



Roche Harbor

a Resort Community

DECLARATION of Charter, Easements, Covenants and Restrictions for the Residential Neighborhood

NEW RH L.L.C., a Washington limited liability company to be known as the "Founder," makes this Declaration on the 6th day of August, year of 2004.

STATEMENT OF PURPOSE:

A. The Founder is developing upon real property in San Juan County, Washington, a resort community to be known as Roche Harbor. Roche Harbor comprises four parts: the Neighborhood, which is the primarily residential portion; the Resort Core, which brings together a mixture of commercial and residential uses including a marina and hotel; reserve tracts, which Founder shall initially own and hold for future development; and open space tracts, which Founder shall initially own and preserve as open space consistent with the requirements of the Development Approvals. Unlike typical suburbs which separate homes from businesses and force dependence on the automobile, the Roche Harbor design is intended to mix commercial, civic and residential uses in a way that enlivens the resort community.

B. This Declaration is intended to provide for the maintenance and operation of the Neighborhood, while the Resort Core and other areas may be subject to a separate Roche Harbor Residential Declaration

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Declaration. The residential units within the Resort Core, if any, are to be made members of the Neighborhood Association on a limited basis so that the residents can enjoy the recreational facilities and activities of the Neighborhood.

C. Roche Harbor is subject to Master Deed Restrictions, recorded contemporaneously with this Declaration. Among other things, the Master Deed Restrictions regulate the construction and modification of buildings and other improvements within the Approved Phases of Roche Harbor.

D. The Founder records this Declaration for the Neighborhood, and establishes an owners' association to enhance community life, to institute and enforce certain covenants and restrictions, to provide for further maintenance of the community, and to allow for self-governing of the Neighborhood by its owners.

DECLARATION:

The Founder, who is the owner of all of the property described on Exhibit "A" (the "Neighborhood"), hereby submits the Neighborhood to this Declaration of Charter, Easements, Covenants and Restrictions. The Founder hereby declares that the property comprising the Neighborhood shall be held, sold and conveyed subject to the covenants, restrictions and easements of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Neighborhood.

ARTICLE I: Definitions

The following definitions apply wherever the capitalized terms appear in this Declaration. Additional terms that apply only to one article are defined the first time they appear.

1.1 Approved Phase. "Approved Phase" is any portion of Roche Harbor for which a final plat of such property has been approved by San Juan County and recorded in the official records of San Juan County and an amendment to this Declaration or Supplemental Declaration has been recorded pursuant to which this Declaration has been extended to encumber such property. As of the initial recording of this Declaration, "Approved Phase" shall mean the real property more particularly described on attached Exhibit A.

1.2 Articles. "Articles" are the Articles of Incorporation of the Association.

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1.3 Assessments. "Assessments" is the collective term for the following Association charges:

- a) General Assessment. The "General Assessment" is the amount allocated among all Members to meet the Association's annual budgeted expenses including, without limitation, Members' share of the costs incurred by the Founder to maintain the Commons or to provide services in the Master Plan Area, as described in Section 10.3.
- b) Individual Parcel Assessment. An "Individual Parcel Assessment" is a charge made to a particular Parcel Owner for charges relating only to that Parcel, as provided in Section 10.5, or for Zone charges.
- c) Special Assessment. A "Special Assessment" may be charged to each Parcel for capital improvements or emergency expenses, in accordance with the provisions of Section 10.4.

1.4 Association. "Association" is the Roche Harbor Neighborhood Association, Inc., a Washington nonprofit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for enforcing the Declaration and for levying assessments used in part to reimburse Founder for a portion of the costs incurred to maintain the Commons and service Roche Harbor.

1.5 Board. "Board" is the Board of Directors of the Association.

1.6 Building. "Building" is any residential, mixed-use or commercial building constructed on any Lot. If permitted by the Roche Harbor Design Code, a Building may be attached to another Building and share party walls. The Roche Harbor Design Code may permit the construction of two or more Buildings or two or more Residential Units on a Lot.

1.7 Bylaws. "Bylaws" are the Bylaws of the Association.

1.8 Commons. "Commons" comprises certain real property within Roche Harbor specifically designated by Founder for the common use and enjoyment of all Owners and/or the general public including without limitation the open space tracts designated on the Master Plan (as and when such tracts are configured in the final plat of the property that includes such tracts), and all Common Roads, sidewalks, parking areas, walkways, landscaped areas, public restrooms, recreational facilities such as any public pool and tennis courts and other facilities. "Commons" also include any improvements on that real property, all utilities, utility easements and other easement rights or personal property for common use, and any other property of any type specifically designated as Commons. The Commons may include areas dedicated to the public, the Association, or to any other Roche Harbor Residential Declaration

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individual or entity to the extent that the Association or the Founder agrees or is required by this Declaration to maintain such property.

