

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTION
(Resort Semiahmoo Zone 3)**

This Declaration is made this ____ day of _____ by Razorhone, LLC a Washington limited liability company, hereinafter referred to as "**Declarant**." Declarant is the owner of that certain real property consisting of approximately 19.4 acres located in the city of Blaine, Whatcom County, Washington, commonly known as Resort Semiahmoo Zone 3 (the "**Property**"), which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference, and which has been subdivided as shown in the plat of Resort Semiahmoo Zone 3 filed under Auditor's File No. ___, records of Whatcom County, Washington (the "**Resort Semiahmoo Zone 3 Plat**").

As part of the general scheme of development, Declarant records against title to the Property those certain Declarations of Covenants, Conditions and Restrictions set out below.

(Note: The relationship between the Property and the Resort Semiahmoo Community Association has not been resolved as of the filing of the Resort Semiahmoo Zone 3 Preliminary Plat. Upon resolution of that relationship, this Draft Declaration of Covenants, Conditions and Restrictions will be edited to reflect that resolution. All references to the Resort Semiahmoo Community Association in this document are highlighted in blue and are included for reference only.)

Further, Declarant intends to submit Resort Semiahmoo Zone 3 to that certain Declaration of Covenants, Conditions and Restrictions for Semiahmoo Resort Community.

DECLARANT HEREBY DECLARES that the Property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are imposed for the purpose of protecting the value and desirability of the Property, which shall run with the Property and be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any portion of the Property, their heirs, successors and assigns, and all third-party beneficiary specifically provided for herein.

ARTICLE 1 DEFINITION OF TERMS

Section 1.01 "**Building**" means any building comprising single family or multi-family residential dwelling units constructed on any Parcel.

Section 1.02 "**Resort Semiahmoo Zone 3 Association**" means the Resort Semiahmoo Zone 3 Homeowners Association, its successors and assigns, whether incorporated under Washington law or not. *The Resort Semiahmoo Zone 3 Association shall constitute a Neighborhood Association as defined in the Semiahmoo Resort Community Declaration.*

Section 1.03 "**Resort Semiahmoo Zone 3 Common Areas**" means:

- (a) XXX

Section 1.04 "**Resort Semiahmoo Zone 3 Entrance Areas**" means the planting, signage, lighting and landscaping areas located at the entrance of Resort Semiahmoo Zone 3 on Tracts

XXX as described in section 3.09 herein and as shown on the sketch attached hereto as Exhibit B.

Section 1.05 "**Common Area**" means all real property within the Property set aside for the common use and enjoyment of the Owners and/or designated as "Common Area" on the Resort Semiahmoo Zone 3 Plat, including the Resort Semiahmoo Zone 3 Common Areas and the SRA Common Areas.

Section 1.06 "**Declarant**" or "Grantor" means Razorhone, LLC, a Washington limited liability company, its successors and assigns.

Section 1.07 "**Declaration**" means this document and any amendments hereto.

Section 1.08 "**Developed Parcel**" means a Parcel on which one or more Buildings have been constructed.

Section 1.09 "**Landscaped Area**" means the landscaped front yard, side yards and rear yard of each Developed Parcel as contemplated in the Semiahmoo Resort Community Declaration and the landscaped areas located on Tract XX.

Section 1.10 "**Owner**" means the owner, whether one or more persons or entities, of fee simple title to any Unit or Parcel, including Grantor and contract purchasers, but excluding any party holding an interest in the Property as security for the performance of an obligation.

Section 1.11 "**Vegetation Buffer Area**" means...

Section 1.12 "**Parcel**" means each Lot or Tract designed for a single-family dwelling, multi-family dwellings, commercial building or public use as shown upon the Resort Semiahmoo Zone 3 Plat, together with the improvements thereon.

Section 1.13 "**Property**" means the approximately 19.4-acre parcel of land and all improvements now or hereafter placed on the land commonly referred to as "Resort Semiahmoo Zone 3" and more particularly described on Exhibit A attached hereto. The Property shall constitute a Neighborhood as defined in the Semiahmoo Resort Community Declaration.

Section 1.14 "**Semiahmoo Resort Community Declaration**" shall mean the Declaration of Conditions, Covenants and Restrictions for Semiahmoo Resort Community recorded under auditor's file no.1492055.

Section 1.15 "**Semiahmoo Resort Association**" or "**SRA**" means the Semiahmoo Resort Association, Inc., a Washington nonprofit corporation, or its duly authorized agents or representatives.

Section 1.16 "**Semiahmoo Resort Community**" means the land and development located thereon subject to the Semiahmoo Resort Community Declaration.

Section 1.17 (reserved)

Section 1.18 "**SRA Common Areas**" means:

Section 1.19 "**Storm Water System**" means that system of storm water pipes located throughout the Property, typically located within the private roadways and utility easements in the locations shown dedicated on the Resort Semiahmoo Zone 3 Plat, and including the bio-swale facilities located on Tracts E and J.

Section 1.20 "**Unit**" means any individual residential dwelling unit located in a Building.

ARTICLE 2 DEVELOPMENT OF RESORT SEMIAHMOO ZONE 3

Section 2.01 **Name of Neighborhood.** The name of the neighborhood created on the Property by this Declaration and the Resort Semiahmoo Zone 3 Plat is "**Resort Semiahmoo Zone 3.**" The number of Units in Resort Semiahmoo Zone 3 Phase 1 is forty (40).

