



AFTER RECORDING RETURN TO:
MARK A. LACKEY
900 DUPONT STREET
BELLINGHAM, WA 98225-3105

Document title: Declaration of Covenants, Conditions, Reservations and Restrictions of Pioneer Terrace
Declarant: Pioneer Terrace, L.L.C., a Washington limited liability company
Legal Description:
Tax Parcel No(s):

**DECLARATION OF COVENANTS, CONDITIONS,
RESERVATIONS AND RESTRICTIONS OF
PIONEER TERRACE**

RECITALS

1. The undersigned Declarant is the Owner in fee simple of the following described real property located in the County of Whatcom, State of Washington:

The West 350 feet, except the North 25 feet thereof conveyed to the Town of Ferndale for road, of the following described tract:

Commencing at a point 554.4 feet West of the Quarter Section Post between Section 19 and 20, Township 39 North, Range 2 E.W.M.; Thence West along the Quarter Section line 730 feet to a stake; thence South 407 feet; thence East 920 feet to the West line of the Blaine-Ferndale Road; thence Northwesterly along the West line of said road 422 feet to the Point of Beginning; being in the Northeast Quarter of the Southeast Quarter of Section 19, Township 39 North, Range 2 E.W.M.

County of Whatcom, State of Washington.

(hereinafter referred to as the "Subdivision").

2. The general use restrictions and requirements are designed to enhance and protect value and restrict behavior that is detrimental to the owners of lots in the Subdivision. The restrictions on design and development are not intended to prevent or impair innovative or eclectic design. The restrictions are intended to require uniform quality with flexible design done in a tasteful manner.

DECLARATION

The Declarant hereby certifies and declares that the following covenants, conditions, reservations and restrictions shall endure and be binding upon the respective Owners of each Lot within the Subdivision, and the Declarant further declares that all of the property within the Subdivision described herein is held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved

subject to the following covenants, conditions, reservations and restrictions for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision and every part thereof. All of the following covenants, conditions, reservations and restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Subdivision or any part thereof.

1. LAND CLASSIFICATION AND DEFINITIONS. The following words and classifications of land shall have the following meanings under this Declaration:

1.1 Lot. "Lot" shall mean any parcel of real property within the boundaries of the Subdivision, identified by Arabic numerals and letters, and designated for the location and construction of a single family attached unit.

1.2 Person. "Person" shall mean any individual, firm, corporation, partnership, association, unincorporated association or other legal entity.

1.3 Owner. "Owner" shall mean any person holding either fee title or a vendee's interest under a real estate contract as shown by the records of the Auditor of Whatcom County, Washington, in a Lot.

1.4 Declarant. "Declarant" shall mean Pioneer Terrace, L.L.C., or any successor in interest appointed pursuant to Section 11 of this Declaration.

1.5 Common Properties. "Common Properties" shall mean real property owned by the Declarant, shown on the plat maps for Pioneer Terrace, L.L.C. for the common use, benefit and enjoyment by the Owners and the Association, including, but not limited to, Tract A and Tract B as shown on the Plat of Pioneer Terrace.

1.6 Improvements. "Improvements" shall mean and include, without limitation, any buildings, out-buildings, private roads, driveways, parking areas, fencing, retaining walls, swimming pools, screening, walls, ornamentation, signs, stairs, decks, hedges, wind breaks, plantings, planted trees, shrubs, poles, lighting, hot tubs and any other structure or landscaping.

1.7 Plat. "Plat" shall mean the plat maps for The Plat of Pioneer Terrace, recorded under Whatcom County Auditor's File No. 2140701553.

1.8 Resident. "Resident" shall mean each person lawfully residing on or in any part of any Lot.

1.9 Association. "Association" shall mean the community association of all Owners, as more fully described in Section 7 hereof, which is being created concurrent with the execution hereof in the form of a Washington nonprofit corporation.

2. COMMON WALLS

2.1 Equal Cost-sharing of Maintenance Repair. Any common wall, which is now or may hereafter be erected on the Lots, shall be maintained at the equal expense of the owner(s) of lots A and B of that tract number. The cost of any repairs to the common wall structural or otherwise shall be shared by the owners of the two lots equally, except damage caused by Owner or Resident of a Lot sharing a common wall shall be paid by the Owner of the Lot that caused the damage.

2.2 Procedures for Approval of Repair and Maintenance Work. Any maintenance and/or repair work that needs to be done to a common wall shall be done based upon written bids at a fixed price unless the parties collectively agree otherwise. Either owner of lots A or B may request bids for any maintenance and/or repair. Notice of intent ("Notice") to repair and/or maintain and copies of bids for such work shall be given to all Owner(s) of lots A & B. Neither party may authorize repair and maintenance work until the other party has accepted the proposed bid or until thirty (30) days have elapsed from the date Notice is given, except in the case of emergency in which case five (5) days have elapsed since Notice is given. In the event no response to the Notice is received by the Owner(s) acquiring such bids, then such Owner(s) may authorize the work in accordance with the bids given to all other Owner(s) but not otherwise.

