during construction; or (g) other signs required by law.

5.11. Oil and Mining Operations. No oil drilling or refining, quarry or mining operations of any kind shall be permitted on any of the Property, nor shall oil wells, tunnels, mineral excavations or shafts be allowed.

5.12. Shooting and Hunting. No firearms of any kind including guns, rifles, BB guns, bows, slingshots, traps, or any other like weapon, shall be used for any purpose within Sky Meadows except by appropriate government officials. No hunting of any kind shall be permitted within the Property.

5.13. Derogation of Laws. No owner shall carry on any activity of any nature whatsoever on the Property that is in derogation or violation of the laws or statutes of the State of Washington, Island County, or other applicable governmental body.

5.14. Usage Variance. Should an individual owner believe that one of the foregoing use restrictions imposes an undue hardship due to temporary, unique, and/or compelling circumstances, he or she may seek a variance from the Association's Board of Directors. The Board shall then notify other homeowners of the variance request and solicit comment on its impact on them, after which the Board will decide, in its sole discretion, whether to grant a variance with all appropriate restrictions and limitations regarding its scope and duration. The Board's decision will be final. It must be recognized that the Covenants and other Governing Documents already express the wishes of the majority of Association members, so obtaining a variance may prove difficult. By granting a usage variance, the Board shall not be deemed to have established a precedent nor to have waived the ability to strictly interpret the same provisions on a later occasion.

ARTICLE 6.

ARCHITECTURAL CONTROL

6.1. Architectural Control Committee. An Architectural Control Committee [or ACC] shall be designated by majority vote of the Board of Directors of the Association to review all proposed improvements to lots. The committee shall have three (3) members and one (1) alternate appointed, subject to removal or replacement at the pleasure of the Board. The members of the committee shall elect from among themselves a Chair, Vice Chair and Secretary. The members of the committee shall at no time be entitled to compensation for service performed.

6.2. ACC Rules. The Architectural Control Committee shall consider and act upon all proposals properly submitted to it. In furtherance of this function, the Architectural Control Committee, may, by majority vote, from time to time and subject to final Board approval, adopt, amend, and repeal rules and regulations, known as the Architectural Control Committee Rules, establishing its operating procedures and interpreting, detailing, and implementing the provisions of the instruments under which it is charged with responsibility. A current copy of the ACC Rules shall be kept on file by the Association at all times and be available from the Chair of the ACC by prior request. Such rules shall have the same force and effect as if set forth herein.

6.3. Permission for Structures and Other Improvements. No residence, outbuilding, fence, wall, antenna or transmitter, satellite dish exceeding 14 inches in diameter, or other improvement as defined in Article 1.14 shall be erected, placed, remodeled or otherwise altered on any lot or building site within the Property, nor shall excavation or clearing be undertaken, until all required plans, specifications and supporting materials are submitted by the owner or the owner's representative to the Architectural Control Committee and approved by the ACC and, where applicable, the Board. If such plans and specifications are disapproved, (or, if conditionally approved, unless the conditions thereof be complied with), the project shall not be undertaken.

6.3.1. Project Categories: Depending upon their complexity and/or potential impact on neighbors, proposed improvements shall be classified as Category A Major Projects or Category B Minor Projects. Details of the categories are contained in the ACC Rules.

6.3.2. Specific Prior Approvals Required: Category A projects shall require both ACC review and preliminary approval and subsequent Board clearance before final approval is granted. Category B projects shall require only ACC review for final approval.

6.3.3. Permits: No construction shall commence until all required building permits from Island County and, where applicable, the Department of the Interior or other public agencies have also been obtained.

6.4. Approval Process. Applicants, the ACC and the Board shall follow the procedures for project approval outlined in the ACC Rules. All decisions will be based on the criteria in section 6.5 below.

6.4.1. Notice and Comment. The ACC shall advise all owners who may be impacted by improvement proposals, including but not limited to owners of adjacent properties, of any plans submitted for approval. The committee shall follow ACC Rules in affording such owners an opportunity to review and comment on the proposal, including the right to formally request reasonable plan modifications. The committee shall consider such requests in good faith and shall forward them to the Board with its decision.

