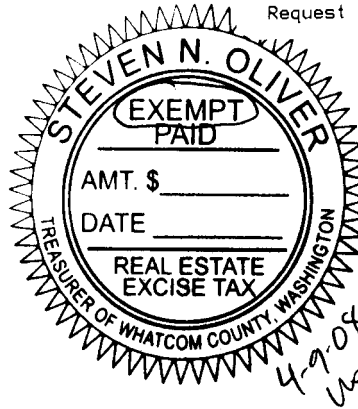


Request of: PACIFIC SURVEY & ENGINEERING

AFTER RECORDING RETURN TO:  
 HUGH LEWIS, ATTORNEY AT LAW, P.C.  
 2200 RIMLAND DRIVE, SUITE 220  
 BELLINGHAM, WA 98226  
 360-392-2880



TITLE OF DOCUMENT: DECLARATION FOR THE PLAT OF PORTAL COMMONS  
 AF# OF AFFECTED DOCUMENT: 2070203041  
 GRANTOR: WHATCOM-SKAGIT HOUSING, A WASH. NON-PROFIT CORP.  
 GRANTEE: THE GENERAL PUBLIC

**DECLARATION OF COVENANTS  
 FOR THE PLAT OF PORTAL COMMONS**

(BURDENING AND BENEFITTING PORTAL COMMONS SUBDIVISION AND  
 CONFIRMING MERGER OF PORTAL COMMONS WITH PORTAL MANOR)

THIS DECLARATION is made this 9<sup>th</sup> day of April, 2008, by Whatcom-Skagit Housing, a Washington Non-Profit Corporation ("Declarant").

WITNESSETH THAT:

WHEREAS, the Declarant is the owner in fee simple of real property, together with all improvements, easements, rights and appurtenances thereunto belonging (the "Property"), and desires to create from such Property a residential community known as "Portal Commons."

WHEREAS, the Declarant previously executed certain Instruments establishing a Planned Unit Development known as "Portal Manor" in Ferndale, Washington (the "Community") and caused a Declaration of Covenants for the Community to be recorded in the land records of Whatcom County, Washington, at Auditor's File No. 2041205231 (the "Portal Manor Declaration"), along with a Plat Map, which was contemporaneously recorded at Auditor's File No. 2041205230 (the "Portal Manor Plat Map"); the Portal Manor Declaration has been previously amended by an instrument recorded at Auditor's File No. 2060404023 and an instrument recorded at Auditor's File No. 2071200623, records of Whatcom County, Washington; the Portal Manor Plat Map has been previously amended by an instrument recorded at Auditor's File No. 2070203041, records of Whatcom County, Washington.

WHEREAS, the Declarant has created additional improvements, Lots and Common Areas, as more particularly described below, in a Subdivision known as Portal Commons, consisting of twenty-five (25) additional Lots along with additional common amenities;

WHEREAS, pursuant to the provisions in the First Amendment to the Portal Manor Declaration and the Supplement to the First Amendment to the Portal Manor Declaration, Declarant reserved the right to add the Lots and Common Areas of the land within the Portal Commons Subdivision into the Portal Manor Community; and

WHEREAS, the Declarant now intends to integrate the Lots and Common Areas of the Portal Manor Subdivision into the Portal Manor Community, such that all Lots in Portal Manor and Portal Commons shall be bound by one Declaration of Covenants and shall be governed by one Homeowners Association, operating under one set of Bylaws.

NOW, THEREFORE, the Declarant hereby submits the following:

1. Submission of Property

The Declarant is the owner in fee simple of the land described in Exhibit A, attached hereto, together with all improvements, easements, rights and appurtenances thereunto belonging (all collectively referred to hereinafter as "the Property"). Declarant has submitted the Property to the provisions of Chapter 17, Ferndale Municipal Code, and has thus created from such Property a Subdivision known as "Portal Commons." Portal Commons shall be considered Phase 2 of the Community.

2. Reference to Plat Map

Declarant has recorded with the Auditor of Whatcom County, Washington a Plat Map for the Portal Commons Subdivision, showing the location and dimensions of the Lots and Common Areas within such Subdivision, together with other necessary information. This Plat Map is recorded at Auditor's File No. 2080401075, records of Whatcom County, Washington.

