

RESTRICTIVE COVENANTS

The following Restrictive Covenants are applicable to all Sudden Valley platted lots. Some later platted divisions may contain more restrictions. Please refer to Restrictive covenants for specific divisions, which are on file in the Association offices. The Restrictive Covenants specific to your Division should have been received upon purchase of your lot or condo. If not, contact your title company. The following generic Covenants are reprinted here for your reference and convenience.

Sudden Valley Community Club, Inc., was renamed Sudden Valley Community Association November 20, 1975.

THIS INDENTURE and Declaration of Covenants Running with the Land, made this 28th day of October, 1969, by Sudden Valley, Inc., a Washington corporation,

WITNESSETH:

WHEREAS, said party is the owner of Sudden Valley Divisions, an addition to Whatcom County, Washington, as recorded in the records of Whatcom County, which property is located in Whatcom County, Washington, and

WHEREAS, it is the desire of said party that said covenants be recorded and that said restrictive covenants be thereby impressed upon said land, now, therefore,

IT IS HEREBY MADE KNOWN THAT said party does by these presents make, establish, confirm and hereby impress upon Sudden Valley Division—, an addition to Whatcom County, Washington, which property is all located in Whatcom County, Washington, the following Restrictive Covenants to run with said land, and do hereby bind said parties and all of their future grantees, assignees and successors to said covenants for the term hereinafter stated and as follows:

1. These Restrictions shall apply to subdivided, numbered lots only, other than the exempt lots, and are specifically excluded from application to said exempt lots and to other lands designated on the Map as parcels or as lands of Declarant, which exempt lots, parcels and lands are intended for future commercial, multiple dwelling, single-family residence, or recreational uses, as designated on Sudden Valley Divisions as recorded.

2. The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every lot in the Unit and the Subdivision to which they are applicable, as herein provided, and are intended to create mutual, equitable servitudes upon each of said lots in favor of each and all of the other lots therein; to create reciprocal rights between the respective owners of all of said lots; to create a privity of contract and estate between the grantees of said lots, their heirs, successors and assigns; and shall as to the owner of each such lot, his heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other lots in the Unit and Subdivision and their respective owners. Restrictions substantially the same as those contained herein shall be recorded on all future recorded tracts of the Subdivision in conformity with the general scheme of improvement of all lands to be included therein; provided, however, Declarant, for a period of five (5) years from date hereof, shall have the right to amend these restrictive covenants in order to conform generally with the overall development and improvement plan for the lands herein described and other lands of Declarant to be

ultimately included within divisions of Sudden Valley, and may further be amended by Declarant pursuant to requirements of any city, county, state or other governmental agency. Thereafter, these restrictions may be amended at any time by written consent of two-thirds of the record owners of the lots contained within the subdivisions of Sudden Valley.

3. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling. No structure of a temporary character, trailer, mobile home, basement, tent, shack, garage, barn or any other out-buildings shall be used on any lot at any time as a residence, either temporarily or permanently.

4. All plans and specifications for any structure or improvement whatsoever to be erected on any lot, and the proposed location thereof on any lot or lots, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof, and any remodeling, reconstruction, alterations or additions thereto on any lot shall be subject to and shall require approval, in writing before any such work is commenced, of the Architectural Control Committee (herein called "Committee"), as the same is from time to time composed.

No trees, shrubs, bushes or other natural growth shall be removed from any lot without the written approval of the Architectural Control Committee, and all plans for such removal shall be submitted in writing to such Committee.

The Architectural Control Committee shall initially be composed of K.A. Sanwick, Jr., R.C. Marcy and J.R. McGowan. The number of members and the identity of individual members on such Committee may be changed, altered and/or modified by the Declarant at any time. Said changes, alterations and/or modifications shall be deemed to take effect upon the recordation of the statement to said effect which has been fully executed by the Declarant, or his successor in interest.

There shall be submitted to the Committee at 1200 Penny Building, 2200 6th Ave., Seattle, Washington, 98111 (2145 Lake Whatcom Blvd., Bellingham, Washington, 98226), or at such other address as the Committee may designate by an instrument recorded and executed by a majority of the Committee then in existence, two (2) complete sets of plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations and specifications therefore have received such written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscape planting.

As a means of defraying its expenses, the Committee may institute and require a reasonable filing fee to accompany the submission of plans to it. No additional fee shall be required for resubmission of plans revised in accordance with Committee recommendations.

The Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof or shall notify the person submitting them that an additional period of time, not to exceed thirty (30) days, is required for such approval or disapproval. Plans, specifications and details not approved or disapproved within the time limits provided herein shall be deemed approved as submitted. One (1) set of said plans and specifications and details

with the approval or disapproval, endorsed thereon, shall be returned to the person submitting them, and the other copy thereof shall be retained by the Committee for its permanent files.

The Committee shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of this Declaration; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete; or in the event the Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto, or the owners thereof. The decisions of the Committee shall be final. Neither the Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications. The Committee shall by rule adopt building setback requirements as to each lot, and such rules shall be binding.

5. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon that may be or may become an annoyance or nuisance to the neighborhood.

6. Any dwelling or structure erected or placed on any lot in any subdivision shall be completed as to external appearance, including exterior finish within twelve (12) months from date of start of construction.