1.9 Common Roads. "Common Roads" are the streets and alleys that provide access to the Neighborhood or that are located within the Neighborhood and are intended for automobile or pedestrian traffic. The Common Roads are private roads initially owned by the Founder and part of the Commons.

1.10 Declaration. "Declaration" is this Declaration of Charter, Easements, Covenants and Restrictions for Roche Harbor.

1.11 Design Code. The "Design Code" establishes the plan for the development of Roche Harbor through its regulation of land use, architecture and environment. The Roche Harbor Design Code is originally adopted by the Founder as provided in the Master Deed Restrictions and may be amended from time to time. The Roche Harbor Design Code does not need to be recorded to be effective but shall be available from the Roche Harbor Design Review Board.

1.12 Design Review Board. The "Design Review Board" is the panel established to administer the Roche Harbor Design Code, as established by the Master Deed Restrictions and described in Article V.

1.13 Development Approvals. The "Development Approvals" shall mean the Planned Unit Development approval, the Preliminary Subdivision approval, the Shoreline Substantial Development Permit and the Shoreline Conditional Use Permit for Phase I of the Roche Harbor Master Planned Resort Activity Center, and all subsequent approvals issued by San Juan County for Approved Phases within Roche Harbor, subject to the conditions approved by San Juan County.

1.14 Employee Housing. An "Employee Housing Unit" is an individual dwelling unit occupied by one or more individuals employed by the Founder to provide services to Roche Harbor.

1.15 Founder. The "Founder" is New RH L.L.C., a Washington limited liability company, its successors and assigns.

1.16 Lodging Unit. A "Lodging Unit" is an individual lodging room or suite located in the Hotel De Haro, McMillin Suites, Company Town Cottages or in any other Building owned and operated by the Founder (or its designated successor) within the Master Plan Area, provided such terms shall exclude all Residential Units and Employee Housing Units.



1.17 Lot. A "Lot" is a parcel of land intended for a single building, or a building and an outbuilding. Ordinarily, Lots are designated as numbered or lettered, separately identifiable parcels on a recorded subdivision plat of an Approved Phase of Roche Harbor, or, for unplatted areas, as shown on a site plan of property to be developed by the Founder or offered for sale as a part of Roche Harbor.

1.18 Master Deed Restrictions. The Founder, as the grantor of deeds within Roche Harbor, has recorded an instrument contemporaneously with this Declaration known as the Master Deed Restrictions. The Master Deed Restrictions, which apply to all deeds granted within Approved Phases of Roche Harbor, are intended to ensure the proper application of the Roche Harbor Design Code during the development stage and to impose other restrictions designed to further the development of the Approved Phases of Roche Harbor.

1.19 Master Plan. The Master Plan is the initial plan for the development of the Master Plan Area. The Master Plan is subject to change based on market conditions, governmental requirements and other modifications that may be made as development progresses if approved by San Juan County.

1.20 Master Plan Area. As further defined in the Master Deed Restrictions, the Master Plan Area currently comprises approximately 168 acres intended for development as an integrated resort community to be known as Roche Harbor.

1.21 Member. Each Owner is a "Member" of the Association, as provided in Article VII of this Declaration.

1.22 Mortgagee. A "Mortgagee" is any institutional lender that holds a bona fide first mortgage encumbering a Parcel as security for the performance of an obligation. The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

1.23 Neighborhood. The "Neighborhood" is the real property described on Exhibit A. The Neighborhood shall also include any additional Approved Phases of Roche Harbor or other property added by Supplemental Declaration.

1.24 Neighborhood Meeting. The "Neighborhood Meeting" is the public meeting of Members for discussion and voting, as described in Article VIII.

1.25 Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Parcel. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.26 Parcel. A "Parcel" is the smallest piece of real property that may be separately conveyed. A Parcel may be a Lot (whether or not improved by a Building), a Special Use Parcel, or certain Residential Units such as condominium units.