2.3 Matters Not Subject to Cost Sharing or Share Decision Making. The exterior of any structures placed on the Lots shall be maintained by the owner of the lot on which, the structure is located. All landscaping and other maintenance of each of the individual lots shall be the responsibility of the Owner of such Lots; provided, the exterior color or appearance of the structure shall not be changed without the prior written consent of both of the parties.

2.4 Insurance. The Owners of each of the Lots A and B of the tract shall each have an insurable interest in the common wall. Each of the Owners of the Lots shall maintain, at all times, fire and casualty insurance, insuring them against loss or destruction, removal or damage of the common wall, including coverage at replacement value for the common wall and attached structures in which they have an insurable interest. The Owners of the Lots shall apply all insurance policy proceeds for the purpose of replacement of the common wall if it is damaged or destroyed as soon as such funds are available for that purpose.

2.5 Contribution and Lien Rights. If either party undertakes repair or maintenance work to the common wall pursuant to the procedure set forth in these Covenants and one of the owners pays more than one-half (1/2) of the cost of such maintenance and repair, then the other party shall reimburse such owner so that each of the parties pay one-half (1/2) of the cost of the maintenance and repair. In the event reimbursement is not paid within thirty (30) days after written demand for reimbursement is given, then the reimbursement amount shall bear interest at the rate of twelve percent (12%) per annum. If reimbursement is not made within thirty (30) days after written demand then a lien may be filed against the Lot whose owner failed to make the required maintenance and repair payment. Such lien shall be enforceable through foreclosure and other legal process in a manner provided for foreclosure of liens of judgments under the laws of the State of Washington. These covenants shall be superior to the Lot Owners' homestead rights.

2.6 Encroachment Easement. Each Lot is hereby granted and reserved over the other Lot having a common wall an easement for the purpose of accommodating an encroachment due to the width of the wall, engineering errors, errors in original construction, settlement or shifting of the building or any other similar cause. Such easements shall be for the continuance of such encroachments so long as they shall exist. The rights and obligations of the Lot Owners shall not be altered in any way by such encroachments. In the event a common wall is partially or totally destroyed, then the encroachments shall continue to be permitted and the easements for such encroachments shall remain and apply to the reconstructed common wall.

2.7 Notices. All notices or demands to be given by each party to the other under this covenant and all sums to be paid by each party shall be deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the address shown in the records of the Whatcom County Assessor's office and shall be deemed to be given the day they are postmarked.

2.8 Covenant Runs With the Land: Binding Effect. These Covenants contained herein shall

run with the land and shall be binding upon the heirs, successors and assigns of the owner of Lots A and B. These common wall covenants shall not be revoked without the prior written approval of the City of Ferndale.

2.9 Attorney's Fees. In the event either Buyer or Seller shall institute suit to enforce any rights hereunder, the successful party shall be entitled to court costs and reasonable attorney's fees against the losing party.

3. RESERVATIONS

3.1 Reservation of Easements. Easements for drainage, sewers, water pipes and utilities, facilities and services (including, but not limited to, water supply, electricity, gas, telephone and television) are hereby reserved over, under, upon, in and through all roadways and walkways, and over, under, upon, in and through those certain portions of Lots or parcels as shown on the final plat maps of the Subdivision in which are and/or shall be installed, laid, constructed, repaired, renewed, operated, maintained and inspected underground pipes, sewers, conduits, cables, wires and any and all necessary facilities and equipment for the purpose of serving the Subdivision, together with the right to enter upon said easement areas, Lots, parcels, roads and walkways for or pertaining to the aforesaid. This reservation of easements is for the benefit of the Declarant and its successors in interest, as well as for the benefit of the City of Ferndale, Puget Sound Energy Company, Cascade Natural Gas and Comcast and any other purveyors of such services as herein before described, as well as any of their successors in interest.

3.2 Reservation of Drainage Easement and The Right to Drain. The Declarant hereby reserves the right to drain all roadways, walkways, Lots, easement ways and areas over and across any Lot. The disturbance of any Lot caused by exercise of the rights reserved under this easement shall be repaired as near as is reasonably possible to the prior condition.

4. GENERAL USE RESTRICTIONS AND REQUIREMENTS

4.1 Residential Purposes. All Lots within the Subdivision shall be used exclusively for residential use for relatively long time periods and not for transient uses such as rooming house or Bed and Breakfast establishments.