Section 2.02 **General Development Plan.**

Declarant intends, but is not required, to develop, design and construct residences on each Parcel as single-family, duplex or multi-family zero lot-line Buildings in connection with the sale of Parcels to individual purchasers. Each Building constructed by the Declarant on a Parcel shall be subject to the Resort Semiahmoo Zone 3 Architectural Controls and the Semiahmoo Resort Community Architectural Standards and Restrictions, each as defined in Section 3.12 below, but the Declarant shall not be required to submit the design for such Buildings to the Architectural Standards Committee for its review and approval nor shall Declarant be required to post any bond or make any deposit in connection with such construction. Declarant reserves the right to sell one or more Parcels to any purchaser without first constructing a Building; provided, however, that following such sale, unless Declarant constructs the Building(s) on such Parcel(s), any subsequent design and construction of a Building on such Parcel will be subject to the Resort Semiahmoo Zone 3 Architectural Standards. In the event Declarant does not build the Building, such Building will be subject to review and approval of the Architectural Standards Committee and will require the posting of a bond or the security deposit as required by the Semiahmoo Community Resort Declaration.

Declarant further intends, but is not required, to develop, design and construct commercial buildings on Tracts A and C. Each Building constructed by the Declarant on Tracts A and C shall be subject to the Resort Semiahmoo Zone 3 Architectural Controls and the Semiahmoo Resort Community Architectural Standards and Restrictions, each as defined in Section 3.12 below, but the Declarant shall not be required to submit the design for such Buildings to the Architectural Standards Committee for its review and approval nor shall Declarant be required to post any bond or make any deposit in connection with such construction. Declarant reserves the right to sell Tracts A and C to any purchaser without first constructing a Building; provided, however, that following such sale, unless Declarant constructs the Building(s) on such Parcel(s), any subsequent design and construction of a Building on such Parcel will be subject to the Resort Semiahmoo Zone 3 Architectural Standards. In the event Declarant does not build the Building, such Building will be subject to review and approval of

the Architectural Standards Committee and will require the posting of a bond or the security deposit as required by the Semiahmoo Community Resort Declaration.

Section 2.03 Marketing of Parcels By Declarant. In connection with Declarant's intended plan of development, Declarant reserves the right to construct Buildings on Parcels owned by Declarant to serve as display or model homes, to use Developed Parcels owned by Declarant for sales or management Offices, and to post marketing signs advertising the availability of Parcels and/or Units for purchase on the Parcels owned by the Declarant as well on the Common Areas, including without limitation, the Resort Semiahmoo Zone 3 Entrance Areas, as herein defined.

Section 2.04 Maintenance by Resort Semiahmoo Zone 3 Association. The Resort Semiahmoo Zone 3 Association shall be responsible for maintaining and repairing the Resort Semiahmoo Zone 3 Common Areas. Without limiting the generality of the foregoing, the Resort Semiahmoo Zone 3 Association will repair and maintain at the expense of the Owners of the Resort Semiahmoo Zone 3 Plat (unless otherwise provided herein):

- (a) the Storm Water System;
- (b) Tracts XXX

The cost of such maintenance and repair shall be paid out of the maintenance assessments that shall be due from the Owners from time to time of the Resort Semiahmoo Zone 3 Plat as provided in Article 5 below.

Section 2.05 Maintenance by SRA. The SRA shall be responsible for maintaining and repairing the SRA Common Areas. Without limiting the generality of the foregoing, the SRA will repair and maintain at the expense of the Owners of the Semiahmoo Resort Community:

Section 2.06 Landscaping Maintenance by Resort Semiahmoo Zone 3 Association. As described in more detail in Section 4.06 below, the Resort Semiahmoo Zone 3 Association, unless it elects to relinquish such responsibility with respect to the Landscaped Areas on each Developed Parcel to the Owner of such Developed Parcel, shall be responsible for maintaining and repairing the landscaping in the Landscaped Area of each Developed Parcel and on Tract XXX and, for this purpose, shall retain an easement over the front, side and rear yards of each Parcel, as more particularly described in Section 3.10 below. The cost of such landscaping maintenance, as long as it remains the responsibility of the Resort Semiahmoo Zone 3 Association, shall be paid out of the maintenance assessments that shall be due from the Owners from time to time as provided in Article 5 below. Resort Semiahmoo Zone 3 Association may at any time and from time to time relinquish its responsibility for one or more Parcels at its sole discretion, but such relinquishment shall not diminish the rights of the SRA under section 4.06.

ARTICLE 3 LAND CLASSIFICATIONS, ENCUMBRANCES AND RESTRICTIONS

Section 3.01 Parcels; Establishment. No Parcel, once established and conveyed by Declarant, shall be further subdivided, by partition or otherwise, without the express written consent of Declarant.

Section 3.02 Maximum Density. The maximum number of Units allowed for each Parcel is as

follows:

a) Tract XXX;

Section 3.03 Use and Purpose. Each Parcel shall be used exclusively for the use identified on the Resort Semiahmoo Zone 3 Plat limited by all applicable zoning and other ordinances. Each Parcel, and any and all improvements (other than the landscaping on the Landscaped Areas as long as the Resort Semiahmoo Zone 3 Association remains responsible for the maintenance therefore) shall be maintained by the Owner in good condition and repair, and in a manner which will not create a fire hazard, become a nuisance, or cause unreasonable disturbance or annoyance to other Owners.

Section 3.04 General Easement. The Semiahmoo Resort Association and the Resort Semiahmoo Zone 3 Association or their respective agents shall have the right, without any liability to the Owner, to ingress/egress through any Parcel (other than any portion thereof upon which a structure has been erected) for the purpose of maintaining any and all Common Areas and easements, including, but not limited, to easements for utilities, storm sewer, power, water, telephone service, cable television and gas, owned by the Semiahmoo Resort Association or the Resort Semiahmoo Zone 3 Association and for the purpose of enforcing any restrictions contained in this Declaration. Declarant may develop other developments as separate developments, and in connection with such separate development, Declarant may grant such separate development(s) easements and other rights of ingress and egress along existing roads within the Property and easements and other rights to install, operate, maintain and repair utilities within existing utility easement areas in the property, provided the owners of individual lots (other than Declarant) within such separate developments are obligated under the restrictive covenants governing their separate development(s) to contribute their equitable share of the cost of maintenance, repair and replacement of those roads and utilities used by such separate development(s).

