



Request of: ROBERT HEALY

RETURN DOCUMENT TO:

ROBERT H. HEALY
1359 CHUCKANUT CREST DR
BELLINGHAM WA 98229

Use dark black ink and print legibly. Documents not legible will be rejected per RCW

DOCUMENT TITLE(S): CHUCKANUT CREST ASSOCIATION, CODIFICATION OF EASEMENTS, COVENANTS AND RESTRICTIONS
AUDITOR FILE NUMBER (and VOL. & PG. NUMBERS) OF DOCUMENT(S) BEING ASSIGNED OR RELEASED: AF 1503245 (Vol. 840 P. 764); AF 1503245 (Vol 840 P. 793); AF 1503245 (Vol 840 P. 798); AF 1570489 (Vol 39 Pg. 2195) Additional reference numbers can be found on page 7 of document.
GRANTOR(S): CHUCKANUT CREST ASSOCIATION
Additional grantor(s) can be found on page _____ of document.
GRANTEE(S): CHUCKANUT CREST ASSOCIATION; THE PUBLIC
Additional grantee(s) can be found on page _____ of document.
ABBREVIATED LEGAL DESCRIPTION: (Lot, block, plat name OR; qtr/qtr, section, township & range OR; unit, building and condo name). Full block LOT A, KAZUNOKO SHORE PLAT
Additional legal(s) can be found on page 25 of document.
ASSESSOR'S 12-DIGIT PARCEL NUMBER: 370224 533531

NOTICE:

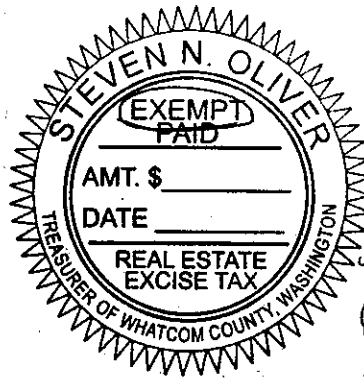
RCW 65.04.047. Section 14: eff. 8/1/99

"I AM REQUESTING AN EMERGENCY NONSTANDARD RECORDING FOR AN ADDITIONAL FEE AS PROVIDED IN RCW 36.18.010. I UNDERSTAND THAT THE RECORDING PROCESSING REQUIREMENTS MAY COVER UP OR OTHERWISE OBSCURE SOME PART OF THE TEXT OF THE ORIGINAL DOCUMENT."

SIGNED BY: Robert Healy

Recorded at the Request of:

Robert H. Healy
1357 Chuckanut Crest Dr.
Bellingham, WA 98229



Document Title:

CHUCKANUT CREST ASSOCIATION
CODIFICATION
EASEMENTS, COVENANTS AND RESTRICTIONS

Grantor:

CHUCKANUT CREST ASSOCIATION

Grantee:

CHUCKANUT CREST ASSOCIATION; THE PUBLIC

Legal Description: *FULL LEGAL RVS*

LOT A KAZUNOKO STREET PLAZA

Assessor's Tax Parcel ID#(s):

370224 533531

Reference Number of Related Documents:

Whatcom County Auditors File [hereinafter A.F.]
1503245 [Vol. 840, Pg. 764]; A.F. 1503245 [Vol.
840, Pg. 793]; A.F. 1503245 [Vol. 840, Pg. 798];
A.F. 1570409 [Vol. 039, Pg. 2195]; A.F.
920110013); A.F. 920110013; A.F. 930219055; A.F.
2040400220; A.F. 2080300919

CHUCKANUT CREST ASSOCIATION

CODIFICATION

EASEMENTS, COVENANTS AND RESTRICTIONS

A. THE FOLLOWING CODIFICATION incorporates, combines, and replaces all previous agreements, declarations, and amendments, to wit: the Easements, Covenants, and Restrictions of March 11, 1985, the 1985 Agreement (Whatcom County Auditors File [hereinafter A.F.] 1503245 [Vol. 840, Pg. 764]); The Welden Amendment of March 29, 1985 (A.F. 1503245 [Vol. 840, Pg. 793]); the Soine Amendment of unknown date (A.F. 1503245 [Vol. 840, Pg. 798]); the 1987 Assessment Amendment of April 9, 1987 (A.F. 1570409 [Vol. 039, Pg. 2195]); the Lyon/Brisbane Amendment of December 24, 1991 (A.F. 920110013); the Clarification of Ownership of Road Easements Amendment of December 24, 1991 (A.F. 920110013); the New Membership Amendment of February 8, 1993 (A.F. 930219055); the Amendment of February 26, 2004 (A.F. 2040400220); and the Amendment of March 7, 2008 (A.F. 2080300919); hereinafter, collectively, “the Covenants.”

B. THIS CODIFICATION IS MADE with reference to the following Facts:

1. It is a Codification of the Covenants, originally entered into on March 11, 1985, that run with parcels of land situated in Whatcom County; Washington, the legal descriptions for which are contained in Appendix A, below;
2. The parties to this Codification are the parties to the 1985 Agreement, or their successors and assigns; or parties, or their successors and assigns, who

became members of the ASSOCIATION as the result of amendments to the 1985 Agreement.

3. The purpose of the Covenants was and is the formation of The Chuckanut Crest ASSOCIATION (the ASSOCIATION), an ASSOCIATION of lots owners, to provide a mechanism whereby decisions regarding extension, maintenance and improvement of roads and other common utilities serving the lots described herein can be acted upon.

The 1985 Agreement has been amended several times as recorded in the Whatcom County Auditor's Files listed above.

4. The Covenants require codification into a single document to facilitate the understanding of them.
5. The authority for this Codification is contained in the Amendment of February 26, 2004 (A.F. 2040400220).
6. Should there be any conflict between the language in this Codification and that of the underlying documents herein codified, the language of the underlying documents shall control.

ARTICLE I-MEMBERSHIP

Section 1: BOUNDARIES

- a.) Only owners of lots situated within the boundaries of the ASSOCIATION shall be members therein;
- b.) The current boundaries of the ASSOCIATION are shown on the map attached as Appendix A, Exhibit 1, and the ASSOCIATION shall maintain an up-to-date map showing any changes to its boundaries.

