

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF HILTON LAKE
HOMEOWNERS ASSOCIATION

THIS DECLARATION, made on the date hereinafter set forth by RICHARD A. JOHNSON AND COMPANY, INC., hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Plat of Hilton Lake, County of Snohomish, State of Washington, which is more particularly described as:

Division II in the Plat of Hilton Lake
as recorded in Volume 39 of Plats,
Page(s) 264 & 265, records of
Snohomish County, Washington.
Division I, VOL. 38 PP. 119-120

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.
DEFINITIONS

Section 1. "Association" shall mean and refer to Hilton Lake Homeowners' Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner whether one or more persons or entitles, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Tracts 330, 331, 332, 333, 334 & 335
on all Plats of Hilton Lake.

(Tract 336, a private road serving lots 78 and 79, is to be owned and will be maintained by the Association, but the cost of said maintenance will be borne by Lots 78 and 79 and Tract 336 is not a "Common Area.")

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Richard A. Johnson and Company, Inc., its successors and assigns if such successors or assigns should acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Auditor of Snohomish County, Washington.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE II.
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to prohibit the use of motor propelled craft on Hilton Lake and to make other regulations regulating boating, swimming, and other activities on the lake;

(b) the right of the Association to limit the building of docks, floats, and other facilities on Hilton Lake to those owned and maintained by the Association;

(c) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(d) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(e) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded;

(f) the right of the Association to prohibit any motor driven vehicles on any Common Areas and to make other reasonable regulations for the use of Common Areas.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III.
MEMBERSHIP IN ASSOCIATION

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership, or

(b) on September 1, 1981.

ARTICLE IV.
COVENANT FOR MAINTENANCE

Section 1. Creation of Association Obligation. The Declarant, for each Lot owned within the Properties, hereby covenants, and the Association by acceptance of a Deed or Deeds for the Common Area, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree that the Association shall:

- (1) maintain access to open space for all Lot Owners;
- (2) maintain the Common Area;
- (3) maintain the cul-de-sac planters;
- (4) maintain Tract 336, a private road serving Lots 78 & 79;
- (5) retain the open space area and the cutting restriction area as indicated on all Plats of Hilton Lake in a substantially natural state.

Section 2. Purpose of the Association. The Association does not contemplate pecuniary gain or profit to the members thereof and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots, the Common Area, and the cul-de-sac planters within the property and to promote the health, safety, and welfare of the residents within the property.

ARTICLE V.
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, the cul-de-sac planters, and of the homes situated upon the Properties.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Fifty Dollars (\$50.00) per Lot.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above twenty percent (20%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that an such assessment shall have the assent of two thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. The Association may establish a lower rate of assessment for Class B members unimproved lots, but said assessment for Class B members shall be not less than twenty-five percent (25%) of the assessment established for Class A members.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the

calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association, shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: 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 six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI.
ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

However, in no event, shall any building with asphalt or composition type roofing be constructed, installed or maintained upon the Properties, including the Common Area.

ARTICLE VII.
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, lien and charges now or hereafter imposed by the provisions of this

Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner or way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein/has hereunto set its hand and seal this 16th day of May, 1979.

RICHARD A. JOHNSON AND COMPANY, INC.
Declarant

By _____
Richard A. Johnson, President

ATTEST:

Carolyn L. Johnson, Secretary/Treasurer

AMMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF DIVISION II OF HILTON LAKE

THIS AMMENDMENT, made on the date hereinafter set forth by ninety per cent (90%), or more, of the lot owners of Division II of the Plat of Hilton Lake, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of ninety per cent (90%), or more, of the Lots in Division II of the Plat of Hilton Lake, County of Snohomish, State of Washington, which is more particularly described as:

Division II in the Plat of Hilton Lake as recorded in Volume 39 of Plats, Page (s) 264 and 265, records of Snohomish County, Washington.

AND WHEREAS an error has been discovered in the Declaration of Covenants, Conditions and Restrictions filed on May 23, 1979, in Volume 1523, Page 608, under auditor's file No. 7905230246 affecting said property.

NOW, THEREFORE, Article I, Section 4 of said Declaration filed on May 23, 1979, is hereby amended to read:

Article I
DEFINITIONS

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Tracts 330, 331, 332, 333, 334 & 335 on all
Plats of Hilton Lake.

(Tract 336, a private road serving Lots 14 and 15,
is to be owned and will be maintained by the
Association, but the cost of said maintenance will
be borne by Lots 14 and 15, and Tract 336 is not
a "Common Area ")

THIS AMMENDMENT changes the numbering of the Lots served by Tract 336 from old numbers 78 and 79 to new numbers 14 and 15.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein,
has hereunto set their hand and seal this 6th day of March, 1980.

RICHARD A. JOHNSON AND COMPANY, INC.
Owner of Lots 1-5, 7-9, 12, 13, 16, 17, 18, 19, 20, 21
22, 23, 29, 30, 32, 35, 37, 28, 41, 47, 48, 49, 51, 53, 54
By _____
Richard A. Johnson, President

Richard A. Johnson
owner of lots 10, 11, 14, 15, 43, 44, 45
By _____
Richard A. Johnson

JAMES WAHL CONSTRUCTION
owner of lot 50
By _____
James Wahl

WILLIS A ANDERSON
owner of lot 52
By _____
Willis A. Anderson

CARL KANEKEBERG CONSTRUCTION
owner of lots 24, 25, 26, 27, 28, 34
By _____
Carl Kanekeberg

JIM OLIN CONSTRUCTION
owner of lots 39, 40, 42
By _____
Jim Olin