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DECLARATION
HOMEOWNERS ASSOCIATION BY-LAWS
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
CHURCH CREEK ESTATES

THIS DECLARATION, made on the date hereinafter set forth by Homewood Development, Inc., a Washington corporation, hereinafter referred to as "Declarant",

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property, being portions of the East 1/2 of the Southwest 1/4 of Section 20, Township 32 North, Range 4 East, W.M., in the City of Stanwood, State of Washington, which is more particularly described as:

The Planned Unit Development of Church Creek Estates.

WHEREAS, the aforesaid property has been platted into 138 single family homesites with common open space areas, utility easements, and private roads.

WHEREAS, the subject site is a planned unit development for single family residences established in conformity with City of Stanwood Code,

NOW THEREFORE, Declarant hereby declares that all of the property described above, upon recording of each developed phase, shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, and easements, all of which are for the purpose of protecting the value and desirability of, and which shall run with, the real property herein described, and be binding upon all parties having any right, title or interest in the subject properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. These bylaws and covenants also provide for the maintenance of commonly owned tracts, community facilities, fencing, entry way landscaping, drainage facilities and all other commonly owned and operated property, including the private roadway, in accordance with City of Stanwood Code 18.51.110 and amendments thereto.

ARTICLE I

DEFINITIONS

Section 1. "ACC" shall mean the Architectural Control Committee, which shall be responsible to conduct reviews of home building plans for the purpose of maintaining consistency and compatibility.

Section 2. "Association" shall mean and refer to Church Creek Estates Homeowners' Association, its successors and assigns. The Association shall be governed by a five member Board of Directors which shall elect its own President and Secretary after initial appointment by the Declarant upon completion of the final phase of said property (4-year terms shall thereafter be filled by a majority vote of owners attending a meeting called for such purpose).

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association, including street right-of-ways, entry areas, RV parking area and Open Space, as delineated upon the map of the recorded portions of the Planned Unit Development, and any lots converted to community use.

Section 4. "Common Facilities" shall mean and refer to all facilities or equipment to be constructed or installed within any common areas and not otherwise owned or operated by the City or other public or private agency.

Section 5. "Declarant" shall mean and refer to Homewood Development, Inc., a Washington Corporation, its successors or assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 6. "Lot" shall mean and refer to any plot of land intended and approved for the construction of a single family residence and as shown upon any recorded portion of this Planned Unit Development other than entry areas, Open Space or other designated Common Areas..

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Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers and sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "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.

ARTICLE II

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject to covenants of record to assessment by the Association, including contract purchasers and sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest only as security for the performance of an obligation with the exception of Declarant. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

ARTICLE III

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article II with the exception of the Declarant. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article II. When more than one person holds such 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 Class A vote be cast with respect to any lot.

Class B. Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article II, provided that 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:

- (1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (2) on July 1, 1993

ARTICLE IV

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the common tracts, private road, and open space as delineated upon the map of the subdivision and the right to use any facility which may hereafter be built or installed thereupon, and such right and easement shall be appurtenant to and shall pass with title to every lot in the subdivision, subject to these covenants, conditions and restrictions and, in implementation thereof, such rules and regulations as the Association may adopt from time-to-time relating to the use and enjoyment of said common facilities. The President of the Board of Directors of the Church Creek Estates Homeowners Association shall be empowered with the authority to execute a deed to convey right and easement of enjoyment in and to the common tracts, private roads, and open spaces (or parts thereof) upon showing (on the part of the City) of its willingness to accept such conveyance for maintenance and operation. Such conveyance(s) shall require receipt of a favorable majority vote by the Association members, said vote to be in person or through proxy.

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

Section 3. Title to Recreational and Common Areas. The Declarant hereby covenants for itself and its assigns that it will convey fee simple title to the Common Open Space areas to the Association, free and clear of all encumbrances and liens at such time as the Association may request such conveyance or, Declarant proffers such conveyance. The Association shall have the right to borrow money for improvements and facilities and in aid thereof to convey a security interest in the Common Open Space, or a portion thereof; to charge admission, rents or use fees; to limit the numbers of guests or members; to suspend voting rights and the right to use of recreational facilities for any period during which assessments due remain unpaid; to transfer or dedicate all or any part of the Common Open space to any public agency for such purposes and subject to such conditions as approved by signature of at least 2/3 of the members of the Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation Assessment. 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 any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges (the term "annual" shall also apply in the event that collections are made on a monthly or quarterly basis); (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided; (3) special assessments for corrective work, including the repair, replacement, painting or cleanup of recreational or other common facilities, fencing, sidewalks, curbs, streets, or exterior grounds abutting, fronting or encompassed by a subject lot; and (4) an optional RV space reservation fee (initially collected by Declarant toward facility costs) and a service fee to cover RV area related operation and maintenance costs. These assessments, together with interest, costs of collection, and reasonable attorney's fees, shall, until paid in full, be a charge on (1) the land, as a continuing lien upon the property against which each such assessment is made; and (2) the owner, as a nontransferable personal obligation which shall not pass to successors in a specific lot.