- c.) Appendix A, Exhibit 1 reflects the perimeter of lots described in Appendix A, and includes only those lots.

Section 2: BOUNDARY CHANGES

- a.) The boundaries may be changed to reflect changes in the number of lots to be included in the ASSOCIATION;
- b.) Persons owning lots outside the existing boundaries of the ASSOCIATION, but who have obtained all necessary easements (see Article III-Easements, below) allowing use of the ASSOCIATION'S roads, shall be required to join the ASSOCIATION; provided:
 - 1. The applicant first submits for review and approval to the Board copies of the applicant's easements over the roads of the ASSOCIATION, a legal description of the applicant's lot(s) to be included in the ASSOCIATION, and an updated map of the ASSOCIATION'S boundaries showing the lot(s) to be included;
 - 2. The applicant shall guarantee the validity of all such easements presented to the Board;
 - 3. The applicant shall agree to indemnify and save harmless from any and all liability that may arise in connection with the access rights or easements, said indemnification shall include the obligation to hold the ASSOCIATION harmless from any lawsuit and to pay any and all legal expense that may be incurred by the ASSOCIATION in connection therewith;

- c.) The Board of Directors shall verify and approve the submittals of the owner of the property to be annexed, including the legal description of the property, the revised map of the ASSOCIATION, and the secured easements over the ASSOCIATION'S roads. The Board shall determine the portions of the road for which the member will have rights and responsibilities, as more fully set out elsewhere in this codification; calculate and collect the latecomer's fee on a per lot basis, as provided below; execute the annexation amendment document on behalf of the ASSOCIATION; and provide for the recording of same.
- d.) No additional vote of the ASSOCIATION'S membership will be required to accept this property into the ASSOCIATION. (See also "AMENDMENTS" below.)
- e.) Any future amendment adding a new member shall be effective when recorded by the Whatcom County Auditor. Any such amendment may be recorded when executed by the President and the Secretary of the ASSOCIATION.

ARTICLE II-THE CHUCKANUT CREST ASSOCIATION

Section 1: **PURPOSE.** The parties to this Agreement hereby join together and form an ASSOCIATION, the purpose of which shall be to provide a mechanism whereby decisions regarding extension, maintenance and improvement of roads and other common utilities serving the property described can be acted upon.

Section 2: **NAME.** The name of this ASSOCIATION shall be: "Chuckanut Crest ASSOCIATION."

Section 3: **DURATION.** The duration of this ASSOCIATION shall be perpetual unless dissolved or extinguished pursuant to the terms of this Agreement.

Section 4: **FORM.** The Chuckanut Crest ASSOCIATION shall be a non-profit ASSOCIATION with a purpose as specified in the Easements, Covenants, and Restrictions, and may be either an unincorporated ASSOCIATION or a Washington State nonprofit corporation.

Section 5: **MEMBERSHIP.** The membership of this ASSOCIATION shall originally consist of all parties to this Agreement and their respective successors, legal representatives or assigns. It is the intent of this Agreement to bind all parties who own property serviced by the ASSOCIATION roads beyond a point 1,500 feet along Chuckanut Crest Drive from Chuckanut Drive. Chuckanut Crest Drive is defined as the 60 foot easement as described in Article III, below.

Section 6: **VOTING.** Members shall be entitled to one vote per lot as identified in Appendix "A" and illustrated on the map in Appendix A, Exhibit 1. In the case of parcels that are jointly owned, the owners of any specific parcel shall be entitled to cast one (1) vote on matters pertaining to the ASSOCIATION.

Section 7: **BOARD OF DIRECTORS.**

- a.) The Board of Directors shall consist of five (5) persons, all of whom shall be members of the ASSOCIATION.
- b.) The Board of Directors shall include a President, Treasurer, and Secretary.
- c.) The Secretary shall keep records of the minutes of the board meetings and shall be responsible for contacting ASSOCIATION members and for tabulating, keep records of and reporting on votes taken by the ASSOCIATION.

- d.) The Treasurer shall be responsible for collecting assessments approved by the ASSOCIATION, for paying all bills of the ASSOCIATION, for keeping all financial records of the ASSOCIATION and shall prepare and distribute by February 15th of each year a financial report to the membership for the preceding calendar year.
1. This report shall contain the cash position of the ASSOCIATION as of January 1 and December 31 of the preceding year and shall summarize all receipts and expenditures of the ASSOCIATION for the year. Any outstanding receivables or liabilities of the ASSOCIATION shall also be noted.
 2. Prior to distribution of the report to the membership, it shall be received and approved by an internal audit committee of two (2) ASSOCIATION members who are not on the Board of Directors.
- e.) The financial records of the ASSOCIATION will be made available for inspection upon request of any member of the ASSOCIATION.

Section 8: ELECTION OF THE BOARD OF DIRECTORS.

- a.) A member of the Board of Directors shall be elected from and by membership of the ASSOCIATION, with members casting (1) vote per lot.
- b.) Elections shall be held at the Annual Meeting of the Membership.
- c.) At the initial meeting (February 2007) at which directors are to be elected pursuant to this provision, three directors shall be elected for a term of two years and two directors shall be elected for a term of three years.
- d.) Thereafter the terms of all directors shall be for two years.
- e.) Members of the Board may be re-elected for additional terms.

Any vacancy occurring on the Board of Directors by reason of resignation or otherwise shall be filled by election for the balance of the unexpired term by the remaining Directors, though less than a quorum.

- f.) Nominations for the Board may be made by any member of the ASSOCIATION. Nominations should be made in writing to the ASSOCIATION'S Secretary. The nomination should specify the person being nominated, the position they are being nominated for and the individual making the nomination. Self-nominations are welcome.

Nominations and elections shall be conducted by written ballot and distributed to the membership to the address of record on the ASSOCIATION books.

- g.) The Secretary shall maintain voting records for a reasonable time so that the vote on any particular issue may be verified. Votes shall not be by secret ballot.

Section 9: INTERNAL AUDIT COMMITTEE.