Section 3.05 Utility Easements. Non-exclusive easements are reserved as shown in the Resort Semiahmoo Zone 3 Plat for the Resort Semiahmoo Zone 3 Association and any and all franchised utilities, including City of Blaine utilities, and their respective successors and assigns, under and upon:

- (a) the exterior ten (10) feet parallel with and adjacent to the street frontage (as determined from the back of the curb);
- (b) Other?

(the precise location of all of which utility easements are more particularly shown in the Resort Semiahmoo Zone 3 Plat) in which to install, lay, construct, renew, operate and maintain utilities, facilities and other equipment for the purposes of serving the subdivision and other property, together with the right to enter upon the Parcels at all times for the purposes herein stated.

Section 3.06 Storm Water System Easement. Non-exclusive easements are hereby reserved on the Property for the purpose of installing, maintaining, repairing, replacing or improving the Storm Water System, including a storm water collection, treatment and drainage system located on Tracts XXX for the use by the Resort Semiahmoo Zone 3 Association. The easement areas for the Storm Water System are as shown on the Resort Semiahmoo Zone 3 Plat. Resort Semiahmoo Zone 3 Association also reserves the right, without any liability to the Owner of such Parcels, to ingress/egress over, under and through such portions of the Property as may be necessary for the purpose of installing, maintaining, repairing, improving, and/or replacing the Storm Water System. The Owners of Tract D shall have no

right to make any use of, or construct any improvements on, the Storm Water System easement areas that are inconsistent with the operation of the Storm Water System.

Section 3.07 Storm Water System Operation, Maintenance and Repair. The Resort Semiahmoo Zone 3 Association shall, at its cost, operate, maintain, and repair the Storm Water System located on the Property. Representatives of the City of Blaine shall have the right to enter and go upon those portions of Tracts D, E and J as may be necessary for purposes of inspection, and to take actions necessary to verify compliance with Storm Water System operation, maintenance, and repair requirements as outlined in the City approved Storm Water System Operation, Maintenance, and Repair Manual. In the event of a breach of the requirements by the Resort Semiahmoo Zone 3 Association, the City will notify the Resort Semiahmoo Zone 3 Association in writing of the breach and the Resort Semiahmoo Zone 3 Association shall have thirty (30) days after receipt of such notice to undertake actions to correct the conditions constituting the breach. If the Resort Semiahmoo Zone 3 Association fails to commence such corrective action within thirty (30) days, or fails to complete the necessary corrective action, the City may undertake such actions as are necessary to effect such corrective action and the Resort Semiahmoo Zone 3 Association will pay all costs to the City for such correction or restoration, including the City's reasonable attorneys' fees. Enforcement shall be at the discretion of the City and no omission or delay in acting shall constitute a waiver of any enforcement right. These enforcement rights are in addition to, and shall not limit, enforcement rights available under other provisions of law or equity, or under any applicable permit or certification.

Section 3.08 Private Walkway Easements. [The Semiahmoo Resort Association](#), the Resort Semiahmoo Zone 3 Association and their respective agents shall have non-exclusive easements on Tract G over those areas shown on Exhibit () attached hereto for the purposes of a pedestrian walkway. The walkway is approximately three (3) feet wide.

Section 3.09 Resort Semiahmoo Zone 3 Entrances Gates. [The Semiahmoo Resort Association](#), the Resort Semiahmoo Zone 3 Association and their respective agents shall have an exclusive easement over those portions of Tract H for the purpose of installing, maintaining, repairing, replacing or improving landscaping, signage, lighting and other mechanical systems at the Resort Semiahmoo Zone 3 Entrance Gates and shall reserve the right, without any liability to the Owner of such Lots, to ingress/egress over, under and through such parcels for the purpose of installing, maintaining, repairing, improving, and/or replacing the landscaping, signage, lighting and other improvements located at the Entrance Gates.

Section 3.10 Landscape Maintenance Easement. [The Semiahmoo Resort Association](#), the Resort Semiahmoo Zone 3 Association and their respective agents shall have the right, without any liability to the Owner, to ingress/egress over, under and through any Parcel (other than any portion thereof upon which a structure has been erected) for the purpose of maintaining and repairing the Landscaped Areas located on each Developed Parcel and the irrigation system, if any, serving such Landscaped Areas in accordance with Section 4.06 below (the "**Landscape Maintenance Easement**"). Each Owner shall have the right to use the Landscaped Areas located on its Parcel for any purpose permitted under this Declaration [and the Semiahmoo Resort Community Declaration](#), as long as such use does not damage or impair the landscaping located on its Parcel or the irrigation system, if any, serving such landscaping and does not interfere with the Resort Semiahmoo Zone 3 Association's ability to maintain such landscaping and irrigation systems, if any.

Section 3.11 Common Area: Uses, Maintenance and Restrictions. The use and maintenance of any Common Area shall be the responsibility of the Resort Semiahmoo Zone 3

Association or the Semiahmoo Resort Association, as determined by the ownership of such Common Area or as specifically provided herein. The rights of use and maintenance responsibilities of SRA Common Areas shall be as described herein and in the Semiahmoo Resort Community Declaration. The rights of use and maintenance responsibilities of those Resort Semiahmoo Zone 3 Common Areas shall be as described in this Declaration, provided, the Resort Semiahmoo Zone 3 Association shall be authorized to promulgate reasonable rules and regulations affecting all Common Areas so as to ensure the common welfare and safety of the Owners. Such rules and regulations may include, but shall not be limited to the following:

(a) The use of any Common Area shall be subject to access and public and private utility easements from time to time granted, conveyed or reserved by the Declarant or the Resort Semiahmoo Zone 3 Association.