1.27 Residential Unit. A "Residential Unit" is an individual dwelling unit and shall include a townhouse or other attached dwelling (such as each half of a duplex unit), an apartment or condominium unit, or a residential dwelling within a mixed-use building (including the Transient Rentals and Long Term Rentals described in Section 11.4 below) but shall exclude all Lodging Units.

1.28 Resort Core. The "Resort Core" is intended to be the mixed-use and commercial portion of Roche Harbor and may, at the discretion of the Founder, be subject to a separate Resort Core Declaration.

1.29 Special Use Parcel. A "Special Use Parcel" is a Lot of unconventional size, shape, location or use that calls for special design considerations. Typically, a Special Use Parcel will be used for commercial purposes, multi-family residential or community or recreation facilities.

1.30 Supplemental Declaration. "Supplemental Declaration" is any declaration that may be recorded by the Founder in accordance with Section 2.2 to add Additional Property or additional Approved Phases to the Neighborhood.

1.31 Zone. "Zones" are smaller, contiguous areas within the Neighborhood of distinct building type or character. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

ARTICLE II: Property comprising the Neighborhood

The Neighborhood is the property that is subject to this Declaration. This article describes the real property of which the Neighborhood will initially be comprised and provides the method by which property may be added.

2.1 Initial Property. The real property that shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of that real property described on Exhibit A. Such real property consists of the initial Approved Phases of Roche Harbor.

2.2 Development Plan.

(a) Resort Core. The property that comprises the Master Plan Area is intended for development as an integrated resort community and is intended to include both residential and commercial properties. Portions of the Master Plan Area that are primarily Roche Harbor Residential Declaration

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commercial may be submitted to this Declaration in accordance with Section 2.3, or may be submitted to a separate declaration and maintained by a separate association.

(b) Relationship to Surrounding Property. The construction of Roche Harbor is intended to follow design principles that allow interconnectivity of streets with neighboring communities. As provided in Section 6.1 of the Master Deed Restrictions, the Founder has reserved for itself, its successors and assigns various street and utility easements to allow the development of Roche Harbor and which may be assigned for the benefit of other properties which are adjacent to, or reasonably near, Roche Harbor (including property separated from Roche Harbor by a public road) whether or not such properties are developed as part of Roche Harbor.

(c) Street Ends. The Master Plan for Roche Harbor, and certain plats, may depict street ends that allow adjoining properties to connect to Roche Harbor in the future. If the neighboring property is developed in a way that interconnectivity is not possible, or if the Founder deems interconnectivity to be undesirable under the circumstances as they then exist, then the Founder reserves the right to convert the street ends to additional lots or other uses. Founder may limit connectivity to pedestrian rather than vehicular access. Founder intends to hold title to such street ends until development of the adjoining property but if Founder has inadvertently conveyed such street ends to the Association, the Association shall, upon request from Founder, convey the street ends to Founder or as directed by Founder.

2.3 Additional Property.

(a) By the Founder. The Founder shall have the right, but not the obligation, for a period of thirty (30) years from this date, from time to time in its sole discretion, to add to the Neighborhood any part of the Master Plan Area. This reserved development right may be exercised with respect to different portions of the Master Plan Area at different times. No assurances are made as to the boundaries of those portions or order in which the portions will be added. Exercising any development right in any portion of the Master Plan Area does not necessarily mean the right will be exercised in the remainder of the Master Plan Area.

The Founder may also add to the Neighborhood contiguous property, property any portion of which is within one-half mile of any portion of the Neighborhood (including any property separated from the Neighborhood by a public street, body of water or other property) or any other property with a reasonable relationship to the Neighborhood. The Founder may also add individual Residential Units (such as apartment or condominium units above stores or offices) that are within primarily commercial portions of the Master Plan Area, even if the land surrounding the units is not added.

(b) By Members. Additional property of any type may be added to the Neighborhood by a majority vote of the Board.

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(c) Supplemental Declaration. A Supplemental Declaration adding the additional property shall become effective upon being recorded in the county's public records.

(d) Special Provisions. The Supplemental Declaration may modify or add to the provisions of this Declaration if needed to reflect the different character of the additional property. A Supplemental Declaration may define Zones; may designate certain Commons as "Zone Commons" for the use of certain Zones; and may create an assessment procedure by which certain Zones are assessed separately for Zone Commons. However, no such Supplemental Declaration shall deny use of existing Commons to those Owners who had such right prior to the recording of the Supplemental Declaration. A Supplemental Declaration may also create Zone advisory councils or create a plan for election of the Board of Directors. If individual Residential Units that are within primarily commercial portions of the Master Plan Area are added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the units' usage of the Commons.