6.4.2. Timetable. Depending upon the category and complexity of the proposed project, the ACC shall grant or deny preliminary approval within 30 to 60 days after submission of the required plans and supporting materials. For proposals which receive preliminary ACC approval but require Board clearance for final approval, the Board shall rule on the plans within 30 days of the ACC's decision. The ACC Rules contain detailed information on timetables.

6.4.3. Precedent. A decision by the Architectural Control Committee or the Board for or against any matter within its jurisdiction shall not be deemed to constitute a precedent or a waiver of its right to withhold or recommend approval of any similar matter thereafter submitted to it.

6.4.4. Authority. ACC and Board decisions to approve or disapprove a project proposal shall be made in each case by majority vote of the full body. Individual ACC or Board officers or members shall not have authority to grant or deny permission for a project to proceed.

6.4.4.1. The Board shall respectfully consider, but not be bound by, the expert guidance of the ACC. Very rarely, the Board may determine that a proposal which has received preliminary ACC approval is legally problematic and jeopardizes the interests of the Association as a whole. Under such circumstances, the Board has a responsibility to withhold final approval until legal concerns are resolved. However, the Board's role shall not be to routinely or unilaterally review and approve or disapprove projects in lieu of the ACC.

6.4.4.2. If the Board does not approve a proposal which requires Board clearance, it shall refer the applicant back to the ACC to discuss possible modifications. It shall remain the ACC's role to confer with and advise applicants and any other affected owner(s) and to review and vote on any resulting changes in the proposal. If plans are not modified, resubmitted to and approved by the ACC and the Board, the proposed project shall not be undertaken.

6.4.5. No Guarantee Implied. In granting approval, the ACC and the Board shall in no way confirm or guarantee any assumed geological conditions, safety, or structural standards or construction methods.

6.5. Architectural Standards and Criteria. The Architectural Control Committee and the Board shall, in good faith, exercise discretion in recommending, granting or withholding approval on the basis of minimizing interference with enjoyment of adjacent properties, protecting safety and property values, and enforcing improvement uses and occupancy in a pleasing but not sterile or uniform combination. The Architectural Control Committee and the Board shall employ, but not be limited to, the following standards and criteria in approving or rejecting plans submitted:

6.5.1. Basic Criteria: The following criteria shall be used by the Architectural Control Committee and the Board in evaluating proposals: (a) The harmony of the external design, color, and appearance of the proposal with the surrounding neighborhood and its rural character; (b) The location of the proposed improvements on the lot with respect to existing buildings, and the effects of the proposal on surrounding property; (c) The compliance of the proposal with the covenants contained in this Declaration; (d) The compliance of the proposal with the provisions of the relevant ordinances of Island County, Washington, including building setback requirements; and (e) The compliance of the proposal with the provisions of the referenced Scenic Easement.

6.5.2. Protection of Views. Protection of neighbors' views shall be a prime consideration in all building, remodeling and landscaping. Specifically,

6.5.2.1. Siting and Design. New homes, additions or remodeling, and outbuildings shall be located and designed so as to preserve neighbors' scenic views to the maximum degree possible.

6.5.2.2. Trees and Shrubs. No existing or planted shrubs, trees, or bushes shall be allowed by the owner of any lot on which such items are located to grow to a height which, in the determination of the Architectural Control Committee and the Board, would unduly restrict the view from nearby lots; and, in any event the height of any such growth shall not exceed fourteen (14) feet. However, any shrubs, trees, or bushes which as of the date of this Declaration had already grown to a height greater than fourteen (14) feet shall be left undisturbed except as provided in Section 6.5.8. below.

6.5.2.3. Fences and Hedges. Property boundary fences shall not exceed a height of four (4) feet, and such fences shall be "see-through," i.e. they shall be constructed and installed in such a manner and with such materials as not to block views. Taller and/or more opaque fences or hedges intended to screen unsightly features or vehicles or to provide privacy may be built or planted within tracts PROVIDED they are permitted by the Scenic Easement and approved by the ACC and the Board.

6.5.3. Residence Size: No single-family dwelling of fewer than one thousand two hundred (1,200) square feet of living area if a one-story structure; or a total of one thousand six hundred (1,600) square feet of living area if a two story structure (exclusive of garages, porches, or other exterior features), shall be constructed on any lot.