(b) Nothing which in any way alters any Common Area from its existing state shall be permitted except as contemplated by this Declaration or approved by Declarant or the Resort Semiahmoo Zone 3 Association.

(c) There shall be no use of any Common Area which injures or scars the Common Area or the vegetation, increases the cost of maintenance, or causes unreasonable disturbance or annoyance to Owners in their enjoyment of their Parcels, or in their enjoyment of the Common Area. All use of any Common Area shall be subject to the Resort Semiahmoo Zone 3 Association Rules (as defined below) in effect from time to time.

Section 3.12 Architectural Standards and Restrictions. To preserve and enhance the value of all Parcels within the Property, any and all construction of improvements on Parcels by Owners, including any additions or alterations to the exterior of existing structures, shall be subject to the architectural controls described in the Semiahmoo Resort Community Declaration (the "**Semiahmoo Resort Community Architectural Standards and Restrictions**") standards and restrictions (the "**Resort Semiahmoo Zone 3 Architectural Standards and Restrictions**") that are imposed under this Declaration. The Resort Semiahmoo Zone 3 Architectural Standards and Restrictions are intended to supplement the Semiahmoo Resort Community Architectural Standards and Restrictions and are not in any way intended to replace, supersede, or abrogate the Semiahmoo Resort Community Architectural Standards and Restrictions. To the extent a term or condition of the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions is more permissive than a term or condition in the Semiahmoo Resort Community Architectural Standards and Restrictions, a conflict shall be deemed to exist and the more restrictive term or condition of the Semiahmoo Resort Community Architectural Standards and Restrictions shall govern. To the extent a term or condition of the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions is more restrictive than a term or condition in the Semiahmoo Resort Community Architectural Standards and Restrictions, no conflict shall be deemed to exist, and the more restrictive term or condition of the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions shall simply be deemed to supplement the term or condition in the Semiahmoo Resort Community Architectural Standards and Restrictions, and the proposed improvements shall satisfy the requirements of both, which shall mean that the more restrictive controls shall apply. Administration and enforcement of the Semiahmoo Resort Community Architectural Standards and Restrictions shall be in accordance with the procedures outlined in the Semiahmoo Resort Community Declaration. Unless alternative procedures are adopted by amendment to this Declaration, administration and enforcement of the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions shall also be made in accordance with the procedures outlined in the Semiahmoo Resort Community Declaration for the Semiahmoo Resort Community Architectural Standards and Restrictions, including, for example, submittal of all plans for approval to the Architectural Standards Committee of the Semiahmoo Resort Community, prior to

commencement of any construction on a Parcel by an Owner. Owners are encouraged to arrange a pre-design conference with the Architectural Standards Committee and their designer prior to commencing design of any improvements on their Parcels. Notwithstanding anything to the contrary herein, in connection with any construction performed on any Parcel by Declarant, Declarant shall not be required to submit any plans for such construction for review and approval by the Architectural Standards Committee of the Semiahmoo Resort Community, by the Resort Semiahmoo Zone 3 Association or pursuant to any alternative procedures adopted by amendment to this Declaration, but any such construction by Declarant shall comply with the Semiahmoo Resort Community Architectural Standards and Restrictions and the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions set forth herein.

Section 3.13 Definitions for Resort Semiahmoo Zone 3 Architectural Standards and Restrictions. In interpreting the Resort Semiahmoo Zone 3 Architectural Standards and Restrictions, the following definitions shall apply:

(a) **"Average Adjacent Natural Grade"** shall be determined for each individual Parcel from a topographical map prepared by a licensed surveyor and calculated in the manner provided for in the "Guidelines and Standards for Home Construction" published from time to time by the Semiahmoo Resort Association architectural standards committee.

(b) **"Building Height (Single family)"** means the vertical distance between the highest point of the structure (excluding chimneys) and the Average Adjacent Natural Grade on the single family residential lots. Currently, the maximum Building Height (Single Family) is 35'.

(c) **"Building Height (Multi family)"** means the vertical distance between the highest point of the structure (excluding chimneys) and the Average Adjacent Natural Grade on Lots 1-4 in Phase 1 as shown on Exhibit () attached hereto.

(d) **"Building Setback"** means the shortest distance as measured horizontally between (i) the applicable Parcel boundary line, and (ii) the exposed vertical plane of the building structure excluding roof overhangs, that is nearest to such applicable Parcel boundary or other defined line. The Building Setback areas are shown on the setback sketches attached hereto as Exhibits ().

(d) **"Front Yard"** typically means the open area on a Parcel extending the width of the Parcel and lying between the Parcel boundary line adjacent to the road providing access to the garage on the Parcel and the principal structure of the Parcel (the **"Front Parcel Line"**).

(e) **"Rear Yard"** typically means the open area on a Parcel extending the width of the Parcel and lying between that Parcel boundary line directly opposite to the Front Parcel Line (the **"Rear Parcel Line"**) and the principal structure of the Parcel.

(f) **"Side Yard"** means any open area on a Parcel between the Parcel boundary line and the principal structure on a Parcel that do not qualify as either the Front Yard or the Rear Yard.

Section 3.14 No Improvements within Building Setbacks. No improvements or structures, other than sidewalks, driveways, landscaping, mailboxes and retaining walls approved by the Architectural Standards Committee, may be constructed within Building Setbacks. As described above, Building Setbacks are established for the front yard, side yards and rear yard of each Parcel as shown on the setback sketches attached hereto as Exhibits (). *Any conflict between the setbacks depicted in Exhibits () and any setback requirements or standards set forth in*

the Semiahmoo Resort Community Declaration Architectural Standards and Restrictions, the Master Plan for Resort Semiahmoo or other City of Blaine regulations from time to time, the applicable setbacks depicted in Exhibits () shall govern.