2.4 Withdrawal of Property. The Founder reserves the right to withdraw property from the Neighborhood so long as all Owners within the area to be withdrawn consent and appropriate access to the remaining portions of the Neighborhood is preserved.

2.5 Zones.

(a) Intent. Zones are intended to provide a flexible means for providing additional maintenance or capital improvements for a small portion of the Neighborhood that has special needs. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

(b) Designation. Zone boundaries may be designated at the time of the addition of the property by Supplemental Declaration, or at any later time by the Board.

(c) Characteristics. To the extent reasonably possible, all Parcels on both sides of a street shall be included within the same Zone. Separate Zones may be created if the street is interrupted by cross streets, by changes in topography or by Commons, or if Parcels on opposing sides of the street are of significantly different character.

ARTICLE III: Easements

An easement is the limited right to use another's property in a specified way. Each Parcel is benefited by, and burdened by, certain easements.

3.1 Easements. The Founder hereby reserves for itself and its designated successors and assigns all easements and other rights described in Article VI of the Master Deed Roche Harbor Residential Declaration
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Restrictions which shall benefit the Founder. The Founder also hereby reserves for itself and its designated successors and assigns the following easements, which shall benefit the Neighborhood:

(a) Utility Easements. A blanket easement upon, across, over, through, and under the Neighborhood for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, natural gas, propane, gasoline or other fuel lines, television, security, collection of garbage and recyclable materials, cable or communication lines and other equipment (including wireless communications facilities). By virtue of this easement the Founder and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, Founder shall use commercially reasonable efforts to ensure the exercise of this easement does not unreasonably disturb each Owner's right of quiet enjoyment of his Parcel.

(b) Police Powers. A blanket easement throughout the Neighborhood for private patrol services, and for police powers and services supplied by the local, state and federal governments. The reservation of such easement does not imply that any such service shall be provided.

(c) Drainage, Erosion Controls. A blanket easement and right on, over, under and through the ground within the Neighborhood to inspect, maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements. The Founder or its designated successors or assigns, as applicable, shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable.

(d) Encroachment. An easement for any improvements constructed on the Commons which encroach on any Parcel, whether due to any minor deviation from the subdivision plat of the Neighborhood or the settling or shifting of any land or improvements.

(e) Maintenance of Commons. To the extent reasonably necessary, an easement over any Parcel for maintenance of the Commons.

3.2 Relationship between Lots.

(a) Intent. The design for Roche Harbor is intended to maximize land usage and sense of community by providing gracious squares and open space tracts while offering small but private yards for individual use. As provided by the Roche Harbor Design Code, certain buildings within the Neighborhood may be attached as townhouses,

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or may be detached but placed on or near the property line. The easements in this Section 3.2 are intended to provide guidelines for reasonable cooperation between neighbors. The Association may make rules for maintenance and use of easement areas and shared improvements that shall be applied uniformly to all Lots similarly configured.

(b) Lot Lines. Lots may not be subdivided or separated into smaller Lots, or any portion of a Lot separately conveyed, except by the Founder or with the specific consent of the Roche Harbor Design Review Board. However, this shall not prohibit corrective deeds or similar corrective instruments. The Founder may redefine Lots prior to sale by dividing or combining Lots or portions of Lots and adjusting the boundary of a Lot. The Founder shall also have the right to modify subdivision plats of the Neighborhood to make adjustments to Lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed. The division or combination of Lots may be subject to zoning or other governmental regulation, which may require, among other things, that the number of Residential Units not be reduced if Lots are combined.

(c) Structural Party Walls. Each Owner grants to the Owner of each adjacent Lot the right and easement to maintain and to utilize any exterior or interior wall of a Building that forms a party wall between them. A wall will be considered a party wall only if it provides structural support for the Buildings, or parts of a Building, on more than one Lot. Maintenance of the surface of the party wall shall be the sole responsibility of the Owner whose Building faces such wall. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's Lot or the wall itself. The cost of any other repairs to the party wall shall be shared equally by the adjacent Owners.

(d) Exterior Walls along a Lot Line. An exterior wall which supports the Building on only one Lot, or which encloses a courtyard on one Lot, shall not be considered a party wall. The Association may make rules and regulations concerning use and maintenance of such walls, including assigning responsibility between the adjoining owners for painting and repair and granting access over the adjoining Lot as reasonably necessary to maintain the wall. All such maintenance and repair shall be in accordance with the Roche Harbor Design Code.