7. No sign of any kind shall be permitted on any lot, except one professional sign of not more than one square foot, listing the name(s) of the owner(s) of said lot.

8. 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 any commercial purpose.

9. No lot shall be used or maintained as a dumping ground for rubbish; trash, garbage or other waste shall not be kept except in sanitary containers. No outside incinerators or other equipment for the disposal of such material shall be used.

10. No walls of any kind shall be permitted. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

11. Every effort shall be made by the owner not to disturb natural conditions of the lot as to trees, shrubs, bushes or other ground cover except as hereinbefore provided with the consent of the Architectural Control Committee. Original clearing by the Declarant prior to or for the purposes of sale of a lot shall not constitute a violation of this covenant.

12. No individual sewage disposal system shall be permitted on any lot unless the system is designed, located and constructed in accordance with the requirements, standards and recommendations of Whatcom County and the Architectural Control Committee. Approval of such system as installed shall be obtained from such authority. Provided, however, that if an individual sewage disposal system is permitted pursuant to the foregoing and thereafter a general sewer system is installed and operating, then in that event, each lot owner shall be required to make use thereof and terminate his use of an individual system.

13. All lots, whether occupied or unoccupied, and all improvements placed thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly by reason of unattractive growth on such lot or the accumulation of rubbish or debris thereon. No improvement that has been partially or totally destroyed by fire, earthquake or otherwise, shall be allowed to remain in such state for more than three (3) months from the time of such destruction.

14. The Committee may allow reasonable variances and adjustments of these restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purposes hereof, and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood, the Unit or Subdivision.

15. Invalidity of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

16. There shall be easements for roads, for ingress and egress, for all lot owners of the said plat on all roads as shown on the plat referred to above, as well as on any plat or plats hereafter recorded by the Declarant covering adjacent property. No lot shall have or maintain direct access to any county or public road; each lot is further subject to utility easements over three (3) feet on each side lot line and five (5) feet on each rear lot line and as otherwise shown on the face of the plat. Declarant, its successors and assigns, shall construct all roads shown on said plat or plats, and shall provide community beaches, park areas, reserve areas, and maintain such facilities until the same are conveyed to Sudden Valley Community Club, Inc., a non-profit corporation to be formed. Thereafter, said Club shall maintain and operate said facilities together with such additional recreational or other facilities as Declarant may convey to the Club. Said Club shall have the power to charge and assess its members on an equitable basis for the operation and maintenance of said facilities provided by the Declarant and to charge and assess its members on an equitable basis for such additional recreational or other facilities as shall be duly authorized by its membership for the mutual benefit of all its members. Land and/or lots of the Declarant, its successors and assigns, within said plat, which shall be used for or devoted to recreational purposes, and all unplatted land of Declarant shall not be subject to assessment or charges by the Sudden Valley Community Club, Inc., on a land area basis, but only on a reasonable use of facility basis. In addition to the other obligations of the Community Club and its members as set forth herein, it shall also be their duty to maintain a security guard and patrol at all times and pay the costs thereof. Minimum monthly dues and/or assessments for each member shall be Nine Dollars (\$9.00), and said dues and/or assessments shall commence January 1, 1970, or later at the discretion of the Declarant. Such assessments shall constitute liens on the real property and may be foreclosed upon as provided by law. Each lot owner shall be required to become and remain a member of the Community Club and abide by its Articles, Bylaws and Rules as the same initially shall exist and from time to time be changed. Declarant's unsold lots shall not be subject to assessment or dues.

17. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

18. No television or radio antennas of any kind shall be permitted on any lot or structure. The Federal Telecommunication Act of 1996 overrides this regulation.

19. It is the intent and obligation of the Declarant to convey title to the real property comprising the roads to the Sudden Valley Community Club, but said Club shall be restricted in its right to convey same and must hold and maintain same for the benefit of all lot owners. Beneficial Title only shall be in all lot owners. Said Club at all times must maintain an adequate reserve fund out of assessment and/or dues as specified in paragraph 16 for such road maintenance. The amount of such reserves shall be fixed by an independent engineer and each year certified by the Club to all Club members.

20. Notwithstanding anything heretofore stated to the contrary, any party who acquires title to any portion of the subject property by a foreclosure against the Declarant or by Deed in lieu of foreclosure from the Declarant succeeds to, and has the same rights as are heretofore granted to the Declarant.

21. Enforcement shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

Dated this 28th day of October, 1969.

Sudden Valley, Inc.

By K.A. Sanwick, Jr., President.

By F. Robert Lee, Secretary.

AMENDMENT TO SUDDEN VALLEY COVENANTS

This Amendment of Covenants Running with the Land, made this 19th day of October, 1971, by Sudden Valley, Inc., a Washington corporation. The Sudden Valley Covenants are hereby amended so as to provide the following:

1. The lien of the assessments provided for in paragraph 16 of the Restrictive Covenants heretofore recorded shall be subordinated to the lien of any first mortgage (now or hereafter placed on any lot). Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot that is subject to such first mortgage pursuant to a decree of foreclosure under such mortgage or in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payments thereof that become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for assessments thereafter becoming due or from the lien thereof.

2. All permanent utility service shall be underground exclusively.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and corporate seal the day and year first above written.

Sudden Valley, Inc.

By E.C. Mower, President

By F. Robert Lee, Executive Vice President.