- a.) Members of the Internal Audit Committee shall be members of the ASSOCIATION, and shall re appointed by the Board of Directors, with such appointment subject to confirmation by the membership of the ASSOCIATION at the first annual meeting occurring after each such appointment.
- b.) The term of appointment to the Internal Audit Committee shall be two (2) years.
- c.) Members of the Internal Audit Committee may be reappointed for additional terms.

If a member of the Internal Audit Committee ceases to be an ASSOCIATION member, resigns, or is unable to fulfill his or her term of appointment, then the Board shall appoint another individual to serve on the internal Audit Committee.

Section 10: ASSOCIATION OFFICE. The ASSOCIATION shall have no fixed office from which to conduct its business. However, the Treasurer of the ASSOCIATION shall keep all of the financial records of the ASSOCIATION at his/her residence and the Secretary of the ASSOCIATION shall keep all other records of the ASSOCIATION at his/her residence during their respective terms of office. Books and records of the ASSOCIATION shall be available for inspection by the membership on reasonable notice given to the Board.

Section 11: MEETINGS.

- a.) An annual meeting of the members of the ASSOCIATION shall be held each February, at such time and place as shall be determined by the Board of Directors, and written notice of the annual meeting shall be given as provided herein.
- b.) Special meetings of members may be called at any time by the Board of Directors, or by the members if the owners of at least twenty percent (20%) of the lots in the ASSOCIATION so request.
- c.) A meeting called by the members shall be requested in writing, with the signatures of the owners of at least twenty percent (20%) of the lots within the ASSOCIATION affixed thereto, and upon receipt of such a request the Board shall promptly convene a special meeting. Written notice of the special meetings shall be given as provided herein.

- d.) Written notice of any annual or special meeting shall be given to the members of the ASSOCIATION by the ASSOCIATION'S Secretary. Such notices shall state the date, time, place and purpose of the meeting being convened, shall be sent to each member at that member's address as shown on the books of the ASSOCIATION, and may be sent by regular mail, electronic mail, facsimile or in such other manner as the ASSOCIATION'S Secretary deems likely to provide actual notice to such member. The notices so delivered shall constitute written notices.
- e.) The presence, in person or by proxy, of members owning twenty percent (20%) of the lots within the ASSOCIATION shall constitute a quorum for the transaction of business at any meeting of the members. Members of the ASSOCIATION shall be entitled to one (1) vote in person or by proxy for every lot that the member owns within the ASSOCIATION.
- f.) Proxies shall be signed, or in the case of electronic transmission, printed, and filed with the Secretary of the ASSOCIATION prior to the opening of any meeting at which they are to be voted. Proxies shall be effective only for the meeting at which filed unless by their express terms they are given longer duration.
- g.) *Robert's Rules of Order, Newly Revised*, shall govern the conduct of the ASSOCIATION'S proceedings when not in conflict with other provision of this Agreement, the Articles of Incorporation, or the laws of the State of Washington.

Section 12: PROJECT PROPOSALS.

- a.) Projects shall be proposed to the membership of the ASSOCIATION by the Board of Directors.
- b.) Owners may also petition the Board to present a proposal to the membership. A petition signed by the owner (s) of six (6) or more lots or of one-half (1/2) of the lots to be financially impacted in the ASSOCIATION shall be presented by the Board of the ASSOCIATION for consideration.
- c.) Project proposals shall contain the following elements:
 - 1. Project proposal number;
 - 2. Project description;
 - 3. Estimated project cost;
 - 4. Basis for sharing the costs including a breakdown of;
 - 5. Costs to be borne by each lot owner;
 - 6. Date (s) showing when the assessment (s) will be due and the amount(s) payable;
 - 7. Accept/Reject box and deadline for return of ballot; and
 - 8. Place for owner signature.
- d.) Project proposals shall be sent to the ASSOCIATION members by the Secretary of the ASSOCIATION.
- e.) Proposals shall be mailed out or delivered to the address on the ASSOCIATION records at least two weeks prior to the deadline date specified for the return of the ballot.
- f.) Ballots shall be returned to the Secretary of the ASSOCIATION who will retain them as part of records of the ASSOCIATION.
- g.) A summary of the voting shall be provided to the owners when results have been tabulated.

- h.) Project proposals may be made on a preliminary basis to determine if there is sufficient interest in a proposal to warrant the effort to obtain detailed cost information. Approval of a proposal marked “preliminary” has no legal significance and shall be regarded as advisory only.

Section 13: VOTING ON PROPOSALS.

- a.) Members shall have one (1) vote per lot that is part of the ASSOCIATION. For purposes of this Agreement, the lots are those parcels legally described in Appendix A and depicted on Appendix A, Exhibit 1 as parcels 1-40 and shall also include any legal sub-division of any said parcels. The owner/owners of any lot shall be entitled to one vote per lot.
1. In cases where a project is proposed whose costs will be borne in its entirety by a subset of the lots in the ASSOCIATION, then only the owners of those lots impacted by the project shall be eligible to vote on the proposal.
 2. Decisions of the ASSOCIATION shall be based on a sixty percent (60%) majority of all lots eligible to vote on a proposal if project costs are to be shared equally among those eligible to vote.
 3. In cases where the costs sharing arrangement results in some lots paying more than they would on an equal share basis, then, in order for such an alternative to be accepted, it must in addition to receiving the 60% majority of those lots eligible to vote, receive 60% majority approval of those property owners who would pay more than they otherwise would on an equal amount per lot basis.

Section 14: ASSESSMENTS.

- a.) Assessments for improvements voted upon by the ASSOCIATION shall be borne equally on a per lot basis unless otherwise agreed to. Any cost sharing arrangements other than equal sharing that may be proposed shall attempt to reasonably match the benefits to be received by a lot owner from a project with a cost to be paid by that lot owner. Such alternatives may include but not be limited to the amount of front footage a lot has or the distance to be covered in servicing the lot.
- b.) The Board of Directors shall be empowered to establish, levy and collect assessments upon ASSOCIATION members for purposes set forth herein. Such assessments shall constitute a personal obligation as well as a lien upon each lot as of the date due and such lien may be foreclosed by the ASSOCIATION in the same form and manner of procedure as the foreclosure of a real property mortgage lien under the laws of the State of Washington.
- c.) To any assessment not paid within 30 days of the due date there shall be levied a one time penalty of five percent (5%) of the amount of the assessment due. In addition, interest shall be added to unpaid assessments which shall be computed on a monthly basis on the outstanding balance due. The annual rate shall be the prevailing bank prime rate in effect on the first business day of the month or twelve percent (12%), whichever is higher. If the above interest and penalty is found to constitute usury under Washington State law, then interest and penalties shall be set at the maximum legal rate allowed by Washington State law.