4.2 Recreational Vehicles. All boats, utility trailers, trucks of more than one-ton rating, campers, recreational vehicles, travel trailers, motor homes and similar items or vehicles maintained or kept upon any Lot within the Subdivision shall at all times be enclosed within a garage or otherwise neatly stored behind the front wall line of the residence and reasonably screened from view from the street running in front of said Lot, nor shall any such items or vehicles be parked on any street within the Subdivision overnight; provided, that out-of-county resident guests of an Owner may, with such Owner's permission, park a recreational vehicle or travel trailer on Owner's Lot for up to a maximum of eight weeks within any calendar year without being in violation of this subparagraph.

4.3 Explosives. No firearms or explosives shall be discharged within the boundaries of the Subdivision.

4.4 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes. Other household pets are limited to fish and small indoor caged animals.

- a. Dogs shall be kept and confined in fenced areas or on leashes when within the Subdivision. Owners shall clean up after their pets within the Subdivision.
- b. No dangerous or potentially dangerous dogs shall be allowed within the Subdivision, and no Owner shall harbor or keep a dog that frequently or habitually howls, barks or makes other loud noises or unreasonably annoys or disturbs other people within the Subdivision.

4.5 Signs. No signs or billboards shall be placed on any Lot, except that one identification sign bearing the Owner's name and address may be placed upon the Owner's Lot. Irrespective of the foregoing, the Declarant may display post signs, billboards or other advertising materials on or about any unsold Lot or Lots until all Lots within the Subdivision have been sold by Declarant. In addition thereto, the Declarant, and any Owner or such Owner's agent, may subsequently advertise any Lot for sale, and, furthermore, an Owner may display signs of a political nature, promoting a candidate or a political proposition, during periods of political campaigns.

4.6 Garbage / Refuse. No Owner shall deposit or permit the accumulation of any trash, ashes, garbage or other refuse or debris on or about such Owner's Lot or any other property within the Subdivision, except in appropriate covered trash receptacles. Each Owner shall keep such Owner's Lot neat and orderly in appearance and shall not cause or permit any noxious or odorous conditions to exist, nor maintain any tangible objects which are unsightly in appearance to exist, on any Lot within the Subdivision.

4.7 Vehicles. All automobiles and all other permitted vehicles, if kept or parked on any Lot or otherwise within the Subdivision, shall be in good order and in working condition. Partially wrecked vehicles, discarded vehicles, unlicensed vehicles or vehicles which are in a state of disrepair shall not be kept on any Lot nor shall they be maintained within the Subdivision, unless enclosed in a garage or otherwise completely screened from view from outside the Lot.

4.8 Antennas. No television, radio or satellite antenna, receivers, dishes or other telecommunication devices shall be installed on any portion of any Lot unless contained entirely within the interior of a building or in the backyard reasonably screened from the view of all neighbors.

4.9 Fencing.

- a. No fencing shall be erected in the front yard street side of the building set back line or within the flanking side yard except for decorative purposes such as a picket, split rail or decorative screening or background fence approved by the Committee.
- b. Fencing or landscaping shall be installed to visually screen areas that serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, mechanical equipment, vehicles, materials, supplies and equipment are stored outside. The screening shall substantially conceal such service yards from view from the road and adjacent properties. Fencing to accomplish this purpose shall be approved by the Committee.
- c. All fencing must comply with the construction requirements of Section 5.4 of this Declaration.

4.10 Surface Water Run-Off. No Lot shall be improved in such a way as to cause excess surface water run-off that may damage or inconvenience other Lots or the Owners.

4.11 Damaged Improvements. No improvement which has been partially or totally destroyed by fire, earthquake or any other cause shall be allowed to remain in a state of disrepair for a period in excess of four months from the date of such partial or total destruction. Corrective construction or reconstruction shall be required to commence within such four month period and shall be completed in accordance with the provisions of Section 6.1; provided, however, that four month period shall be extended for a reasonable period thereafter in the event that corrective construction or reconstruction has not commenced as a result of factors beyond the control of the subject Owner and in the event that the subject Owner has exercised and does thereafter continue to exercise due diligence in an effort to eliminate such factors causing such delay in commencement.

4.12 Business & Commercial Uses. Business and commercial use of any Lot shall be prohibited. This restriction shall include schools, daycares and other uses that may otherwise be permitted as conditional uses by the City of Ferndale. This prohibition shall not prevent use of the house as an office, where the only person working in the office resides on a permanent basis in the house. And further provided that no customers or clients, come to the house for the purpose of conducting business.

4.13 Temporary Storage. No temporary building, structure or improvement may be placed on any Lot without the consent of the Committee.

4.14 Clothesline Restrictions. Clotheslines are only permitted in the backyard of a Lot completely screened from view at any point along the street or streets of the Subdivision.