Section 3.15 Adherence to Approved Plans. Once a design or plan has been submitted to and approved by the Architectural Standards Committee, the Owner shall strictly adhere to such approved design or plan (unless amended by change order approved by the Architectural Standards Committee) and all construction, landscaping and use of the Parcel shall strictly conform with the approved design or plan.

Section 3.16 Additional Use Restrictions. In addition to the restrictions set forth elsewhere in this Declaration and in the Semiahmoo Resort Community Declaration, each Owner shall be bound by the following restrictions and obligations:

(a) Without the written consent of the Resort Semiahmoo Zone 3 Association, no blinds, draperies, under-draperies, or drapery line that is visible from the exterior of a residence or any structure shall be any color other than white, off-white or a neutral shade;

(b) Each Owner shall maintain the exterior of the residence and other improvements on its Parcel in good condition and repair, which obligation, shall include without limitation, periodic repainting and the prompt replacement of all broken windows and exterior doors;

(c) No accessory buildings will be allowed;

(d) Satellite dishes are not allowed.

Section 3.17. Preservation of Open Space Buffer. Except as provided below no, including the Resort Semiahmoo Zone 3 Association, may remove or disturb any trees or other vegetation in the Open Space Buffer (identified on the Resort Semiahmoo Zone 3 Plat as the “**Open Space Buffer**”), unless such tree(s) or vegetation pose a hazard or are a harmful element. A hazard tree is defined as a dead or dying tree in danger of ultimately falling on a structure, private property, road or trail, or as further determined by a licensed arborist who recommends the removal of a tree as posing a potential hazard. Examples of harmful elements would be nettles or blackberries. Removal of a tree(s) or harmful elements will be permitted upon submittal and approval by the Architectural Standards Committee of a re-vegetation plan which includes indigenous trees and evergreen plants.

Section 3.18 Impervious. Total land coverage by residential buildings (including land covered by eaves and overhangs) shall be as described in Exhibit () attached hereto.

Section 3.19 Roof Infiltration Trenches. Roof infiltration trenches will be designed by a licensed engineer and be approved by the City of Blaine prior to construction.

Section 3.20 Height Restrictions (Single family) No improvements or structures on any single family Parcel may exceed the lesser of the Building Height (Single family) or the more stringent requirements or standards set forth in the Master Plan for Resort Semiahmoo or other City of Blaine regulations as may be amended from time to time.

Section 3.21 Height Restrictions (Commercial) No improvements or structures on any commercial or multi-use or Parcel (Tracts XXX) may exceed the Building Height shown on the maximum height sketch attached hereto as Exhibit ?. Any conflict between the height

restrictions depicted in Exhibit ? and any height requirements or standards set forth in the [Semiahmoo Resort Community Declaration Architectural Standards and Restrictions](#), the Master Plan for Resort Semiahmoo or other City of Blaine regulations as may be amended from time to time, the height restrictions depicted in Exhibit ? will govern.

Section 3.22 (**Reserved**)

ARTICLE 4 RESORT SEMIAHMOO ZONE 3 ASSOCIATION

Section 4.01 **Organization.**

(a) Declarant shall initially control the Resort Semiahmoo Zone 3 Association, as provided in Section 4.03 below. Declarant may cause the Resort Semiahmoo Zone 3 Association to become a Washington non-profit corporation by filing Articles of Incorporation with the Office of Secretary of State and adoption of Bylaws consistent with the terms and conditions of this Declaration. The affairs of the Resort Semiahmoo Zone 3 Association shall be governed by the Articles and Bylaws, and it shall have the rights and duties set forth in the Articles and Bylaws.

(b) If the Resort Semiahmoo Zone 3 Association for any reason is dissolved as a corporate entity, a non-profit, unincorporated association consisting of all Owners shall forthwith and without further action or notice be formed and succeed to all rights and obligations of the Resort Semiahmoo Zone 3 Association. The unincorporated association shall be known as Resort Semiahmoo Zone 3 Homeowners Association and its affairs shall be governed by the laws of the state of Washington and, to the extent not inconsistent, by the Articles and Bylaws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association. As referred to herein, the term "Resort Semiahmoo Zone 3 Association" shall include the unincorporated association set forth in this subparagraph.

Section 4.02 **Membership.** Each Owner, including Declarant until Declarant turns over control to the Owners as provided in Section 4.03 herein, shall have one membership and one vote in the Resort Semiahmoo Zone 3 Association for each Parcel that such Owner owns. If the Owner of one or more Parcel consists of more than one entity or person, such Owner shall still have only one membership and one vote in the Resort Semiahmoo Zone 3 Association for each Parcel that such Owner owns, and all entities or persons constituting such Owner shall designate one thereof to represent such Owner, and the vote of such representative shall be deemed to be for and binding on all entities or persons constituting the Owner. If no such representative has been unanimously designated by all entities or persons constituting the Owner, such Owner shall have no vote in the Resort Semiahmoo Zone 3 Association until such a representative has been so designated.