6.5.4. Vehicle Housing. Submitted plans shall include provisions whereby automobiles, recreational vehicles, boats, and similar equipment shall be screened from view by a garage, carport, screening fence, or similar structure.

6.5.5. Construction. All structures shall be of new construction (except used brick or similar decorative materials). No prefabricated residential dwellings, including mobile homes or modular homes, shall be permitted.

6.5.6. Location of Outbuildings. Any accessory building shall be located a minimum of fifty (50) feet from any residence other than the owner's.

6.5.7. Colors. Exterior colors for new structures require ACC and, where applicable, Board approval, as do changes to exterior colors of existing structures. No approval is needed to simply repaint a structure the same color(s).

6.5.8. Land Clearing. Whether for new construction or the improvement of existing properties, no native trees with trunks measuring twelve (12) inches in diameter or greater, as measured three (3) feet above ground level, or any significant areas of native ground cover, shall be cut, removed, or destroyed without the advance, written approval of the ACC and the Board.

6.5.8.1. Request Process. Any person wishing to cut, remove or destroy such trees or ground cover shall submit a plan to the Committee showing the location of the vegetation to be cut, removed, or destroyed; the existing trees and/or ground cover to be retained; and the reasons supporting the request. All such land clearing must comply with the notice and comment requirements of Section 6.3.1.

6.5.8.2. Noxious Weeds. Notwithstanding the above, vegetation classified as noxious by Island County, state or federal authorities, including but not limited to invasive thistle, Himalayan blackberry and Scotch broom, shall be controlled or eradicated so as not to become a nuisance to neighbors.

6.5.9 Dates of Completion of Construction and Landscaping. The construction of all buildings and structures shall be prosecuted diligently and continuously from commencement of construction until the structures are fully completed and painted. All construction work shall take place between the hours of 7 A.M. and 7 P.M. Unless an extension of time is granted in writing by the Architectural Control Committee for good cause shown, all structures shall be completed in external appearance, including finishing, painting, or staining, within one year from the date of commencement of construction. Landscaping, if required, shall be complete within six (6) months of the date of completion of construction.

6.6. Architectural Variance. The Architectural Control Committee and the Board may by mutual agreement grant a variance from the strict interpretation of the standards and criteria of Section 6.5 upon a showing by an owner that (a) strict enforcement of the standards and criteria would create an undue hardship for the owner, and (b) such a variance will not substantially diminish the enjoyment of the property by other owners. The applicant for such a variance shall have the burden of persuasion. Any such variance granted shall be no greater than necessary, in the reasonable opinion of the Architectural Control Committee and the Board, to eliminate the hardship. By granting a variance, the ACC and the Board shall not be deemed to have established a precedent nor to have waived the ability to strictly interpret the same provisions on a later occasion.

6.7. Recourse. Relief from any violation of the covenants and/or approval procedures set forth herein may be sought by any owner(s) having an interest in such enforcement, irrespective of the unauthorized improvement's state of completion.

6.8. Liability. The members of the Architectural Control Committee and Board of Directors shall have no personal liability for any action or decision of the Committee or Board. By acceptance of a deed or execution of a contract to purchase or lease, or like document for any tract, the owner or the party in interest with respect to that tract agrees and covenants not to maintain any action against the Association or any member of the Architectural Control Committee or Board which seeks to hold the Association or that member personally responsible or individually liable for damages relating to any action of the Architectural Control Committee or Board.

ARTICLE 7.

UTILITIES, ROADWAYS, AND WATER SYSTEM

7.1. Underground Utilities. With the exception of satellite television/broadband and propane tanks, all permanent utility systems, including water, gas, electric, sanitary and storm sewer, cable television, and telephone, shall be underground exclusively. All owners shall be required to connect their lots or units to electric, water, sanitary sewer, and other utility lines as they become available to the Property.

7.2. Right to Connect. There is reserved to the utility district or utility company providing utility service the exclusive right to connect improvements upon the properties within the utility service lines, for which service the owner shall pay the then prevailing price for such connections as charged by such utility district or company.