5. CONSTRUCTION

5.1 Time for Completion. Construction of all improvements shall be prosecuted diligently from the date of commencement of work until the exterior is completed and painted or finished and all sanitation and health requirements have been fulfilled. Furthermore, the maximum time limit for the completion of construction of an improvement shall be twelve months from the date construction commences, which is defined as the date building materials are first delivered to the Lot for such purpose. Construction shall not be deemed to be completed until the improvement is finished, the Lot has been cleaned of construction debris and the Lot has been completely landscaped.

5.2 Height Restrictions. The height of structural improvements erected on Lots shall be restricted to the more stringent of the following: (i) the terms of any applicable ordinance of the City of Ferndale in effect at the time of application for a building permit therefore; or (ii) thirty-five (35) feet in height measured by the vertical distance from the average finished grade of the Lot on which the structural improvement is constructed to the average height of the highest gable of a pitch or hip roof.

5.3 Grading. To the extent reasonable Lots shall be graded to follow the existing natural grade. There shall be a smooth transition from Lot to Lot. A cut or fill that creates a bench is prohibited unless a retaining wall approved by the Committee is constructed and a landscaping buffer approved by the Committee is constructed to provide privacy to the lower Lot(s) adjacent to the edge of the bench created by the grading.

5.4 Fences.

- a. Wire and chain link fencing is prohibited, except for the limited purpose of dog runs, or dog kennels that may be approved by the Committee. Other types of fencing are generally permitted only along the back property line and the side property lines up to the midpoint of the house located on the Lot. The determination as to what constitutes the rear yard of any Lot, the midpoint for the side yard fences, and the type, design and location of any fence, shall be determined by the Committee.
- b. On Lots fronting on only one street, no fencing shall be erected in the front yard streetward of the front face of the house constructed on the Lot, except for decorative purposes such as picket, split rail or decorative screening or background fencing approved by the Committee. On corner Lots, no fencing shall be permitted in the front yard from the face of the house constructed on the Lot to the front yard street, except for decorative purposes such as picket, split rail or decorative screening or background fencing approved by the Committee. On side yards or corner yards adjacent to streets, there shall be no fencing from the back of the house located on the Lot to the street facing the front of the house, except for decorative purposes, such as picket, split rail or decorative screening or background fencing approved by the Committee. The Committee reserves the right to grant variances from these restrictions based upon specific conditions that dictate the granting of a variance on particular Lots because of their topography, size or shape.
- c. Fencing or landscaping shall be installed to visually screen areas that serve as service yards in which garbage receptacles, fuel tanks, gas and electric meters, mechanical equipment, vehicles, materials, supplies and equipment are stored outside. The screening shall substantially conceal such service yards from view from the road and adjacent properties. Fencing to accomplish this purpose shall be approved by the Committee.

5.5 Retaining Walls. Retaining walls shall not exceed a height of four (4) feet unless they are designed and installed consistent with plans produced by a licensed civil engineer and approved by the City of Ferndale. Retaining walls shall be constructed only of the following materials: stone, heavy timber, Allan block or comparable product, concrete with brick, stone or wood facing or concrete with high quality exposed aggregate finish. All retaining walls must be set back at least two feet (2') from the sidewalk and the two-foot setback area must be landscaped, unless approved by the Committee. Retaining walls shall not interfere with utility or other easements.

5.6 Roof Materials. Roof materials are limited to natural cedar shakes or shingles, concrete or clay tiles, slate or textured thirty-year plus mineral surfaced composition shingles.

5.7 Chimney Design. Exposed metal chimneys are not permitted.

5.8 Driveways and Walkways. Driveways and walkways shall be constructed of concrete, brick pavers or paving stones. Asphalt and other materials are not permitted.

5.9 Landscaping.

- a. All Lots within twelve (12) months after commencement of construction of a residential structure thereon shall be fully landscaped. All landscaping shall be subject to approval

from the Committee.

- b. Once installed, landscaping and landscaping structures shall be given proper care and maintenance including, but not limited to, mowing, weeding, trimming and routine maintenance of landscape structures. All plant material shall be adequately fertilized and watered to insure healthy growth and dead or dying shrubs shall be removed and replaced. These restrictions may be enforced by any Lot Owner or by the Committee. The Committee reserves the right to determine compliance with this provision and may, after written notice, giving fourteen (14) days to cure the violation, go upon the Lot and correct the deficiencies, or may exercise any other remedies provided in this Declaration. Any costs incurred by the Committee shall become a lien on the Lot and shall, in addition, be a personal obligation of the Lot Owner.
- c. Flanking side yards shall be covered with lawns, landscaping or solid surfaces, with similar quality as the front yard landscaping, within twelve (12) months of the date of commencement of construction of the dwelling. Flanking side yards are that portion of a corner Lot that is designated as the side yard between the building set back line and the street. It is the intent of this provision to keep these areas which are typically outside of the fence line consistent with the other landscaping within the Subdivision.