Section 4.03 **Declarant Control.** The Declarant shall initially control the Resort Semiahmoo Zone 3 Association by appointing all of the directors to serve on the Board of Directors of the Resort Semiahmoo Zone 3 Association, and such Board of Directors shall be fully authorized to exercise the powers of the Resort Semiahmoo Zone 3 Association until such time as all of the Parcels within the Property have been sold by Declarant, Declarant turns over such control to the Owners as provided below, or the expiration of fifteen (15) years after the date of final approval of the Resort Semiahmoo Zone 3 Plat, whichever occurs sooner. Should the Declarant elect to turn over control of the Resort Semiahmoo Zone 3 Association before the expiration of such fifteen (15) year period, the Declarant shall provide notice to each record owner within the Property, which notice shall provide thirty (30) days prior notice of a meeting of the Resort Semiahmoo Zone 3 Association for the purpose of election of new directors and

appointment of new officers all as provided in the Articles and Bylaws. Notwithstanding anything contained herein to the contrary, Declarant shall have the right at any time to turn over control of the Resort Semiahmoo Zone 3 Association to the Owners for the limited purpose of matters relating only to ministerial administration of the Property, retaining to itself any and all decisions which in Declarant's reasonable judgment affect development or marketing of Parcels within the Property. Examples of matters relating only to ministerial administration may be levying and collection of assessments, election of directors, amendment of Resort Semiahmoo Zone 3 Association Rules, etc. Examples of matters which may affect development or marketing of parcels within the Property would be maintenance and upkeep of the Common Areas and Landscaped Areas, amendments to this Declaration, revisions to access roads within the Property, capital improvements to the Property, etc. until such time as full control of the Resort Semiahmoo Zone 3 Association has been turned over to the Owners, Declarant shall retain the authority to veto any decision of the Resort Semiahmoo Zone 3 Association which, in Declarant's reasonable judgment has a material adverse impact on the Property or the development or marketing of those Parcels still owned by Declarant.

Section 4.04 **Resort Semiahmoo Zone 3 Association Rules.**

(a) The Resort Semiahmoo Zone 3 Association may, from time to time adopt, amend, and repeal rules and regulations, to be known as the "Resort Semiahmoo Zone 3 Association Rules" governing:

(i) architectural controls and use restrictions, including but not limited to those described in Sections 3.12 through 3.21 herein, provided such rules are consistent with local zoning and land use regulations, and with the architectural controls described in Article X of the Semiahmoo Resort Community Declaration;

(ii) the use of the Common Area and recreational facilities owned by the Resort Semiahmoo Zone 3 Association, if any;

(iii) the burning of open fires;

(iv) the keeping and maintenance of animals; and

(v) any other matters which affect the Owners and are not inconsistent with the terms hereof or the terms of the Semiahmoo Resort Community Declaration.

(b) The Resort Semiahmoo Zone 3 Association Rules may not arbitrarily discriminate among the Owners or preclude Declarant from developing and marketing the Parcels owned by Declarant in accordance with Semiahmoo Resort Community Architectural Controls and the Resort Semiahmoo Zone 3 Architectural Controls.

(c) Copies of the Resort Semiahmoo Zone 3 Association Rules, as from time to time amended, certified by the Secretary or any Assistant Secretary of the Resort Semiahmoo Zone 3 Association, shall be delivered to each Owner.

Section 4.05 Maintenance of Common Areas. The Resort Semiahmoo Zone 3 Association shall be solely responsible for the maintenance and repair of any Resort Semiahmoo Zone 3 Common Area and shall keep such Common Area in good condition and repair. The costs and expense of such maintenance and repairs shall be paid in accordance with Article 5 below.

Section 4.06 **Maintenance of Landscaped Areas and Resort Semiahmoo Zone 3 Entrance**

Areas.

(a) **Responsibility for Maintenance and Cost of Landscaped Areas.** Except as otherwise provided herein, the Resort Semiahmoo Zone 3 Association shall be solely responsible for the maintenance of the Landscaped Areas and shall keep the Landscaped Areas in good condition and repair. The costs and expense of such maintenance and repairs shall be paid in accordance with Article 5 below. In calculating the cost and expense of such maintenance and repairs of the Landscaped Areas, the Resort Semiahmoo Zone 3 Association, or Declarant if, it is acting as the maintenance manager for the Resort Semiahmoo Zone 3 Association, shall be entitled to include and collect a management fee equal to ten (10%) percent of the cost and expenses incurred in maintaining and repairing the Landscaped Areas. At its sole discretion, the Resort Semiahmoo Zone 3 Association at any time may elect to relinquish all responsibility for the maintenance and repair of the Landscaped Areas on all Parcels to the respective Owners of each such Parcels. Such a relinquishment of responsibility shall become effective thirty (30) days after the Resort Semiahmoo Zone 3 Association provides written notice to each Owner of its election to relinquish such responsibility. As of the effective date of relinquishment of such responsibility, (i) the Resort Semiahmoo Zone 3 Association shall have no further responsibility for the maintenance or repair of any of the Landscaped Areas, (ii) each Owner shall be responsible for the maintenance and repair of the Landscaped Areas located on its Parcel, and (iii) Sections 2.06 and 3.06 of this Declaration shall terminate and shall have no further force or effect.

(b) **Responsibility for Maintenance and Cost of Resort Semiahmoo Zone 3 Entrance Areas.** The SRA shall be solely responsible for the maintenance of the Resort Semiahmoo Zone 3 Entrance Areas, and shall keep the Resort Semiahmoo Zone 3 Entrance Areas in good condition and repair. The costs and expense of such maintenance and repairs shall be paid in accordance with provisions set forth in the Semiahmoo Resort Community Declaration in the same manner as other Common Areas as defined therein. In calculating the cost and expense of such maintenance and repairs of the Resort Semiahmoo Zone 3 Entrance Areas, the SRA, or Declarant if, it is acting as the maintenance manager for the SRA, shall be entitled to include and collect a management fee equal to ten (10%) percent of the cost and expenses incurred in maintaining and repairing the Resort Semiahmoo Zone 3 Entrance Areas.

(c) **Indemnification of Owners.** The Resort Semiahmoo Zone 3 Association shall defend, indemnify and hold each Owner harmless from any claims, loss, damages, liabilities or costs (other than the obligation to pay assessment and special assessments in accordance with Article 5 below) arising in connection with the Resort Semiahmoo Zone 3 Association's performance of its maintenance and repair obligations on the Landscaped Areas and Resort Semiahmoo Zone 3 Entrance Areas located on such Owner's Parcel.