- d.) Each person obligated to pay assessments herein agrees and recognizes that expenses of title examination, costs of attorneys, court costs and interest at 12% per annum or the maximum legal rate allowed by law, whichever is greater, shall be included with the amount of any delinquent assessment in the judgment of foreclosure of such lien.
- e.) If funds for an approved project are not received in full by the payment due date due to the non-payment of an assessment of one or more members of the ASSOCIATION, then the remaining project participants may advance the ASSOCIATION the required funds necessary for the approved project to proceed. These amounts with delinquent interest shall be refunded to those members when the late assessments have been collected from the delinquent members. The purpose of this provision is to prevent a minority of individuals from defeating or unnecessarily delaying a project that has been approved by a majority of the members.
- f.) Legal action or binding arbitration at the option of the Board of Directors may be taken against any member ninety (90) days or more in arrears on assessments due. The Board of Directors shall be empowered to take legal action on behalf of the ASSOCIATION. A member of the Board of Directors ninety (90) days in the arrears shall be removed from office and a successor nominated and elected by the remaining ASSOCIATION members.
- g.) Final project proposals shall specify costs as closely as possible. In the event costs exceed the amount specified in the project proposal, an additional amount shall be levied on each lot in proportion to the agreed upon cost sharing formula. In the event costs are less than the amount specified in the

project proposal, the ASSOCIATION shall refund the surplus to each lot in proportion to the agreed upon cost sharing formula. As a practical matter, cost estimates shall be made in a way that minimizes the likelihood that additional amounts will need to be levied beyond that specified in the project proposal.

Section 15: REFUNDS TO MEMBERS OF FUNDS RECEIVED. Any funds received by the ASSOCIATION from new membership and/or from Puget Power refunds shall be credited back to the accounts of the members of the ASSOCIATION in proportion to the relevant past expenses borne by such members. These credits can be left on the books of the ASSOCIATION to offset future assessments levied on such a member or can be refunded to the member in cash at the request of the member. No cash refunds shall be made to any member until all past assessments and penalties due from that member have been paid. See Appendix C for an example of such a refund.

Section 16: NEW MEMBERSHIPS. If additional residential lots not legally described in Appendix "A" and depicted on Appendix A, Exhibit 1 are created by further subdivision of existing properties that are part of the ASSOCIATION, then the owner of the each new lot so created shall pay the ASSOCIATION a fee equal to the cumulative assessments on all amounts levied on the original lot adjusted for inflation as measured by the Consumer Price Index for the preceding ten (10) year period of time. The official name of the Consumer Price Index that should be used in adjusting for price changes is the "U.S. Consumer Price Index for all Urban Consumers." The Consumer Price Index (CPI) adjustment formula is set forth in Appendix C.

Section 17: INSURANCE.

- a.) Liability of Directors. A director or officer shall have no liability to the ASSOCIATION or its members for monetary damages for conduct as a director or officer, except for acts or omissions that involve intentional misconduct by the director or officer, or a knowing violation of law by an officer or director.
- b.) Right to Indemnification. The ASSOCIATION shall indemnify and hold harmless its officers and director from all expense, liability, and loss (including costs of defense) arising from actions taken in good faith and in furtherance of the ASSOCIATION'S purpose as defined above or by its Articles of Incorporation. The ASSOCIATION shall further indemnify and hold harmless its individual members from all expense, liability, and loss (including costs of defense) arising from ownership, extension, maintenance, and improvements to the ASSOCIATION'S roads.
- c.) Insurance, Contracts, and Funding. The ASSOCIATION shall maintain liability insurance at its expense, in the minimum amount of \$2,000,000 to protect itself, its directors, officers, and members pursuant to the indemnification provisions above and to ensure the payment of such amounts as may be necessary to effect indemnification as proved herein.

Section 18: TRUST FUND.

- a.) The ASSOCIATION shall maintain its funds in a bank selected by the Board of Directors in an account which shall be designated "Chuckanut Crest ASSOCIATION".

- b.) Funds shall be deposited in an interest bearing account in a financial institution whose deposits are insured by the FDIC or FSLIC or in a U.S. government security money market fund.
- c.) The Board of Directors shall select the financial institution in which the ASSOCIATION funds shall be deposited.
- d.) All receipts of the ASSOCIATION shall be deposited in the trust fund and all disbursements shall be made by check from the funds except that the Treasurer of the ASSOCIATION shall be entitled to pay for minor items from a petty cash fund not to exceed \$250.00.
- e.) All interest earned on the trust fund balance shall belong to the ASSOCIATION.
- f.) Signature of any two members of the Board of Directors or a Director and the ASSOCIATION'S bookkeeper shall be required on all ASSOCIATION checks.
- g.) In the event the trust fund balance should exceed projected financial requirements of the ASSOCIATION, the Board of Directors may elect to refund any excess balance to property owners. Such refund shall be made on an equal share per lot basis.

Article III – EASEMENTS

Section 1: OWNERSHIP OF ROAD EASEMENTS.

- a.) Parties to the 1985 Agreement have, by virtue of prior easements certain rights to the roadway serving their respective parcels of real property, and all parcels of real property described in the attached Appendix “A” are served by

a network of roadways which have been defined in numerous prior easement agreements. The parties to the 1985 Agreement desired to consolidate all prior easements and provide for improvement, upkeep and maintenance of the roadways and utilities serving their respective properties.