5.10 Garage. All units shall have a minimum two (2) car garage.

5.11 Siding. No T-1-11 siding or comparable panel siding material may be used except as an architectural feature; provided it is installed as a board and batten style. The determination as to whether or not a material satisfies this condition shall be made by the Committee.

5.12 Color. Colors shall be limited to whites, grays and earth tones approved by the Committee. The Committee may also grant variances from this restriction for trim or accent colors.

5.13 Foundation. Exposed concrete foundation walls on any dwelling shall not exceed two (2) feet in height, except as approved by the Committee.

5.14 Maintenance and Repair. Sidewalk planting strips, curbs and gutters in front of each Lot shall in all times be kept and maintained in good order, repair and condition. If an Owner fails to comply with this requirement, then the Declarant, or any Owner, may do such maintenance or repair and the Lot Owner who is in violation of this section shall pay Declarant or Owner performing the maintenance for the cost of such work.

5.15 Minimum Building Areas. All units shall have a minimum 1,200 square feet excluding the garage.

6. DESIGN REVIEW COMMITTEE

6.1 General. Construction of improvements, except as specifically modified by this Declaration, on any Lot shall be subject to the prior approval of a Design Review Committee (herein "Committee"), which shall be composed of three representatives of, and chosen by, the Declarant. The initial Committee shall consist of three (3) representatives elected by the Declarant. The initial Committee shall have a term of three (3) years. The initial Committee may only be replaced or removed by unanimous vote of all Lot Owners, or resignation. After the three-year term of the initial Committee, the Association, by vote, shall appoint the successor Committee members. No fees for participation shall be charged by the members of the Committee. No improvements

shall be erected, placed or altered on any Lot until the construction plans, specifications, and a site plan showing the location of all proposed improvements on the Lot have been approved by the Committee. The approval or disapproval of the Committee as to such construction plans, specifications and site plan shall be based upon the quality of materials to be utilized in construction, the harmony of the external design and color scheme of the proposed improvements with other existing improvements within the Subdivision and the location and bulk of the improvements with respect to topography, finished grade elevation and compliance with the provisions of section 5. This requirement shall not apply to landscaping except as specifically required by section 5.

6.2 Approval / Disapproval. The Committee shall approve or disapprove the construction plans, specifications and site plan, including specified color finish, within fifteen (15) days following receipt of a complete duplicate set thereof from the submitting Owner or prospective Owner. Any complete submission of construction plans, specifications and site plan on which no action is taken by the Committee for fifteen (15) days following the date of receipt thereof shall be deemed approved as submitted, unless within such fifteen (15) day period the Committee has sought, in writing, clarifying information concerning the same. Two sets of construction plans, specifications (including exterior color finish detail), site plan and a One Hundred Dollar (\$100.00) processing fee must be submitted to the Committee. One such complete set shall be returned to the submitting Owner or prospective Owner with the approval or disapproval endorsed upon such complete set by the Committee. The other complete set shall be retained by the Committee for its permanent files.

- a. The Committee shall have the right to disapprove any construction plans, specifications and/or site plan in the event the same are not in accordance with the provisions of this Declaration, if the design or exterior color scheme of the proposed improvements is not in harmony with the general surroundings of the Subdivision or with the adjacent improvements, if the construction plans, specifications and site plan are incomplete, or if the Committee determines that the construction plans, specifications and site plan, or any portion of them, are contrary to the interest, welfare and/or rights of the Owners of other Lots within the Subdivision. Any decision of the Committee shall be reached by a majority vote thereof, and any such decision reached by the Committee shall be final and non-appealable to any forum, body or court.

6.3 Conditional Approval. Any approval given by the Committee may be conditioned upon compliance by the applicant with any reasonable condition which the Committee deems appropriate, including, without limitation, the posting of bonds or other acceptable security in order to insure performance by the applicant in accordance with the construction plans, specifications and site plan being approved.

6.4 No Liability. Neither the Committee, nor any member thereof nor any successor thereto, shall be liable to any person for any action taken by the Committee or for any failure to act by it under or pursuant to the provisions of this Declaration, so long as the Committee, the members thereof and any successors thereto act in good faith and without malice.

7. COMMUNITY ASSOCIATION

The Declarant shall form a Community Association, designated herein as the Association, to include as its members all Owners of any Lot within the Subdivision. This organization shall be a nonprofit corporation pursuant to Title 24 of the Revised Code of Washington and shall be known as "Community Association for Pioneer Terrace".

7.1 Purpose. The purpose of the Association shall include maintenance of all Common Properties, and for the purpose of enforcing and administering this Declaration and the Association.