(e) Yard Easements/Setbacks and Buffers. To allow most efficient use of a Lot while complying with governmental setback requirements, a portion of a Lot along a Lot line may be subject to an easement for use by the adjoining Lot Owner. Such easements may be designated on the plat, the Roche Harbor Design Code or on the deed from the Founder to the first Owner other than the Founder. Such use easements may be up to four feet wide and shall run along a boundary line, but shall not encroach upon more than one boundary line. In addition, the Owner of such a Lot subject to an easement shall be the beneficiary of a similar easement along another portion of the Lot, unless the Lot is a corner Lot or is larger than the surrounding Lots. Subject to regulation under the Roche Harbor Design Code, the beneficiary of such an easement shall have the use and

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maintenance responsibility for the easement area and may place air-conditioning equipment, fences, decks or patios and other fixtures (but not a primary structure) upon the easement area. Notwithstanding anything contained in this paragraph to the contrary, development on each Lot shall comply with all setbacks, buffer requirements and other development standards set forth on attached Exhibit B, as such requirements and standards may be modified by the Founder from time to time with San Juan County approval.

(f) Roof Overhang; Footings. For certain building types, such as common wall structures, which are to be built along a shared property line, the Roche Harbor Design Code may permit roofs, gutters, soffits and downspouts to overhang this property line, and may allow footings and rain leaders to intrude below the surface of the same property line. To the extent allowed by the Design Code and local governmental regulations the adjacent property shall be subject to an easement for such intrusion. However, roofs, gutters, downspouts and rain leaders may not discharge water onto adjacent property.

(g) Townhouse or Row House Roof. If a townhouse or row house wall or parapet is constructed along or very near the property line, the owner of the townhouse or row house to be constructed on the adjacent property shall have the right to flash into the existing building, in accordance with industry standards and in order to make the new building watertight. This right shall include the right to make minor cuts on the existing building and to secure flashing or other materials to the existing building, so long as the structural integrity and watertightness of the existing building is not impaired. The cost for flashing shall be incurred by the owner of the new building, but the maintenance of this connection shall be a shared expense between adjacent property owners.

ARTICLE IV: Commons

Certain property within the Neighborhood and certain easement rights, called the "Commons," are to be initially owned and maintained by the Founder for the benefit of all Owners.

4.1 Title.

(a) Commons. The Founder shall initially hold title to the Commons. For those portions of the Commons that consist of easements and other rights, the Founder shall be the holder of those rights.

(b) Right to Convey to Association. The Founder reserves the right, but is not obligated, to convey all or any portion of the Commons to the Association and, upon such assignment, the Association shall maintain such Commons. Alternatively, the Founder may elect to convey all or any portion of the Commons to any other entity or individual, including any public entity, in Founder's sole discretion.

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4.2 Maintenance; Capital Improvements.

(a) Generally. The Founder shall initially be responsible for the management, maintenance, control and improvement of the Commons and shall keep the Commons situated within the Neighborhood attractive, clean and in good repair. The Founder may at any time at its sole discretion assign to the Association the right and responsibility to manage, maintain, control or improve all or any portion of the Commons. After such assignment, the Association may hire the Founder to provide such services.

(b) Capital Improvements. Subject to design review, the Founder or its designated successors or assigns may make capital improvements to the Commons situated within the Neighborhood and may modify the uses of such Commons. For example, the Founder may add new recreational facilities (which improvements must be approved in accordance with the architectural review provisions of the Master Deed Restrictions). Expenses for substantial capital improvements must be approved in accordance with Section 8.6.

4.3 Owners' Easements of Access and Enjoyment; Public Access.

(a) Commons. The Founder hereby grants and conveys to every Owner a right and easement of appropriate use and enjoyment of the Commons dedicated in the final plat of any Approved Phase, subject to the Founder's right of regulation in accordance with this Declaration and the Founder's right to use the Commons as provided in paragraph 4.4 (c) below, in the Master Deed Restrictions or in the Development Approvals, and subject also to any limitations contained in the conveyance of those Commons to the Association, if and when such Commons are conveyed to the Association. These easements shall be appurtenant to and shall pass with title to every Parcel.

(b) Public Access to Open Space Tracts. Any open space tracts ultimately dedicated in an Approved Phase (including without limitation Open Space Tract O-9 and O-2A in the first Approved Phase) shall be available for use by the general public. The Founder and any subsequent owner of such open space tracts may adopt reasonable rules and regulations regarding the use of such open space tracts provided those rules and regulations shall not completely bar public access to such open space tracts..