- b.) The parties to this Codification are the members, as defined above, of the ASSOCIATION. The ASSOCIATION owns no real property, and its interest in easements is limited to those specifically granted by this Codification and/or by the ASSOCIATION'S Articles of Incorporation. The roads of the ASSOCIATION exist by virtue of easements granted by the members upon whose property the ASSOCIATION'S roads pass. Such members retain ownership of road easement rights and the power to grant road and other easements over their own property. Neither the ASSOCIATION nor a member has the power to grant an easement over the property of another member.
- c.) See Appendix B for the particular grants of easements.
- d.) The easements granted herein shall be for the purpose of vehicular and pedestrian ingress and egress and for utilities. The easements granted herein shall constitute a benefit and a burden respectively to each parcel of real property described in the attached Appendix A and shall constitute a covenant which shall run with the land and shall not be personal to any of the parties hereto.
- e.) The parties to this codification intend by the grant of easement set forth above to supersede all prior easements for ingress, egress or utilities affecting any of the property described herein so that any party in the future desiring to

ascertain the nature and extent of easements for ingress, egress or utilities shall be able to do so by consulting this Agreement. It is the intention of this Agreement to supersede only that portion of previous Agreements dealing with easements. All other provisions of previous Agreements shall remain in force.

GENERAL PROVISIONS

Section 1: **AMENDMENTS.** Except for the recording of “as built” survey descriptions of roadway easements as described above in Appendix B, above, this Agreement may only be amended by a two-thirds majority vote of all lots eligible to vote provided, however, that the purpose of the ASSOCIATION as defined above in Article II shall not be altered without 100 percent approval of all members of the ASSOCIATION. Further provided that Amendments adding new members (Article I, paragraph __, above) shall not require any vote of the membership.

Section 2: **ENFORCEABILITY.** If any part of this document shall be found to be legally invalid, the remaining provisions shall remain in full force and affect.

Section 3: **COVENANTS RUNNING WITH THE LAND.** The parties to this Agreement intend that the real property set forth in the attached Appendix A hereafter be encumbered by the conditions, covenants and restrictions herein set forth and that the conditions, covenants and restrictions set forth herein shall be binding upon the respective owners of each lot, any subdivision thereof and that the terms hereof shall be further binding upon the successors, assigns and legal representatives of the parties hereto. The terms and conditions hereof shall constitute a covenant running with the land that shall provide a mechanism for

ascertain the nature and extent of easements for ingress, egress or utilities shall be able to do so by consulting this Agreement. It is the intention of this Agreement to supersede only that portion of previous Agreements dealing with easements. All other provisions of previous Agreements shall remain in force.

GENERAL PROVISIONS

Section 1: **AMENDMENTS.** Except for the recording of “as built” survey descriptions of roadway easements as described above in Appendix B, above, this Agreement may only be amended by a two-thirds majority vote of all lots eligible to vote provided, however, that the purpose of the ASSOCIATION as defined above in Article II shall not be altered without 100 percent approval of all members of the ASSOCIATION. Further provided that Amendments adding new members [Article I(2)(d), above] shall not require any vote of the membership.

Section 2: **ENFORCEABILITY.** If any part of this document shall be found to be legally invalid, the remaining provisions shall remain in full force and affect.

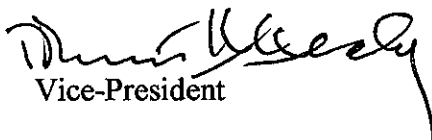
Section 3: **COVENANTS RUNNING WITH THE LAND.** The parties to this Agreement intend that the real property set forth in the attached Appendix A hereafter be encumbered by the conditions, covenants and restrictions herein set forth and that the conditions, covenants and restrictions set forth herein shall be binding upon the respective owners of each lot, any subdivision thereof and that the terms hereof shall be further binding upon the successors, assigns and legal representatives of the parties hereto. The terms and conditions hereof shall constitute a covenant running with the land that shall provide a mechanism for

road and utility maintenance, repair and improvement until such time as this Agreement is repealed or rescinded as provided for herein.

Section 4: RECORDING. Immediately following execution, this entire document shall be recorded with the Whatcom County Auditor. All parties recognize that upon recording, this document, its terms and provisions shall constitute a binding encumbrance upon their respective properties.

We, the undersigned, hereby certify that a resolution to adopt this codification was passed by sixty affirmative votes of the membership of the ASSOCIATION at its annual meeting held on the 4th day of February, 2009; and that the voting was by written ballots retained in the files of the ASSOCIATION.


President


Vice-President

**APPENDIX A
MEMBER'S LAND**

The lot numbers referred to in this Agreement and designated on the map in Appendix A, Exhibit 1 have the following legal descriptions:

Lot 1, described as follows:

ROBERT T. PATTON, married, as his separate property Government Lot 2, in Sections 19, Township 37 North, Range 3 East of W.M., Except the North 30 acres thereof, situate in Whatcom County, Washington

SUBJECT TO: Easement Agreements of record under Auditor's file nos. 1224460 and 1332909; and Reciprocal Easements, Releases and Contribution and Water Rights Agreements of record under Auditor's file nos. 1375346 and 1437201.

Lot 1, described as follows:

ELIZABETH C. PATTON, married, as her separate property, The South 9 acres of the North 30 acres of Government Lot 2, in Section 19, Township 37 North, Range 3 East of W.M., situate in Whatcom County, Washington.

SUBJECT TO: Easement Agreements of record under Auditor's file nos. 1224460 and 1332909; Reciprocal Easements, Releases and Contribution Agreements of record under Auditor's file nos. 1375346 and 1437201.

Lot 2, described as follows:

ROBERT T. PATTON AND ELIZABETH C. PATTON, husband and wife, The North 30 acres of Government Lot 2, Section 19, Township 37 North, Range 3 East of W.M., EXCEPT THE North 12 acres and the South 9 acres thereof. Situate in Whatcom County, Washington.

SUBJECT TO: Easement Agreements of record under Auditor's file nos. 1224460 and 1332909; and Reciprocal Easements, Release and Contribution and Water Rights Agreements of record under Auditor's file nos. 1375346 and 1437201.

Lot 3, described as follows:

DAVID M. and MARGIE L. NELSON, husband and wife The north 12 acres in Government Lot 2, Section 19, Township 37 North, Range 3 East of W.M. Situate in Whatcom County, Washington.