Section 2. Uses of Maintenance Fund. The annual assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents and their properties, and further, by way of restriction but not in limitation of the foregoing general statement, for the following uses:

- (1) Proper maintenance, upkeep and repair of the Common Areas, the RV area, Common Facilities, Association-owned vehicles and equipment, and utility or other service fees.
- (2) Providing for appropriate and proper liabilities and other casualty coverage through insurance.
- (3) Providing for appropriate administrative expenses and costs, including the costs of retaining the services of auditors, accountants, attorneys and other professionals as needed.

Section 3. Basis of Annual Assessments. Annual assessments in the amount of \$120 per lot will become payable on the first day of the month following purchase of any lot by an owner (excluding builders who purchase a vacant lot only to build a residence and resell within the same 6 month period without taking occupancy and have posted a \$500 repair and street cleaning bond), in an amount prorated for the remaining number of months in the calendar year, and shall be due and payable on January fifteenth of each year thereafter so long as the owner maintains an interest in such lot. Annual assessments shall be payable to the Association or to any collecting agency as the Association may designate for this purpose. Annual assessments may be increased from time to time as the Association's Board of Directors may determine without the need of a vote of the membership provided that any such increases shall be directly

related to an increase in the costs of maintaining the common property or of supplying needed services to Association members.

Section 4. Maximum Annual Assessment. The annual assessment stated above shall not apply to any lot until sold by the Declarant. The annual (or corresponding monthly) assessment thereafter shall be as determined by the Board of Directors of the Association pursuant to its Articles and/or By-Laws, provided that:

- (1) From and after January 1st. of the year immediately following the conveyance of the first lot in any phase to any owner, the annual assessments therein may be increased each year by not more than 10% above the maximum assessment rate for any month within the previous year without a vote of the membership, and
- (2) 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 more than 10% by a simple majority vote of at least 60% of the members, wherein said vote may be taken in person at a meeting duly called for such purpose or by proxy.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Homeowner's 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 areas, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two thirds or more of the votes of the members who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting called for the purpose of such special assessment.

Section 6. Uniform Rate of Assessment: Due Date. Both annual and special assessments for capital improvements must be fixed at a uniform rate for all lots and may be collected on either an annual or monthly basis. 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 by Declarant to the Homeowners' Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of annual assessments shall be sent to every owner subject thereto. Said annual and special assessments shall be paid to the Treasurer of the Association or to any collecting agency as the Association may direct. Prior to the election of the Association's officers, said assessments shall be paid to the Declarant as Trustee for the use and benefit of the Association. The Declarant shall hold the funds so collected in a separate account and shall apply said funds only as directed by the Association.

Section 7. Special Assessments for Corrective Work. In addition to the annual assessments and special assessments for capital improvements, the Homeowners' Association may levy a special assessment for the purpose of defraying the cost of corrective work, including any repair, replacement, painting or cleanup of border fencing, sidewalks, curbs, or abutting street areas wherein the need and responsibility for correction has been determined by the Board of Directors after the owners of corresponding lots have been given seven (7) days written notice of their concerns and action to be taken. Said corrective work shall be ordered by the Board of Directors in accordance with applicable law only after said special assessment has been levied, notice thereof has been mailed by certified mail to the owner or owners of record, five (5) days have elapsed, and the corrective work remains to be completed to the satisfaction of said Board.

Section 8. Effect of Nonpayment of Assessment: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of one and one half per cent (1 1/2%) per month (18% per annum), and the Association may deprive the owner of any future use of common facilities, and/or bring suit against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or the 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 existing mortgage or mortgages. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof 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

USE RESTRICTIONS

Section 1. Limitations: Use of lots within Church Creek Estates shall be limited to residential use for single family residences and community facilities only in accordance with applicable ordinances of the local jurisdictional authorities. Lots shall not be subdivided nor shall any greater density residential use be permitted than is presently established for the subject properties. All homes shall be stick framed and built or assembled on site (excludes mobile and modular homes).