4.4 Use of Commons.

(a) Members' Benefit. The Commons shall be maintained in part for the benefit of the Members of the Association.

(b) Non-Members. The Founder reserves the right to permit use of and access to all or a portion of the Commons (including the open space tracts), the Resort Core and Roche Harbor Residential Declaration

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any tract reserved for future development by the general public or otherwise at Founder's sole discretion.

(c) Open-Air Markets and Festivals: Public Access: Use of Facilities. Roche Harbor is a resort oriented community with activities and facilities designed to attract visitors to enjoy and use the amenities and facilities located at Roche Harbor. The Founder reserves, for itself and its designated assigns, the right to use any part of the Resort Core, the Commons (including the open space tracts), tracts reserved for future development and all resort facilities to serve the general public. Such activities can include but are not limited to open-air markets, festivals, outdoor concerts, public gatherings, outdoor food and beverage service and any other activities and services Founder offers to attract and service visitors to Roche Harbor. Such uses may be special events or be offered on a recurring or daily basis. Visitors to Roche Harbor shall have the right to use the private roads serving Roche Harbor to access the Resort Core, the Commons and any tracts reserved for future development for the purpose of participating in such events or to otherwise enjoy the Roche Harbor experience. Founder reserves for itself and its successors and assigns the right to access and use any facilities located in the Resort Core, the Commons or any tract reserved for future development to serve visitors or guests to Roche Harbor. Such facilities could include any swimming pool or other recreational facilities located within the Resort Core, Commons or on any tract reserved for future development.

4.5 Common Road Regulation. To the extent permitted by San Juan County, the Founder may make rules and regulations concerning driving and parking within the Neighborhood, and may construct traffic calming devices as approved by the Town Architect, post speed limit or other traffic signs and take any other reasonable measures to discourage excessive speed and encourage safe driving on the Common Roads. To the extent permitted by San Juan County, the Founder may enforce any violation in accordance with Section 11.8 and may tow offenders.

4.6 Surface Water or Stormwater Management System. The Founder shall have the power and duty to maintain proper drainage within the Neighborhood. In the exercise of this power and duty, the Founder shall have a blanket easement and right on, over, under and through the ground within the Neighborhood to maintain and to correct drainage of surface water. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with governmental requirements.

4.7 Damage or Destruction of Commons by Owner. If any Owner or any of the Owner's guests, tenants, licensees, agents, employees or members of his family damages any of the Commons as a result of negligence or misuse, the Owner hereby authorizes the Founder or the Association to repair the damage. If the damage was intentional and not the result of a reasonable accident, the cost of repair shall be the responsibility of that Owner and shall become an Individual Parcel Assessment payable by the responsible

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Owner and, if the Founder performed such repairs, such assessment shall be paid to the Founder. The Association may, but is not required to, seek compensation for intentional damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

4.8 Limitation of Liability. The Founder shall use reasonable judgment in providing security, maintaining the Commons and enforcing traffic control measures, but neither the Association nor the Founder makes any representation or assumes any liability for any loss or injury.

4.9 Assessment for Commons Costs and Services. In consideration of the Owner's right to use and enjoy the Commons, the Owners shall pay to Founder a prorata share of the cost incurred by Founder to maintain, operate, replace, improve, and/or own the Commons and/or to provide services in the Master Plan Area that benefit the Owners in accordance with Article X below. Such costs shall be allocated among the developed Parcels in the Master Plan Area in accordance with the relative values described in Article IX of this Declaration. The fractional allocation of the Founder's expenses to Parcels situated in the Neighborhood may be calculated for each Parcel in the Neighborhood by dividing the value assigned that Parcel by the sum of the values of all developed Parcels within the Master Plan Area. The Founder shall have the right, at its option, to levy such assessment against each Parcel in the Neighborhood directly or to bill the Association for the aggregate assessment due from all Parcels within the Neighborhood (in which case the Association shall levy an assessment against such Parcels to pay such costs).

ARTICLE V: Community Planning and Administration of The Design Code

Roche Harbor will be built by many different owners, architects and builders. Each of these individuals will contribute to the shaping of the final community.

The Roche Harbor Design Code communicates the elements that are essential for creating the community. Within these essential elements, there is room for the creative and individual design that vitalizes the community.