Lot 4, described as follows:

Buren K. Smith and Diane E. Smith

The South half of Government Lot 1, Section 19, Township 37 North, Range 3 East of W.M., EXCEPTING there from the North 9 acres thereof, TOGETHER with an easement for ingress, egress and utilities over the road as it now exists, RESERVING there from an easement for ingress, egress and utilities over the road as it now exists as described in the instrument recorded under Auditor's File No.: 1437201.

SUBJECT TO: EASEMENTS, COVENANTS AND RESTRICTIONS OF RECORD.

Lot 5, described as follows:

Diane E. Smith

The North 9 acres of the South half of Government Lot 1, Section 19, Township 37 North, Range 3 East of W.M., TOGETHER with an easement for ingress, egress and utilities over the road as it now exists; RESERVING there from an easement for ingress, egress and utilities over the road as it now exists as described in the instrument recorded under Auditor's File No.: 1437201.

SUBJECT TO: EASEMENTS, COVENANTS AND RESTRICTIONS OF RECORD.

Lot 7, described as follows:

Ed and Patricia Brown

Parcel A – The north 9 acres of the north half of Government Lot 1 in Section 19, Township 37 North, Range 3 East of W.M., situate in Whatcom County, Washington.

Lot 6, described as follows:

Parcel B – The north half of Government Lot 1 in Section 19, Township 37 North, Range 3 east of W.M., except the north 9 acres thereof, situate in Whatcom County, Washington.

Parcel C – An easement for ingress, egress as disclosed by document recorded under Auditor's file number 1375346 in Whatcom County state of Washington. The exact location is not disclosed situate in Whatcom County, Washington.

Subject to: Agreements recorded under Auditor's file numbers 1224460, 1332909, 1375346 and 1437201. Exceptions and reservations recorded under Auditor's file number 1161643. Questions, if any, as to the location of easements shown as Parcel B of this legal description.

MARVIN PULLAR

Lot 8, described as follows:

The S ½ of the SW ¼ of the SW ¼ of Sec. 18, Township 37 North, Range 3 East; EXCEPT the following tract:

Beginning at the SW corner of Sec. 18; thence North 400 feet; thence East 200 feet; thence South 400 feet; thence West 200 feet to the point of beginning.

Lots 30 – 35, described as follows:

MARVIN PULLAR:

That portion of the East half of the Southeast quarter of Section 13, Township 37 North, Range 2 East of W.M., Whatcom County, Washington, described as follows:

Commencing at the Northeast corner of said East half of the Southeast quarter; Thence North 88°56'16" West along the Northerly line thereof, a distance of 590.00 feet to the Point of Beginning; Thence continuing North 88° 56' 16" West along said Northerly line, a distance of 727.48 feet to the Northerly projection of the Westerly line of the said East half of the Southeast quarter, as established by survey of Fred W. McElmon on March 4th and March 23rd, 1960; Thence South 00° 53' 50" West along said line, a distance of 603.36 feet to the most Northerly corner of that tract conveyed to Annis J. Hovde and Jane E. Hovde, by Auditor's File No. 907049; Thence South 11° 28' 08" East along the Easterly line of said tract, a distance of 385.05 feet to the Northwesternly line of that tract conveyed to Harley E. Hiller and Joyce D. Hiller, by Auditor's File No. 1060208; Thence North 67° 16' 50" East 180.00 feet to the most Northerly corner of said tract; Thence South 22° 43' 10" East along the Northeasterly line of said tract, a distance of 193.00 feet to the Northwesternly line of that tract conveyed to Willard D. Purnell and Helen C. Purnell, by Auditor's File No. 1259496; Thence North 67° 53' 50" East, 27.61 feet to the most Northerly corner of said tract; Thence South 12° 04' 38" East along the Easterly line of said tract, a distance of 170.50 feet to the Northerly line of that tract conveyed to Jon Soine and June Polly Soine, by Auditor's File No. 10998471; Thence North 67° 53' 50" East 160.11 feet to the most Northerly corner of said tract and the Westerly line of that 60 foot easement as described under Auditor's File No. 1434936; Thence South 03° 26' 43" East along the Easterly line of said Soine tract and Westerly line of said easement, a distance of 137.93 feet; Thence North 76° 27' 00" East 545.60 feet; Thence North 15° 32' 33" West 1226.45 feet to the Point of Beginning. EXCEPT that tract conveyed to Leo Iverson and Dora Iverson, by Auditor's File No. 1434937 Containing 21.56 Acres.

SUBJECT TO that water well Protective Zone Easement, as described under Auditor's File No. 1454891.

TOGETHER WITH that 20 foot non-exclusive easement for utilities, as described under Auditor's File No. 1434940.

TOGETHER WITH AND SUBJECT TO that 60 foot easement for ingress, egress and utilities, as described under Auditor's File Nos. 1434936 and 1434939.

ALSO TOGETHER WITH AND SUBJECT TO a 60 foot easement for ingress, egress and utilities, the center line of which is defined as follows:

Beginning at the point of ending of the above described 60 foot easement as described under Auditor's File Nos. 1434936 and 1434938; Thence continuing on the curve to the right having a radius of 80 feet, as described in said easements, through a central angle of 25° 05' 15", an arc distance of 35.03 feet; Thence South 40° 00' 00" East, 135 feet; Thence South 27° 17' 00" East 200.00 feet; Thence South 55° 17' 00" East 160.00 feet to a curve to the right having a radius of 135.00 feet; the center of which bears South 35° 43' 00" West; Thence along said curve through a central angle of 58° 17' 00" an arc distance of 137.33 feet; Thence South 03° 00' 00" West 180.00 feet; Thence South 15° 50' 00" East 625.00 feet; Thence South 318.36 feet to the South line of the North half of the Southeast quarter of the Southeast quarter of Section 13, Township 37 North, Range 2 East of W.M. and the Point of Ending of said centerline description.

ALSO SUBJECT TO easements, restrictions and reservations of record, if any.

THE GRANTORS reserve the right to keep and maintain on subject property one (1) mobile home which is currently situated thereon for a period of five (5) years from the date hereof.