Section 2. Pets: No animals, livestock, poultry, or birds of any kind shall be raised, bred, or kept in any home, or on any portion of any lot or the property, except that no more than two (2) dogs and two (2) cats and two usual and ordinary small household pets, such as birds, may be kept, provided that they are kept under reasonable control at all times, and are not allowed to cause a nuisance. Animals are to be housed within the home or garage at night, and when not on their owners lot must be on a leash. No dog runs or kennels may be constructed or kept upon a lot. The board may enact reasonable rules respecting the keeping of animals within the development and may designate certain areas in which animals may not be taken or kept. The City of Starwood Animal Control Code must be adhered to at all times.

Section 3. Oil and Mining Operations: No part of the properties shall be used for the purpose of exploring for, taking therefrom or producing therefrom gas, oil or other hydrocarbon substances.

Section 4. Nuisances: No noxious or offensive activity shall be carried on upon the properties or any part thereof, nor shall anything be done or maintained thereon which may become an annoyance or nuisance to the neighborhood or detract from its value as a desirable residential district.

Section 5. Vehicle and Equipment Restrictions: No boats, trailer, camper, motor home, commercial vehicle, bus, truck (other than a standard size pickup truck), inoperable automobile, or similar equipment, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any lot, street or other area within the subdivision, other than temporarily (for purpose of loading and unloading of passengers or personal property, for a period not to exceed 24 hours) unless placed or maintained within an enclosed garage, or located within the RV storage area. Any vehicle parked on the streets that is in violation of these restrictions can be towed away at the owners expense.

Section 6. Lot Landscaping: In order to maintain the continuity of the appearance and external harmony of the development, each owner covenants and agrees to have landscaping installed as per plans approved by the Architectural Control Committee.

- (1) The placement of a mixture of sod, lark, shrubs, rock and/or such other items as approved.
- (2) The placement of one Flowering Plum Tree or other ACC approved vegetation in each front yard.

Section 7. Garbage and Refuse Disposal: Each lot owner shall provide one or more garbage cans with lid, which shall be kept in an area substantially shielded or screened from neighboring property and streets. Garbage collection shall be as specified by the City of Starwood Code. Items which will not be picked up by the garbage collection company must be taken to the local refuse station.

Section 8. Storm Sewer System: Since the storm sewer system (i.e., street drainage system) is connected to the pond in the common area, which drains into Church Creek, all owners must be particularly careful of what goes into the

storm sewer system. Under no circumstances is oil or other hazardous material to be dumped into the storm sewer system. A used-oil dump tank will be maintained by the Association and located in the RV Storage Area upon completion of the final phase of development for owners' use and convenience.

Section 9. Fencing: No fence, wall, or other structure shall be erected or altered until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same have been approved in writing by the ACC.

Section 10. Structures:

- (1) All structures shall be placed on lots in accordance with the restrictions established by the City of Stanwood for this subdivision.
- (2) All roofs shall be sloping at or greater than 3/12 pitch and be constructed of materials with a minimum guaranteed life of 25 years.
- (3) All siding shall be made of wood, vinyl, or other simulated wood material. No T/111 siding is allowed.
- (4) All homes shall have either a two or three car enclosed garage.
- (5) Minimum building size excluding garages shall be 1100 square feet for ramblers and 1350 square feet for two-story homes, with the exception that every 3rd home built by the same builder may be downsized to a minimum of 1000 square feet.
- (6) All structures shall have gutters with downspouts that drain directly into the storm sewer water collection system.
- (7) Minimum setbacks per Stanwood requirements shall be as follows:
Rear Yard: 20 feet.
Front Yard: 20 feet.
Side Yards: 5 feet minimum.
Side Yards abutting streets shall be 20 feet.

Section 11. Driveways: All driveways and parking bays shall be constructed of concrete.

Section 12. Mailboxes: The location, color, design, size, lettering and other particulars of mail or paper delivery boxes shall be subject to approval of the ACC.

Section 13. Signs: No sign or other advertising device of any character shall be erected on any lot after initial occupancy except one sign not larger than a maximum of two square feet. The ACC shall control all signs in common areas or placed on common facilities.

Section 14. Antennas: All outside television and radio aerials and antennae are prohibited without express written approval by the ACC.