7.2 Creation and Transfer of Control. The Association shall be organized at the instance of the Declarant, and each Owner shall be a member of the Association. Upon recording of the Final Plat of the Subdivision, each Owner of a Lot thereof shall also become a member of the Association without further action by the Declarant. The Declarant shall have the exclusive right to designate and appoint a governing Board of the Association until such time as the Declarant has sold ninety (90%) percent of its Lots within the Subdivision, or seven (7) years from the date of this Declaration, whichever is sooner. When ninety (90%) percent of such Lots owned by the Declarant have been sold by the Declarant, the control of the Association shall be turned over to the members, and the members shall elect from their number the governing Board of the Association, as determined by the Articles of Incorporation and Bylaws of the Association. Irrespective of the foregoing, the Declarant, at its sole and exclusive option, may elect at any time prior to the sale of ninety (90%) percent of its Lots within the Subdivision to transfer control of the Association to the members thereof.

7.3 Conveyances. The Declarant shall transfer and convey by deed or by such other applicable instrument all Common Properties and easements as herein identified to the Association, subject to the reservations impressed upon these Common Properties and easements by this Declaration. This conveyance shall be made after the Association has been created and construction on the Common Properties and easements has been completed, and the Final Plat for the Subdivision has been recorded. At such time as the Declarant conveys the Common Properties and easements to the Association, and at all times subsequent thereto, the Association shall be responsible for the maintenance and upkeep of the Common Properties and easements at its sole and exclusive expense. Such obligation shall include, without limitation, responsibility for maintenance of all Common Properties, common improvements and easements as identified herein and on the face of the Final Plat of the Subdivision.

7.4 Assessments and Liens:

- a. Authority. The Association shall be empowered to establish and to collect dues and assessments upon Lots for the common benefit of such Lots, which authority shall extend to the Lots upon final plat approval thereof.
- b. Purposes. The purposes for which dues and assessments may be established and collected include, without limitation, making provision for the payment of charges associated with utilities, roadways, drainage, property protection, landscaping, insurance, maintenance, improvements, enforcement of this Declaration, payment of taxes upon Common Properties, the holding of Ownership or a leasehold interest therein, the purposes described in Section 7.1, or for any other common purposes, all as determined pursuant to the Articles of Incorporation and Bylaws of the Association.
- c. Personal Obligation and Lien Foreclosure. Dues and assessments shall constitute a personal obligation of any Owner of Record of a Lot on the due date thereof and shall also constitute a lien on the Lot assessed. Such lien may be enforced by the Association in the same form and manner of procedure as foreclosure of real property mortgages under the laws of the State of Washington.
- d. Amounts Included. Each Owner and each party hereinafter owning or claiming an equity

interest in a Lot agrees that in the event of such foreclosure action involving such Lot, the Owner or Owners thereof or other party asserting an equity interest therein will pay the Association's expenses of title examination and insurance, the cost of attorney's fees incurred by the Association and court costs, as well as all other costs reasonably and necessarily incurred in such foreclosure action. In any such action, delinquent assessments shall bear interest at the rate of twelve percent (12%) per annum from the date the same became due until the date of the entry of the judgment of foreclosure thereon.

- e. Other Liens and Foreclosure Actions. The method and manner provided for foreclosure of liens set forth in this paragraph shall pertain to all liens referred to in this Declaration.

7.5 Establishment of Assessment of Charges. When the Board deems it appropriate, it shall adopt a regular or special budget for the Association. The Board shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than fourteen (14) days nor more than sixty (60) days after the budget has been mailed to all of the Owners. Unless at the meeting of the Owners a majority of the Owners vote to reject to the budget, the budget shall be ratified, whether or not a quorum is present. If the proposed budget is rejected, or the required notice is not given, the budget last ratified by the Owners shall continue until the Owners ratify a subsequent budget proposed by the Board.

7.6 Special Assessments. The Board shall have the power to make special assessments against individual Lots if a Lot Owner causes damage to a Common Property or common easement, otherwise breaches this Declaration.

7.7 Annual Statement. As soon as shall be practical in each calendar year, the Association shall send a written statement to each Owner setting forth the dollar amount of the assessment for such Lot for such calendar year, The Association may, in its sole discretion, provide for payment of such assessments on a periodic basis during such calendar year, with or without a service charge.

7.8 Penalty on Delinquent Assessments. If an Owner shall fail to pay any installment of an annual assessment within thirty (30) days from the date the same is due, then the entire annual assessment for such Lot shall be delinquent and shall become immediately due and payable, shall bear interest at the rate of 12% per annum thereafter until paid and shall also bear a penalty in such amount as shall be determined by the Board of the Association.

7.9 Delinquency For More Than Ninety Days. If the Owner of any assessable Lot shall be delinquent in the payment of the annual assessment, or any installment thereof, for more than ninety (90) days following the date the same is due, then the Association shall have the right to commence legal action seeking a personal judgment against such Owner and, in addition thereto, shall have the right to foreclose its lien upon such Lot. The total amount due from such Owner shall be such sums as provided in Sections 7.5 and 7.4(d), plus any penalty imposed under Section 7.7.