Lot 9, described as follows:

Kevin and Barbara Thompson

The north half of the Southwest Quarter of the Southwest Quarter of Section 18, Township 37 North, Range 3 East of W.M., situate in Whatcom County, WA. Except there from all oil and mineral rights.

Subject to: Exceptions and Reservations as contained in Deed of record, and Deed of Trust of record in favor of Georgia Pacific investment Company, which Grantor hereunder shall pay.

Lot 10, described as follows:

Steve and Laura Brisbane.

The South half of the Northwest Quarter of the Southwest Quarter of Section 18, Township 37 North, Range 3 East of W.M.

Lot 11, described as follows:

Steve and Laura Brisbane

The north half of the Northwest Quarter of the Southwest Quarter of Section 18, Township 37 North, Range 3 East of W.M.

Lot 10, described as follows:

The South half of the Northwest Quarter of the Southwest Quarter of Section 18, Township 37 North, Range 3 East of W.M.

Lots 12, 13 & 25 – 29 described as follows:

1. **BASIL PULLAR and KATHRYN PULLAR:**

That portion of the East half of the Southeast quarter of Section 13, Township 37 North, Range 2 East of W.M., Whatcom County, Washington, described as follows:

Beginning at the Northeast corner of said East half of the Southeast quarter; thence North 88° 56' 16" West along the Northerly line thereof, a distance of 590.00 feet; thence South 15° 32' 33" East 1226.45 feet; thence South 76° 27' 00" West, 545.60 feet to the Easterly line of that tract conveyed to Jon Soine and June Polly Soine by Auditor's File No. 1099847; thence South 03° 26' 43" East along said Easterly line, a distance of 41.50 feet to the most Northerly corner of that tract conveyed to Bruce R. Jacobson and Margaret Jacobson, by Auditor's File No. 1099296; thence continuing South 03° 26' 43" East along the Easterly line of said tract, a distance of 39.43 feet; thence South 07° 51' 43" East, along said Easterly line and the Easterly line of that tract conveyed to J. Allen McKay and Dolores McKay, by Auditor's File No. 1103168, a distance of 290.10 feet; thence South 01° 57' 43" East along the Easterly line, a distance of 18.59 feet to the most Northerly corner of that tract conveyed to Edward J. Baldwin and Emily S. Baldwin by Auditor's File No. 1465250; thence continuing South 01° 57' 43" East along the Easterly line of said tract, a distance of 169.34 feet; thence South 08° 41' 43" East along said Easterly line a distance of 116.87 feet to the Southerly line of the North half of the Southeast quarter of the Southeast quarter of said Section; thence South 87° 29' 31" East along said Southerly line a distance of 693.19 feet to the Easterly line of said Section 13, thence North 00° 52' 26" East along said Easterly line a distance of 2000.57 feet to the point of beginning.

TOGETHER WITH and subject to easements of record.

Lots 14, 15 & 19 – 24, described as follows:

EDGAR MAY and CATHERINE MAY, his wife:

Those portions of the South half of the Southeast quarter of the Southeast quarter of Section 13 and of the North 210 feet of Government Lot 1, Section 24, All in Township 37 North, Range 2 East of W.M., Whatcom County, Washington, lying Easterly of the Interurban right-of-way (formerly Bellingham & Skagit Railway right-of-way). Except Lots A, B, and C of that Short Plat filed under Whatcom County Auditor's File No. 1174368. TOGETHER WITH and subject to easements of record.

Lot 16, described as follows:

BERT RAYMOND PULLAR and PHYLLIS PULLAR, his wife,

A tract of land described as:

Beginning at the Southwest corner of Section 18, Township 37 North, Range 3 East of W.M., thence North 400 feet, thence East 200 feet, thence South 400 feet, thence West 200 feet to the point of beginning.

WELDEN (see also "Welden Amendment" below)

Lot 17 – Withdrawn by reason of resignation from the ASSOCIATION, as provided in the “Welden” Amendment, below.

Ming Lin and She-Hsin Ko

Lot 18.1, described as follows:

Lot A, Kazunoko Short Plat As recorded in Book 24 Short Plats at Pg 83 in the Auditor’s Office, Whatcom County, Washington.

Situate in Whatcom County, Washington.

Robert H. and Josephine O. Healy

Lot 18.2, described as follows:

Lot B, Kazunoko Short Plat as recorded in Book 24 Short Plats at Pg 83 in the Auditor’s Office, Whatcom County, Washington.

Situate in Whatcom County, Washington.

Lot 36, described as follows:

JOHN C. ENNEN and SHARON G. ENNEN

Lot 2 of Chuckanut Ridge Short Plat, as recorded in Book 9 of Short Plats, Page 30, as Auditor’s File No. 1455762, records of Whatcom County, Washington. Together with easements for ingress, egress and utilities as shown on said short plat.

Lot 37, as described as follows:

JON SOINE and JUNE A. SOINE, HIS WIFE (see also “Soine Amendment” below)

Lot 1 of Chuckanut Ridge Short Plat, as recorded in Book 9 of Short Plats, Page 30, as Auditor’s File No. 1455762, records of Whatcom County, Washington. Together with easements for ingress, egress and utilities as shown on said short plat.

Lot 38.1 through 38.6, described as follows:

RONALD L. ANDERSON

Portions of government lots 1, 2, & 3 in section 24, Twp. 37 North, Range 2 East, situated in Whatcom County, Washington, as granted in Quit Claim Deed dated May 30, 1978 & recorded

June 2, 1978 in vol. 407 Page 76 under Whatcom County Auditors File Number 1290685, but excluding lots 38.7 and 38.8 as more fully described below.

Lot 38.7

GARY C. AND SHIRLEY K. JORDAN

Lot 38.8

That portion of the North 208 feet of the South 1058 feet of Govt. Lot 3, Sec 24-37-2E lying Easterly of Bellingham-Skagit Interurban RR R/W – that portion of Govt. Lot 3 Sec 19-37-3E DAF-BEG at inters of W Li of Govt. lot 3 Sec 19.

DANIEL AND BELINDA HISEY

That portion of the North 207 feet of the South 850 feet of Govt. Lot 3, Sec 24-37-2E lying Easterly of Bellingham-Skagit Interurban RR R/W – that portion of Govt. Lot 3 Sec 19-37-3E DAF-BEG at inters of W Li of Govt. lot 3 Sec 19 WI N.