Section 15. Underground Wiring: No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the properties. Only underground wires shall be used to serve each property.

Section 16. Landscaping Maintenance: Where an owner has been permitted to plant a portion of the common properties abutting the owner's own landscaping, the owner shall thenceforth be obligated to maintain such planting at his own expense. Each owner shall also landscape and maintain that portion of the street right-of-way between owner's property and the abutting street improvements (curb or sidewalk).

Section 17. Building and Locations: Heights and locations of structures on all lots are subject to reasonable limitation to preserve views and appearances from adjoining residences and to provide reasonable limits to physical or visual access, as determined by the ACC. Lots 4 through 8, 70, 71, and 88 shall be limited to ramblers with not greater than 5/12 pitch roofs.

Section 18. Construction Period: Except for written extensions granted by the ACC, every dwelling or structure erected or placed on any lot in this subdivision shall be completed as to external appearance, including painting, within nine (9) months from date of start of construction. Also, the front yard lawn shall be installed within 60 days after occupancy.

Section 19. Architectural Review: No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure on the lot have been approved by the ACC as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. The Architectural Control Committee (ACC) shall be the Declarant or his designees until buildout of the final phase, and thereafter shall be three persons selected for alternate 3 year terms by the Board of Directors.

Section 20. Committee Representation: A majority of the ACC may designate a representative to act for it. In the event of death or resignation of any member of the ACC, or the expiration of any term, the Board of Directors shall select a successor. Neither the members of the ACC, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

Section 21. Committee Approvals: The ACC's approval or disapproval as required in these covenants shall be in writing. In the event the ACC, or its designated representative, fails to approve or disapprove plans for new houses within 30 days or plans for modification or addition within 14 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

Section 22. Meeting Place: There are several public meeting places in the City of Stanwood where the Homeowners' Association may meet.

Section 23. Easement for Utilities: The City of Stanwood shall be granted easements for all its utilities along with the right for the City or its agents to enter onto any easement or common area for the purpose of construction, repair or maintenance of its utilities.

Section 24. Future Clubhouse: A minimum of 6,000 square feet of the common area is designated and set aside for future construction of a clubhouse by the Homeowners' Association.

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 covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Enforcement actions and proceedings may act to restrain from violation as well as to perform corrective work, remove offending property, and recover damages. 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; EXCEPT THAT in the case of new construction, in the event the ACC fails to approve or disapprove plans and specifications which had been submitted to it thirty days prior and if no written notice or demand has been mailed to the offending owner, or if suit to enjoin the construction has not been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been satisfied.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise 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, and shall inure to the benefit of and be enforceable by the Association, or the owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded. The covenants and restrictions of this Declaration may be amended during the first twenty-year period by an instrument signed by not less than eighty percent (80%) of the lot owners, and thereafter by an instrument signed by not less than seventy (70%) of the lot owners. At the end of thirty years,

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covenants shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by a majority of the then-owners of the lots, agreeing to change said covenants. Any amendment or pertinent instrument must be properly recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 17th day of May, 1991.

HOMEWOOD DEVELOPMENT, INC.

By: Richard A. Balsler
RICHARD A. BALSER, PRES.

STATE OF WASHINGTON)
COUNTY OF SNOHOMISH)

On this 17th day of June 91 before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Richard A. Balsler, President of Homewood Development, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

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

WA
State of
at Seattle
expires Aug. 24, 1991



Leslie A. Kautz
NOTARY PUBLIC in and for the
Washington, residing
Commission

Leslie A. Kautz
811 W 5-00 16

X Homewood Development Inc
19101 36th AVE WEST SVE 209
Lynnwood, WA 98036

AFTER RECORDING RETURN TO:
HOMWOOD DEVELOPMENT
19101 36TH AVENUE W., #209
LYNNWOOD, WA 98036

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FILED BY L.T.C.
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AMENDMENT
TO THE DECLARATION
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR CHURCH CREEK ESTATES

WHEREAS, Homewood Development, Inc., a Washington Corporation, hereinafter referred to as "Declarant" did heretofore execute a certain Declaration of Covenants, Conditions, Restrictions and Easements pertaining to certain real property situated in the City of Starwood, Washington, more particularly described as The Plat of Church Creek Estates, Phases I, II & III, as recorded under Auditor's File Number 9107095001, in Volume 52 of Plats, Pages 133, 134, 135 and 136, Records of Snohomish County, Washington, and

WHEREAS, Declarant has agreed to amend the said Declaration of Covenants, Conditions, Restrictions and Easements,
NOW, THEREFORE, it is agreed as follows:

ARTICLE I. DEFINITIONS

Section 2. The second sentence is deleted in its entirety and the following language is substituted in its place:

The Association shall be governed by a three member Board of Directors.