(d) **Owner's Responsibility for Damage.** To the extent any Owner causes any damage or loss to the landscaping, irrigation system or other improvements on the Landscaped Areas or the Resort Semiahmoo Zone 3 Entrance Areas or by its acts or omissions increases the costs and expenses to maintain the Landscaped Areas or the Resort Semiahmoo Zone 3 Entrance Areas, the Resort Semiahmoo Zone 3 Association shall be entitled to recover the cost or expense of repairing such loss or damage or such increased maintenance costs from such Owner as a special assessment.

(e) **Responsibility for Landscaping Installation.** In connection with the construction of any Building, the Owner of the Parcel shall be responsible, at its sole cost and expense, to landscape the Landscaped Areas in a manner consistent with the landscaping of the

Landscaped Areas of the other Developed Parcels (including the irrigation system, if any), and the landscaping plan and the firm retained to perform the landscaping work will be subject to the prior review and written approval of the Resort Semiahmoo Zone 3 Association [Semiahmoo Resort Association Architectural Standards Committee](#). If an Owner fails to perform its obligations for installation (in connection with construction of a residence on its Parcel) or maintenance with respect to landscaping located on its Parcel within twenty (20) days following receipt of a written demand from the Association [SRA](#), the Association [SRA](#) may, at its sole discretion and at such Owner's sole cost and expense, either perform such maintenance obligations or remove the landscaping and re-landscape the area to match the landscaping existing in the balance of the Landscaped Areas. All such maintenance or re-landscaping costs incurred by the Association [SRA](#) in connection with any landscaping located on an Owner's Parcel shall constitute a special assessment that the Association [SRA](#) may levy against that Owner.

Section 4.07 Liability. No member of the Board of Directors shall be personally liable to any Owner, guest, or to any other person, including Grantor, for any error or omission of the Resort Semiahmoo Zone 3 Association, its representatives and employees; provided, however, that such member has acted in good faith in light of the actual knowledge possessed by him or her.

Section 4.08 Insurance. The Resort Semiahmoo Zone 3 Association shall have the right, but not the Obligation, to procure and maintain one or more of the following types of insurance policies:

- (a) property insurance;
- (b) commercial general liability insurance;
- (c) worker's compensation insurance to the extent required by applicable laws;
- (d) directors and officers liability insurance; and
- (e) such other insurance as the Resort Semiahmoo Zone 3 Association deems advisable.

All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects and authorized to do business in the state of Washington. The costs and expense of such insurance shall be paid in accordance with Article 5 below.

ARTICLE 5 FUNDS AND ASSESSMENTS

Section 5.01 Operating Fund. There shall be an operating fund, into which the Resort Semiahmoo Zone 3 Association shall deposit all monies received by it from any source and from which the Resort Semiahmoo Zone 3 Association shall make disbursements in performing its functions.

Section 5.02 Maintenance Assessments.

(a) Thirty (30) days prior to the commencement of each fiscal year, the Resort Semiahmoo Zone 3 Association shall estimate the costs and expenses, if any, to be incurred by the Resort Semiahmoo Zone 3 Association during the succeeding fiscal year in performing its functions (including a reasonable provision for contingencies and replacements). The Resort Semiahmoo Zone 3 Association shall subtract from the estimate the anticipated balance in the operating fund at the start of the fiscal year which is attributable to maintenance assessments

and the estimated receipts for all use fees to be collected from licenses during the next fiscal year.

(b) The net estimate determined pursuant to paragraph (a) above shall be assessed to the Owners as a maintenance assessment. Each Owner will be responsible for an equal share of such maintenance assessment, calculated using the total budget as the numerator and the total number of permitted Units in the project as the denominator.

(c) If at any time during any fiscal year the maintenance assessment proves inadequate for any reason, including nonpayment of any Owner's share, the Resort Semiahmoo Zone 3 Association may levy an additional assessment in the amount of the inadequacy, which shall be assessed to the Owners in the manner set forth in paragraph (b) above.

(d) Maintenance assessments may be made for maintenance, repair, upkeep and replacement of facilities and equipment, and for current services and operations performed by or on behalf of the Resort Semiahmoo Zone 3 Association. No expenditure in excess of Three Thousand Dollars (\$3,000) for capital improvements or capital equipment shall be funded through maintenance assessments during any fiscal year. Provided, however, that nothing shall prevent reconstruction or replacement of existing common facilities through use of maintenance assessments, whether directly or through creation of appropriate reserves.

Section 5.03 Capital Improvement Assessments. In addition to the annual maintenance assessments, the Resort Semiahmoo Zone 3 Association may levy a capital improvement assessment for the purpose of defraying the cost of constructing any capital improvement, any recreational facility, or of acquiring any fixtures, equipment or personal property of a capital nature, not otherwise to be funded through maintenance assessments, or for the purpose of establishing reserves therefore. Such assessment must have the vote or written consent of Owners owning not less than sixty-six and two-thirds percent (66-2/3%) of the membership of the Resort Semiahmoo Zone 3 Association. Each Parcel shall be assessed its pro rata share of any capital improvement assessment in the same manner as for maintenance assessments.

Section 5.04 Special Assessments. The Resort Semiahmoo Zone 3 Association may levy a special Assessment against any Owner whose acts caused monies to be expended from the operating fund by the Resort Semiahmoo Zone 3 Association in performing its functions under this Declaration or the Resort Semiahmoo Zone 3 Association Rules. The special assessment shall be in the amount expended together with any consequential costs, and shall be immediately due and payable to the Resort Semiahmoo Zone 3 Association when levied.

Section 5.05 Default in Payments of Assessments.