5.1 Master Deed Restrictions. The Master Deed Restrictions establish the Roche Harbor Design Code as the guide for all construction within Approved Phases of Roche Harbor, provide for a Town Architect to administer the Roche Harbor Design Code, and create the Roche Harbor Design Review Board. All construction or modification of any building or other improvements, any tree removal or landscaping or any material alteration of the topography of any Lot or Commons within an Approved Phase must be approved in advance by the Roche Harbor Design Review Board.

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5.2 Binding Effect. The Master Deed Restrictions, which are recorded in the public records, are binding upon all Approved Phases of Roche Harbor. Unless a notice is recorded specifically to the contrary, the submission of additional Approved Phases or other property to the Declaration for Roche Harbor shall automatically extend the provisions of the Master Deed Restrictions to such additional property.

5.3 Assignment to Association. The Master Deed Restrictions provide for the Founder's enforcement of the Roche Harbor Design Code during the development period (as that term is defined in the Master Deed Restrictions). At the end of the development period, the Founder shall assign to the Association its rights to enforce the Roche Harbor Design Code, as provided in the Master Deed Restrictions. Upon such assignment or if for any reason the Founder is unable or unwilling to perform its powers under Articles I and II of the Master Deed Restrictions, the provisions of Articles I and II of the Master Deed Restrictions shall become part of this Declaration as if originally included. At that time, the Association shall have and assume the responsibility of appointing a Town Architect and members of the Roche Harbor Design Review Board and enforcing all violations of Articles I and II of the Master Deed Restrictions with all of its powers under the Master Deed Restrictions and this Declaration.

5.4 Setback, Buffers and Dimensional Requirements. Attached hereto as Exhibit B are the setback, buffer and dimensional standards applicable to the Neighborhood and other areas which may be included in future phases of the Neighborhood. Such standards may be amended from time to time by Founder provided such revised standards comply with applicable requirements of San Juan County.

ARTICLE VI: Owners' Association

The Association is responsible for enforcing the Declaration. While the Founder will initially control the Association, the owners themselves will be responsible for the continuation of the community through their participation in the Association.

The Articles and Bylaws of the Association create the Association as a non-profit corporation and provide certain procedures for its corporate organization.

6.1 Duties. The Founder may assign to the Association at any time the obligation to maintain, repair and replace the Commons. Upon such assignment, the Association shall perform such obligations. The Association shall also enforce the terms of this Declaration and shall perform all other duties required by this Declaration or by Washington law, by San Juan County and by other government entities having jurisdiction. If the Association fails to perform such duties, the Founder may do so and collect the cost of such performance from the Association.

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6.2 Additional Powers. To the extent permitted by governmental authorities and approved by the Founder, the Association may, but is not obligated to, provide the following services or engage in the following activities:

(a) water, sewer, irrigation systems, drainage, telephone, electricity, natural gas, propane, gasoline or other fuel lines, television, security, cable television or communication lines and other utility services (including wireless communications facilities); supply of irrigation water; garbage and trash collection and disposal; laundry equipment or service;

(b) insect and pest control; improvement of vegetation and wildlife conditions; forestry management, pollution and erosion controls;

(c) emergency rescue, evacuation or safety equipment; fire protection and prevention; lighting of Common Roads which are not dedicated roads; restricted or guarded entrances, traffic and parking regulation and security patrols within the Neighborhood;

(d) transportation; day care and child care services; landscape maintenance; recreation, sports, craft and cultural programs; and newsletters or other information services;

(e) maintenance of easement areas, public rights-of-way and other public properties located within reasonable proximity to the Neighborhood if its deterioration would affect the appearance or safety of, or access to, the Neighborhood; and

(f) any other service allowed by law to be provided by a homeowners' association organized under Washington law.

With the prior written approval of the Founder, the Board may, by majority vote, initiate or terminate any of the above services, which shall take effect sixty (60) days after notice to the Members, except in an emergency. As determined by the Board depending upon the nature of the service, such additional services may be part of the common expenses of the Association, may be assessed as an Individual Parcel Assessment to affected Parcels, or may be provided on a fee-for-service or other reasonable basis. If requested by petitions signed by at least 10% of the Members, a Neighborhood Meeting may be called and, if a quorum is present, the Board's action to initiate or terminate an additional service under this Section 6.2 shall be repealed by majority vote of the Members. Upon such repeal, the Board may not reinstitute or terminate the service for five years unless also approved by majority vote of the Members provided however, nothing in this Section shall prohibit the Founder from performing such service and charging the Association for such costs if Founder determines in its reasonable discretion that such service generally benefits Roche Harbor.