ARTICLE V. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4. Maximum Annual Assessment. This section is deleted in its entirety and the following language is substituted in its place:

The annual (or corresponding monthly) assessment shall be as determined by the Board of Directors of the Association pursuant its Articles and/or By-laws, provided that:

(1) From and after January 1st of the year immediately following the conveyance of the first lot in any phase to any owner, the annual assessments therein may be increased each year by not more than 10% above the maximum assessment rate for any month within the previous year without a vote of the membership, and

(2) 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 more than 10% by a simple majority vote of at least 60% of the members, wherein said vote may be taken in person at a meeting duly called for such purpose or by proxy.

ARTICLE V. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 8. Effect on Nonpayment of Assessment Remedies of the Association.

David Horner

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L.T.C.

LAWYERS TITLE COMPANY

seal of said corporation.
Witness my hand and official seal hereto affixed the day and year
first above written.



Maureen E. Cahill
NOTARY PUBLIC in and for
the State of Washington,
residing at *Woodville*
Comm. Exp. *8-23-95*

CCAMEND\MM\C2

AFTER RECORDING RETURN TO:
HOMWOOD DEVELOPMENT
19101 36th Avenue West #209
Lynnwood, WA 98036

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L1-455

AMENDMENT
TO THE ARTICLES OF INCORPORATION
FOR CHURCH CREEK ESTATES

WHEREAS, Homewood Development, Inc., a Washington Corporation, hereinafter referred to as "Declarant" did heretofore execute a certain Articles of Incorporation pertaining to certain real property situated in the City of Stanwood, Washington, more particularly described as The Plat of Church Creek Estates, Phases I, II & III, as recorded under Auditor's File Number 9107095001, in Volume 52 of Plats, Pages 133, 134, 135 and 136, Records of Snohomish County, Washington, and

WHEREAS, Declarant has agreed to amend the said Articles of Incorporation,

NOW, THEREFORE, it is agreed as follows:

ARTICLE IV PURPOSE AND POWERS OF THE ASSOCIATION

Subsection (a) is deleted in its entirety and now reads:

(a) The legal description of the property encompassed by and under the jurisdiction of the Association shall be all that property not otherwise maintained by the City of Stanwood and within the Plat of Church Creek Estates, Phases I, II and III, including Tracts A, B, and D thereof, as recorded in Volume 52 of Plats, Pages 133 through 136, inclusive of Records of Snohomish County, Washington and recorded under Auditor's File Number 9107095001.

ARTICLE VII BOARD OF DIRECTORS

This section is deleted in its entirety and now reads:

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
<i>Richard A. Balser</i> Richard A. Balser	19101 - 36th Avenue West Lynnwood, WA 98036
<i>Michael J. Brown</i> Michael J. Brown	19101 - 36th Avenue West Lynnwood, WA 98036
<i>Bruce E. Crawford</i> Bruce E. Crawford	19101 - 36th Avenue West Lynnwood, WA 98036

David Hansen
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LAWYERS TITLE COMPANY

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AFTER RECORDING RETURN TO:
HOMWOOD DEVELOPMENT
19101 36th Avenue W., #209
Lynnwood, Washington 98036

BY-LAWS
OF

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CHURCH CREEK ESTATES, PHASES I, II & III
HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is CHURCH CREEK ESTATES, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 19101 - 36th Avenue West, Suite 209, Lynnwood, Washington 98036, but meetings of members and directors may be held at such places within the State of Washington, County of Snohomish, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to CHURCH CREEK ESTATES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "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 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the 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 6. "Declarant" shall mean and refer to HOMWOOD DEVELOPMENT, INC., its successors and assigns if such successors or assigns should acquire more than one 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 SNOHOMISH COUNTY AUDITOR.

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

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock, p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the

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members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Three (3) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may tender to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice-president, who shall at all times be members of the Board of Directors, a secretary/treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income

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and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6 percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CHURCH CREEK HOMEOWNERS ASSOCIATION.

ARTICLE XIII

AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the CHURCH CREEK

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