STEVEN G. AND DIANE R. STAVES (See also the “Lyon-Brisbane Amendment” below)

Lot 39

Lot 3, Chuckanut Trail Lot Line Adjustment, as recorded in Book 30 Short Plats – Excluding that portion lying within Tract formerly known as Lot B, Brisbane Short Plat (LLA) as recorded in Book 15, Pg 55 in the Offices of the Whatcom County Auditor.

Situate in Whatcom County, Washington

STEVEN G. STAVES (See also the “Lyon-Brisbane Amendment” below)

Lot 39.1

Lot 2, Chuckanut Trial Lot Line Adjustment, as recorded in Book 30, Pg 32 in the Offices of the Whatcom County Auditor.

Situate in Whatcom County, Washington

DAVID A. GREGORY AND PAMELA A. CUMING (See also the “Lyon-Brisbane Amendment” below)

Lot 40. Lot 40 encompasses Lots 1-5 of a development owned by Fairhaven Land and Livestock, LLC, and known as North Chuckanut Estates Short Plat. That portion of the development within what was formerly known as Patton Short Plat, Lot B, is not included in the

Lyon-Brisbane Amendment, and, therefore, is not within the boundaries of The Chuckanut Crest Association.

Lot 40.1

Lot 4, Chuckanut Trail Lot Line Adjustment as recorded in Book 30 Short Plats Pg 32, in the Offices of the Whatcom County Auditor.

Situate in Whatcom County, Washington

NEW WHATCOM IMPROVEMENT COMPANY

Lot 40 (See also the 'Lyon-Brisbane Amendment' below)

That Portion of the tract formerly known as the Brisbane Short Plat (LLA) as recorded in Book 15 Short Plats at Pg 55 excluding Lots 2, 3, and 4 of the Chuckanut Trail Lot Line Adjustment as recorded in Book 30 at Pg 32 in the Offices of the Whatcom County Auditor.

WELDEN AMENDMENT

THIS IS AN AMENDMENT made this 29 day of March, 1985, to the agreement entitled "Chuckanut Crest ASSOCIATION Easements, Covenants and Restrictions" dated March 11, 1985. This Amendment shall be designated the "Welden Amendment".

WHEREAS, the March 11, 1985 Agreement provides a procedure for amendment by two-third (2/3) majority, and

WHEREAS, 2/3 of the parties believe this Amendment is necessary to carry out the intention of the parties, now, therefore,

IN CONSIDERATION of the mutual benefits herein contained, it is agreed that a new provision shall be added to the Agreement dated March 11, 1985, as follows:

JAMES and LESLIE WELDEN are the owners of Lot 17, as depicted on the map designated as Appendix A, Exhibit 1 to the March 11, 1985 Agreement. The WELDENS are currently building

a residence on the lower portion of said Lot 17 (the Westerly portion). The Westerly portion of Lot 17 is served by water, power and road access from another system and WELDEN only requires access to the Easterly portion of their property in the event they elect to build on the Easterly portion in the future. WELDEN plans to either build on the Easterly portion of his property or subdivide and sell the Easterly portion in the future. WELDEN shall pay all assessments as made by the ASSOCIATION without right of refund but may elect to withdraw from this ASSOCIATION if unable to secure necessary permit to either subdivide Lot 17 or to build on the Easterly portion of Lot 17. In the event WELDEN elects to withdraw from the ASSOCIATION, the ASSOCIATION shall keep all payments made at the date of withdraw and Lot 17 shall be no longer subject to the provisions of the March 11, 1985 Agreement.

If WELDEN withdraws, the property (Lot 17) shall, thereafter, be subject to all the latecomer's provisions of the contract dated March 11, 1985.

Procedure for Withdrawal. Upon receipt of notification from any governmental authority that they may not subdivide or build on the Easterly portion of Lot 17, WELDEN may file a "Notice of Withdrawal" with the Whatcom County Auditor, stating that they are exercising their rights under this "Welden Amendment" to the contract dated March 11, 1985, and that they withdraw the following described property from the ASSOCIATION:

PARCEL A:

Those portions of the North 100 feet of the South 500 feet of the North 920 feet of Lot 1, Section 24, Township 37 North, Range 2 East, W.M., particularly described as follows:

DESCRIPTION A:

That portion that lies east of the 100 foot strip conveyed by Charles I. Roth and Lottie T. Roth, husband and wife, to Bellingham and Skagit Railway Company for right-of-way purposes, by Deed dated March 21, 1911.

DESCRIPTION B:

That portion that lies between the West line of the 100 foot strip last referred to and the County Road known as the Chuckanut Blanchard Wagon Road, and now a part of the Pacific Highway.

Situate in County of Whatcom, State of Washington.

PARCEL "B":

That portion of the North 100 feet of the South 500 feet of the North 920 feet of Government Lot 1, Section 24, Township 37 North, Range 2 East, of the Willamette Meridian, which lies within the 100 foot strip previously conveyed by Charles I. Roth and Lottie T. Roth, husband and wife, to Bellingham and Skagit Railway Company by Deed recorded March 29, 1912, under Auditor's File Number 156577 in said County and State.

Situate in County of Whatcom, State of Washington.

The withdrawal contemplated herein shall require only the signatures of the then owners of Lot 17 described above.

Dated this 29 day of March, 1985.

SIGNATURES HERE.

SOINE

AMENDMENT

Our signatures recorded below are recorded with the express provision that this Amendment to the Easement, Covenants, and Restrictions be fixed and recorded at the same time as the original agreement without modification which would render our signatures NULL and VOID and not serve as a lien on any/all properties for our heirs and/or assigns

Notwithstanding any other provision of this agreement to the contrary, Jon C. Soine and June A. Soine and John Ennen and Shary Ennen shall not be assessed for the installation of utilities to service lots owned by other parties to the agreement, since their respective properties are already fully serviced, nor shall they be assessed for the cost of any improvements or maintenance to the roadways described by attached Exhibit "1" performed on such roadways above the point of intersection between their respective properties and said roadways.