7.10 Rules and Procedures for Billing and Collecting Assessments. The Board of the Association shall have the power and authority to adopt rules and procedures respecting the billing and collecting of annual assessments, which shall be binding upon all Owners.

7.11 Application of Assessment. The Association shall apply all funds received by it pursuant to this Declaration in the following order:

- a. Administrative costs and expenses incurred by the Association in the exercise of its powers, authority and duties described in its Articles of Incorporation and Bylaws;

- b. The promotion of the recreation, health, safety, enjoyment and welfare of the users of the Common Properties, and the enhancement of the values of the Common Properties by means of construction, repair, maintenance, operation and administration of the Common Properties, including, but not limited to, the payment of taxes and insurance premiums on the Common Properties and the payment of utility charges therefor, including, if not otherwise paid by the city of Ferndale, the charge for electricity supplied for street lighting within the Subdivision.
- c. The service, repair, maintenance and/or replacement of any and all improvements, including, but not limited to street trees, open space, fences, roads, paths, drainage facilities and lighting belonging to the Association or to be maintained by the Association.

7.12 Authority to Maintain Surplus. The Association shall not be obligated to spend in any particular time period all of the sums collected or received by it during such time period or any other time period. The Association may carry forward, as surplus, any balances remaining. The Association shall not be obligated to apply any such surplus to the reduction of the amount of the annual assessment in any future year.

8 PROTECTION OF MORTGAGE OR DEED OF TRUST HOLDER

No violation or breach of any covenant, condition, reservation or restriction contained in this Declaration, or in any supplement hereto, and no action to enforce the same, shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith and for value against any title or interest in any Lot which is the subject of an action arising from such violation or breach. A purchaser of any such Lot at a trustee's sale, Sheriff's sale or Tax Foreclosure sale shall take title to such Lot free and clear of any violations or breaches which have occurred on such Lot, or by the previous Owner thereof, prior to such foreclosure, but such purchaser shall nevertheless take subject to this Declaration and to any supplements hereto.

9. ENFORCEMENT

The Association, the Declarant and any Owner shall have the right to enforce, by any proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by this Declaration. The failure of the Association, of the Declarant or of any Owner to enforce any rights hereunder shall not be deemed to constitute a waiver of the right to do so thereafter. The prevailing party in any litigation involving the enforcement of any provision of this Declaration shall be entitled to judgment for the reasonable attorney's fees and costs incurred in such litigation by such prevailing party.

10. GRANTEE'S ACCEPTANCE

The grantee of any Lot subject to this Declaration shall, by the acceptance of a deed conveying title thereto or by the execution of any contract for the purchase thereof, whether from Declarant or any subsequent Owner of such Lot, accept such deed or contract upon, and subject to, each and every provision of this Declaration and the provisions contained herein, including the jurisdiction, rights and powers of Declarant, and by such acceptance shall, for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant and to and with the grantees and subsequent Owners of each of the Lots, to keep, observe, comply with and perform all obligations set forth herein.

Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors or

assigns, all of the risks and hazards of ownership and occupancy attendant to such Lot, including, but not limited to, its proximity to any public paths, public area, conservation easement, streams or other water courses.

11. AMENDMENT TO DECLARATION

This Declaration may not be amended, except by the Declarant, until all Lots have been conveyed to persons not affiliated or associated with the Declarant. After the Declarant has conveyed all Lots or after expiration of ten (10) years from the date of recording of this Declaration, whichever is sooner, this Declaration may be amended or terminated by Members of the Association owning at least seventy-five percent (75%) of the Lots in the Subdivision, Such amendment shall take effect upon recording of an instrument signed by the President of the Association.

Amendments to or termination of this Declaration will in no way affect the easements created and reserved in Section 3 of this Declaration.

The duty of the Lot Owners and the Association to maintain the Common Properties may not be terminated or amended without the prior written consent of the City of Ferndale and as to any easements without the prior written consent of the Owner of any Lot affected by termination or amendment of such easement.

12. DECLARANT ASSIGNMENT

The Declarant reserves the right to assign the status of Declarant under this Declaration.

13. SEVERABILITY

In the event that any provision hereof is deemed by proper judicial decree to be invalid, then the remaining portion of this Declaration shall in no way be affected.

14. PARAGRAPH HEADINGS

The paragraph headings in this Declaration are for convenience only and shall not be considered in construing this Declaration.

15. NO WAIVER

The failure of any party entitled to enforce any provision hereof to take steps to enforce such provision shall not, in any fashion, operate or be deemed to be a waiver of any such provision or of any other provision hereof.