7.3. Water System. For so long as a community water system service is available and in operation, no private wells or individual water sources shall be created or used for any tract. The Association, by and through its members, evidenced by acceptance of a deed or execution of a contract to purchase or lease, covenants and agrees to own and maintain the water system and all appurtenances (including, but not limited to, wells, pumps, pipelines and drainage ditches). Maintenance and/or improvement of the water system shall be funded as necessary through the assessments of the Association.

7.4. Sewage Disposal. All on-site septic systems or other sewage disposal facilities within Sky Meadows shall conform to the relevant requirements for waste disposal imposed by the Island County Health Department or any successor agency. Every owner shall at all times maintain the sewage disposal system serving that owner's lot and keep it in good working order, and shall assume all maintenance costs thereof. In the event an owner shall fail to maintain such sewage disposal system in a manner satisfactory to the Board of Directors of the Association, after a majority vote, the Board shall have the right, through its agents, to enter upon said tract to repair, maintain, and/or restore the disposal system so that it no longer presents a danger to the health, safety, or welfare of the residents of Sky Meadows. The cost of any such work performed by the agents of the Association pursuant to this section 7.4. shall be charged to the owner(s) as a Reimbursement Assessment and shall be enforced as any other assessment permitted by this Declaration.

7.5. Roadways. All roadways within Sky Meadows shall be maintained by the Association in accordance with the terms and conditions of the referenced Road Maintenance Agreement. Each owner is hereby granted a non-exclusive easement of ingress and egress over and across all common or joint roadways within Sky Meadows (not including private driveways situated within and serving only one tract and, also, not including any roadway which may be constructed on or within the access easement for Tract 13-A and Tract 13-B which runs across Tract 15-A, or on or within the access easements which run across Tract 14-B, as delineated in the Survey of Sky Meadows).

ARTICLE 8 ENFORCEMENT

8.1. Enforcement. The Association, and/or each owner of a lot subject to this Declaration, shall have the right to enforce, by any proceedings at law or in equity, all covenants now or hereafter imposed by this Declaration. Failure to enforce any covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.2. Resolution of Complaints. To maintain a climate of neighborly compromise, complaints and disputes concerning alleged nuisances, breach of rules or covenants or other violations of the Governing Documents should, insofar as possible, be resolved informally by the owners involved. However, if and when such remedy proves inadequate, one or more owner(s) may bring the unresolved complaint to the Board of Directors' attention, either in writing or at a Board meeting.

8.3. Board Consideration of Complaints. The Board shall consider any pertinent facts regarding a complaint; at its discretion, it may request additional details or evidence and/or set a time and place for a further informal hearing of the matter at which all interested parties are free to present facts, extenuating circumstances, and arguments. After any such information has been presented, the Board shall consider the complaint, either immediately and publicly or later in executive session, at its discretion, then decide by majority vote whether or not to uphold it and take disciplinary action.

8.4. Board-initiated Disciplinary Action. Absent a formal complaint from one or more owner(s), the Board has the authority, in its own right and at its sole discretion, to initiate action against a member who has egregiously or repeatedly violated published rules, covenants, and/or other Governing Documents; PROVIDED, however, that the alleged offender has the right to present facts, extenuating circumstances, and arguments to the Board before disciplinary action commences.

8.5. Penalties for Noncompliance. Action against a member for noncompliance with Association Rules, Covenants and other Governing Documents shall take one or more of the following forms, at the Board's discretion, dependent upon the seriousness, frequency and/or duration of the violation and its impact on the safety, welfare, enjoyment and rights of other members: (a) a warning to cease and desist if that alone is deemed sufficient; (b) a fine as stipulated in Association rules, the specific amount of which shall be set by the Board based on the severity and duration of the offense; (c) suspension of the member's right to vote; (d) a Reimbursement Assessment as stipulated in Section 4.5 above; (e) legal action to collect interest on unpaid fines or assessments at the rate of twelve percent (12%) per annum; (f) a lien against the member's property; (g) foreclosure on such lien; or (h) further action in a court of law.