(a) Each assessment provided for herein shall be a separate, distinct and personal debt and obligation of the Owner of the Parcel or Units (if a Building is constructed on a Parcel) against which it is assessed. Each Owner, by acceptance of a deed or other conveyance of a Parcel or Unit (as the case may be) is deemed to covenant and agree to pay the Resort Semiahmoo Zone 3 Association annual and special assessments, including any fines or late fees provided herein. Such amounts shall constitute an equitable charge and continuing lien upon each Parcel/Unit, the Owner of which is responsible for payment. If the Owner does not pay the assessment or any installment when due, the Owner shall be in default, and the amount of the assessment not paid, together with the amount of any Subsequent default, plus interest at fifteen percent (15%) per annum, or the highest rate permitted by law, whichever is lower, and costs, expenses and reasonable attorneys' fees incurred by the Resort Semiahmoo Zone 3

Association with or without suit, shall immediately be due and payable. The continuing lien shall be subject and subordinate to the lien of any mortgage upon the Parcel or Unit of the Owner which is made in good faith and for value and is recorded prior to the recordation of a notice of default. The Resort Semiahmoo Zone 3 Association may record a notice of default, and may commence proceedings to enforce the lien within three (3) months following recordation. The foregoing remedy shall be in addition to any other remedies provided at law or hereunder.

(b) The Resort Semiahmoo Zone 3 Association shall execute and acknowledge a certificate stating the indebtedness and default, if any, secured by the continuing lien upon any Parcel/Unit and the certificate shall be conclusive upon the Resort Semiahmoo Zone 3 Association and the Owners, in favor of all persons who rely in good faith on the certificate, as to the amount of indebtedness on the date of the certificate. The Resort Semiahmoo Zone 3 Association shall furnish a copy of the certificate to any Owner upon request at a reasonable fee.

Section 5.06 Joint and Several Liability. Each entity or person holding an interest in any Owner shall be jointly and severally liable for all obligations of such Owner hereunder.

ARTICLE 6 MISCELLANEOUS

Section 6.01 **Obligations of Owners: Avoidance; Termination.**

(a) No Owner, through his or her non-use of any Common Area or recreational facility owned by Resort Semiahmoo Zone 3 Association, or by abandonment or consolidation of two or more Parcels, may avoid or diminish the burdens or obligations imposed by this Declaration.

(b) After conveyance of a Parcel to a new Owner, the Owner transferring the Parcel shall not be liable for any assessments levied after the date of conveyance.

Section 6.02 Division or Consolidation of Parcels. Any division of any Parcel, modification of Parcel boundaries or consolidation of two or more Parcels shall be subject to the terms of this Declaration. The lease of less than all of a Parcel shall be considered a division for purposes of this Section.

Section 6.03 Term of Declaration. The covenants, conditions, restrictions and reservations of this Declaration shall run with and bind the land subject to this Declaration, in perpetuity from the date this Declaration is recorded; provided that the Declaration may be amended from time to time as provided below.

Section 6.04 Amendments. This Declaration may be amended at any time by a duly recorded amendment executed by the Owners of not less than two-thirds of the Units then subject to this Declaration, unless a greater percentage is required at law; provided, however, no amendment shall be made to this Declaration without the written consent of Declarant until control of the Resort Semiahmoo Zone 3 Association has been turned over to the Owners as provided in Section 4.03 above.

Section 6.05 Discipline; Suspension of Rights. The Resort Semiahmoo Zone 3 Association may suspend voting rights and the right of any Owner to use any Common Area or any recreational facilities owned by the Resort Semiahmoo Zone 3 Association for any period during which any assessment against his Parcel remains unpaid. In addition, these rights may be suspended for thirty (30) days following any breach of this Declaration or of the published Resort

Semiahmoo Zone 3 Association Rules, provided that if such breach is ongoing, the suspension may be extended to thirty (30) days after the breach is cured or ceases to be ongoing. Suspension shall be imposed only after notice to the Owner and hearing by the Board of Directors of the Resort Semiahmoo Zone 3 Association. The foregoing are in addition to any other rights or remedies available to the Resort Semiahmoo Zone 3 Association either at law or hereunder.

Section 6.06 Enforcement. The Resort Semiahmoo Zone 3 Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Resort Semiahmoo Zone 3 Association or of any Owner to enforce any covenant or restriction contained in this Declaration shall not be deemed a waiver of any later rights.

Section 6.07 Severability. Invalidation of any portion of this Declaration by judgment or court order shall not effect any other provision, and the remainder of the Declaration shall remain in full force and effect.

Section 6.08 Notices; Documents; Delivery. Any notice or other document permitted or required by this Declaration to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United states mail, postage prepaid, addressed as follows: if to Declarant, or as the case may be, Resort Semiahmoo Zone 3 Association, c/o Razorhone, LLC, _____, Bellingham, Washington; [if to the Semiahmoo Resort Association, 9550 Semiahmoo Parkway, Blaine, WA 98230](#); if to an Owner, then to any Parcel/Unit within the Property owned by such Owner; provided, however, that any such address may be changed from time to time by any Owner, or by Declarant by notice in writing, delivered to the Resort Semiahmoo Zone 3 Association, or by the Resort Semiahmoo Zone 3 Association, by notice in writing delivered to all Owners.

DATED as of the day and year first above written.

DECLARANT:

Razorhone, LLC,
a Washington limited liability company

By:
Its: Managing Member

The Semiahmoo Resort Association, Inc. hereby accepts the rights, benefits, obligations and enforcement rights contained herein, including the provisions contained in Sections 1.17, 2.05, 3.04, 3.08 to 3.11, 3.14 and 4.06(b) herein.

SEMAHMOO RESORT ASSOCIATION, INC.
a Washington corporation

By: Its

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the _____ [title] of SEMIAHMOOO RESORT ASSOCIATION, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2008.

(SEAL/STAMP)

NOTARY PUBLIC
Printed Name: _____
My Commission Expires: _____

EXHIBIT "A" LEGAL DESCRIPTION