DATED this 6th day of June, 2014.

PIONEER TERRACE, L.L.C.

By [Signature]
YANNI GHOLAM, Member

STATE OF WASHINGTON)
: ss.
COUNTY OF WHATCOM)

On this 6th day of June, 2014, before me personally appeared YANNI GHOLAM, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

[Signature]
PRINTED NAME: Tina Moon
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: 12/12/16




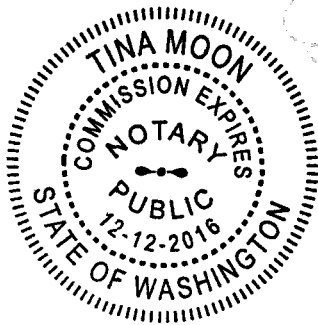
By 
MAX SHELTON, Member

STATE OF WASHINGTON)
: ss.
COUNTY OF WHATCOM)

On this 6th day of June, 2014, before me personally appeared MAX SHELTON, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.


PRINTED NAME: TINA MOON
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: 12/12/16



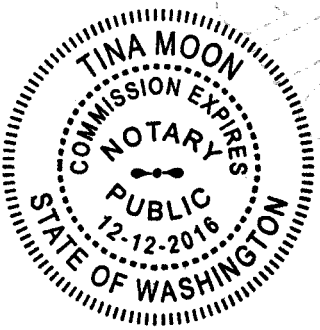
By *Kyle Haggith*
KYLE HAGGITH, Member

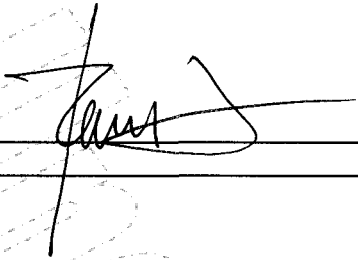
STATE OF WASHINGTON)
: ss.
COUNTY OF WHATCOM)

On this 10th day of June, 2014, before me personally appeared KYLE HAGGITH, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Tina Moon
PRINTED NAME: Tina Moon
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: 12/12/16





By

RAMON LLANOS, Member

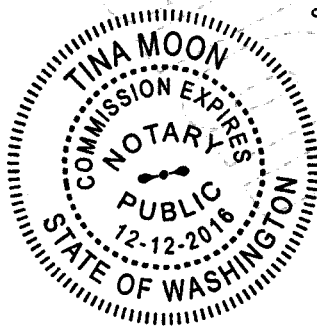
STATE OF WASHINGTON)


: ss.

COUNTY OF WHATCOM)

On this 6th day of June, 2014, before me personally appeared RAMON LLANOS, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.




PRINTED NAME: TINA MOON
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: 12/12/16

Document

[Signature]

By

Yanni Gholam POA

CYNTHIA CHAHINE, Member

STATE OF WASHINGTON)

: ss.

COUNTY OF WHATCOM)

YANNI GHOLAM, POA,

On this 6th day of June, 2014, before me personally appeared CYNTHIA CHAHINE, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

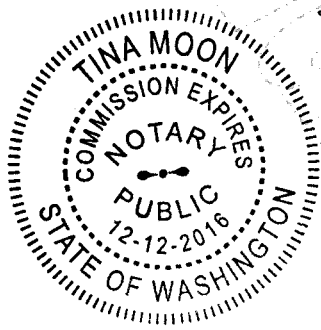
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Tina Moon

PRINTED NAME: Tina Moon

Notary Public in and for the State of Washington,
residing at Bellingham.

My commission expires: 12/12/16



Document

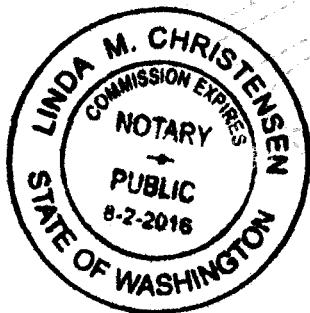
Kendra Smith By

KENDRA SMITH, Member

STATE OF WASHINGTON)
: ss.
COUNTY OF WHATCOM)

On this 6th day of June, 2014, before me personally appeared KENDRA SMITH, to me known to be a Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Linda M Christensen
PRINTED NAME *Linda M Christensen*
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: *8-2-2016*

By: C & Y DEVELOPMENT LLC, Member

Charles Vogel

By:

CHARLES VOGEL, Manager

STATE OF WASHINGTON)
: ss.
COUNTY OF WHATCOM)

On this 6th day of June, 2014, before me personally appeared CHARLES VOGEL, to me known to be a Manager of C & Y Development LLC, Member of the limited liability company that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Tina Moon

PRINTED NAME: Tina Moon
Notary Public in and for the State of Washington,
residing at Bellingham.
My commission expires: 12/12/16