8.6. Notice of Pending Action. If the Board initiates disciplinary action against a member, whether in response to other owners' complaints or by its own authority, it shall notify the member via registered mail, specifying the intended penalty/penalties, no less than 7 days before such punitive action takes effect. This notice is intended to provide a reasonable opportunity to comply voluntarily with the Association's rules or other Governing Documents, or to appeal the Board's decision.

8.7. Right of Appeal. Every owner who receives notice of the Board's intent to take disciplinary action has the right to appear before the Board to formally appeal its decision by presenting facts and arguments, in person or in writing. If such appeal is made, it shall be considered in executive session at the next Board meeting or within 30 days, whichever is sooner. The Board shall then cancel or proceed with the disciplinary action.

8.8. Violation of ACC or Board Terms. The Board may order an immediate halt to any and all structural or landscape improvements proceeding without, or contrary to the stipulations of, the necessary ACC and/or Board approval(s). Such order shall be exempt from requirements of advance notice and right to appeal, PROVIDED that the owner of a lot where such work has been halted has the right to appeal the order once the work has been suspended. In such a case, the owner and the ACC may present the Board with relevant facts and arguments, after which the Board will decide within 30 days whether to cancel, modify or continue the stoppage order and whether to initiate further disciplinary action as provided in Sections 8.4 through 8.7.

ARTICLE 9.
GENERAL PROVISIONS

9.1. Ambiguity or Conflict. This Declaration of Covenants is intended to affect all of the tracts lying within the Property and is intended to be construed as complementing or supplementing the referenced Scenic Easement, Auditor's No. 86003749 and accompanying map, Auditor's No. 86003748, which affects the lots, or portions of lots, described and delineated therein. It is the Declarant's intention that, in the event that a provision contained in this Declaration should conflict with a provision contained in the Scenic Easement and Map, the more restrictive provision shall control for purposes of interpretation and enforcement.

9.2. Number. Use of the singular herein shall include reference to the plural, and vice versa, and the use of the masculine gender shall include reference to the feminine.

9.3. Interpretation. In the event of any question or dispute regarding this Declaration, the laws of the State of Washington shall be applied for purposes of interpretation and enforcement.

9.4. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any other covenants which shall remain in full force and effect.

9.5. Amendment. The covenants of this Declaration shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument, signed by the Association's Board of Directors and duly notarized, attesting to the amended declaration's adoption by written vote of not less than two-thirds (2/3) of the owners of all tracts. Any amendment must be recorded with the office of the Auditor of Island County. In no event shall any amendment require more onerous restrictions than those herein as to any existing structure unless the same be unanimously approved by the owners of such structures.

9.6. Attorney's Fees. In the event the Association shall bring any suit or action to enforce any provision contained in this Declaration or to collect any money owing hereunder or to foreclose a lien, the prevailing party in such suit or action shall recover from the other party all costs and expenses that said prevailing party incurred in attorney's fees, in such amounts as the court may deem to be reasonable therein, and including reasonable attorneys' fees incurred in connection with any appeal from decision of the trial court or any intermediate appellate court.

The Association's action to amend and restate the Original Declaration as set forth herein, and the fact that the requisite percentage of affirmative votes required was achieved, is attested by the execution of this Restatement of Declaration by duly authorized officers of the Association.

IN WITNESS WHEREOF, the undersigned officers of the Association hereto have set their hands this ____ day of _____, 200_.

DECLARANT:

SKY MEADOWS COMMUNITY ASSOCIATION, BY ITS BOARD OF DIRECTORS

Howard Bledsoe, President

Susan Anderson, Vice-President

Judith Sylte, Secretary

Christel Thomas, Treasurer

Charles Walker, Board Member at Large

STATE OF WASHINGTON)

County of Island) ss.
)

On this _____ day of _____, A.D., _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared HOWARD BLEDSOE, SUSAN ANDERSON, JUDITH SYLTE, CHRISTEL THOMAS and CHARLES WALKER, to me known to be the individuals described in and who executed the foregoing instrument for themselves, and acknowledged to me that they signed and sealed the said instrument as their voluntary act and deed and as the free and voluntary act and deed of the said principals for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that the said principals are now living and, in the case of corporations, still lawfully organized.

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

Notary Public in and for the State of Washington,

Residing at _____