3. Community

The twenty-five (25) Lots of the Portal Commons Subdivision shall be added to the forty-nine (49) Lots of Portal Manor P.U.D. to form a new Community comprising all such Lots. The total number of Lots in the Community is seventy-four (74).

4. Community Association

All Lot Owners in Portal Manor and Portal Commons shall be members of the "Portal Manor / Portal Commons Association," having the same rights and responsibilities associated with such membership as apply to all other Lot Owners in the Community, including without limitation the rights to vote in said Association and the obligation to pay Common Expense Assessments to said Association. The Portal Manor / Portal Commons Association shall be responsible for all Upkeep of the Common Areas situated in both Phases of the Community.

5. Covenants

The Portal Manor Declaration of Covenants, and all amendments thereto, are declared to be and are hereby made perpetually binding on all the land included in the Subdivision of Portal Commons to the same extent that said Declaration applies to the real property included in the Portal Manor P.U.D.

6. Common Areas in Portal Commons

6.1. General Description

A portion of Tract A on the Subdivision Plat for Portal Commons contains a stream and an undisturbed, natural stream buffer area ["Wetland Areas"]. The Wetland Areas shall be protected and left undisturbed in their natural state, for wetland protection and fish and wildlife habitat. No clearing, grading, filling, logging or removal of woody material, nor any building or construction of any kind, or planting of non-native vegetation is allowed within such areas absent the written approval of the City on a case by case basis. A portion of Tract A on the Subdivision Plat contains stormwater treatment and conveyance systems (the "Stormwater System").

6.2 Special Maintenance Requirements

6.2.1 Stormwater System.

All necessary Upkeep of the components of the Stormwater System shall be conducted by the Association in accordance with the provisions of the Storm Water Maintenance Program that has been prepared by Declarant's engineer in accordance with the DOE Stormwater Management Manual for Western Washington ["DOE Stormwater Manual"], as the same may be updated from time. A qualified, registered engineer shall inspect the Stormwater System in the third quarter of each year to determine the nature and scope of any needed maintenance or repairs. Any necessary maintenance or repair work shall be identified by the engineer in a report to the City and the Association, and shall be performed by a licensed, bonded contractor doing business in Whatcom County, Washington. The Association shall consistently engage the services of qualified personnel to perform Upkeep to the Stormwater System, and shall maintain provisions in its Budget to ensure that adequate funding shall always exist for such purposes.

6.2.2 Wetland Areas.

A qualified wetland professional shall inspect the Wetland Areas at least once every three (3) years, and shall provide a certification to the City and the Association that the correct protection of such areas is occurring. Should the inspection identify any deficiencies, the wetland professional shall identify measures required to rectify the deficiency in the report to the City.

6. Effective Date

This Declaration shall take effect upon recording.

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IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the date first written above.

DECLARANT:  
WHATCOM - SKAGIT HOUSING, a  
Washington Non-Profit Corporation

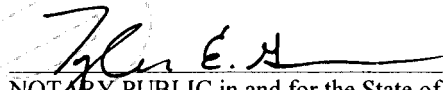


By: Nancy Larsen  
Its Executive Director

STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF WHATCOM )

I certify that I know or have satisfactory evidence that Nancy Larsen is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and that she acknowledged it as the Executive Director of the Declarant, Whatcom - Skagit Housing, a Washington Non-Profit Corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: March 10, 2008.

  
NOTARY PUBLIC in and for the State of  
Washington. My commission expires:  
July 31, 2010

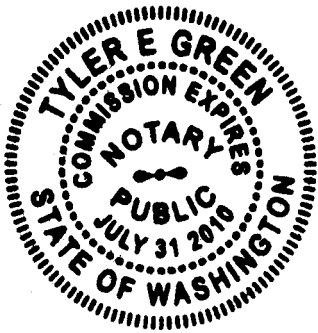


EXHIBIT "A"  
TO DECLARATION FOR PLAT OF PORTAL COMMONS

LEGAL DESCRIPTION OF LAND WITHIN THE PLAT OF PORTAL COMMONS

Lot B, "Portal Commons Lot Line Adjustment," According to the Map Thereof, Recorded Under Whatcom County Auditor's File No. 2070203041.

Containing 8.837 Acres, More or Less.

Situate in the City of Ferndale, Whatcom County, Washington.