6.3 Contracts. The Association may contract with any party, including the Founder, for the performance of all or any portion of the management of the Association and its maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Parcel Assessment as applicable. The Association may require that Owners contract for certain routine yard maintenance, in order to provide a uniform level of care. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Parcel Assessment. The terms and conditions of all such contracts shall be at the discretion of the Board.

6.4 Membership. Every Owner of a Parcel encumbered by this Declaration shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to such Parcel.

6.5 Allocation of Voting Interests. Each Member shall have a proportional vote based on the allocation of interests for assessment purposes under Section 9.2.

6.6 Exercise of Vote. When more than one person holds an interest in any Parcel, all such persons shall be Members. However, the number of votes for that Parcel shall not be increased, and the Members must determine among themselves how the Parcel's vote may be exercised. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. To the greatest extent permitted by law, the Association may institute voting by electronic or other means.

6.7 Election of Board of Directors.

(a) Procedure. Elections shall be conducted in accordance with the Bylaws and procedures established by the then-current Board.

(b) Initial Selection by Founder. The Founder shall appoint and remove the initial officers and members of the Board and may elect a majority of the Board until sixty days after the Founder has conveyed more than ninety percent (90%) of the Residential Units approved by San Juan County for the Master Plan Area. The Founder may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the control period, in which case the Founder reserves the right to record an instrument specifying that, until the time Founder would have been required to end control of the Board, certain actions of the Association or Board must be approved by the Founder before they become effective.

(c) Owner Representative. No later than sixty days after the Founder has conveyed more than ninety percent (90%) of the Residential Units approved by San Juan County for the Master Plan Area, Parcel owners other than the Founder shall have the right to elect a majority of the Board.

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6.8 Classes of Votes.

(a) Intent. It is anticipated that a single Owner, alone or with affiliates, may own apartment buildings and thereby control a significant number of votes, which could unduly influence the election of owner representatives from the remaining Parcels. Furthermore, if the Neighborhood includes a significant number of rental units, it is deemed desirable that tenants participate in the operation of the Neighborhood.

(b) Block Vote. If, after the end of Founder control described in paragraph 6.7 (b) any Owner, alone or with affiliates, controls at least 20% of the votes of the Association, that Owner shall select one member or 20% of the Board, whichever is greater, but shall not vote for any other members of the Board. If such Owner controls at least one third of the votes of the Association, that Owner shall select two members or one third of the Owner-selected members of the Board, whichever is greater, but shall not vote for any other members of the Board. In all membership votes other than election of Board members, such Owner shall be entitled to cast votes in the same manner as any other Owner.

(c) Tenants. Tenants within the Neighborhood may at any time form a Tenant Advisory Committee and may elect one delegate as a non-voting member of the Board of the Association. If, after the end of Founder control described in paragraph 6.7 (b), the number of rental units equals at least one third of the total Residential Units in the Neighborhood, then the number of directors shall be increased so that tenants may elect one voting member of the Board of the Association.

(d) Calculation. For purposes of paragraph (b), the calculation of numbers of Board members shall not include the tenant delegate. For example, if an apartment owner controlled one-third of the votes, the Board could comprise two members elected by the apartment Owner, four members elected by other Owners, and one member elected by tenants.

6.9 No Compensation for Directors. Directors shall receive no compensation for their services unless expressly provided for in resolutions adopted by the Members, but may be reimbursed for expenses.

6.10 Additional Provisions. Additional provisions concerning the operation of the Association and the Board are contained in the Articles and Bylaws.

ARTICLE VII: Decision Making

Most day-to-day decisions about the maintenance of the Neighborhood and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Neighborhood Meeting provides a public opportunity for discussion and voting. Where more practical, consensus may be achieved through the internet and other forms of electronic communication which may be devised in the future.

7.1 Neighborhood Meeting.

(a) When called. The Neighborhood Meeting shall be called annually for the election of members of the Board, and whenever any action is required by this Declaration to be taken by vote or assent in writing of the Members. As a convenient reference and not as a limitation, actions requiring a vote of the Members, or assent in writing, include the following:

Repeal of Additional Services	Section 6.2
Election of the Board of Directors	Section 6.7
Approval of General Assessments when increased more than 15%	Section 8.4
Ratification of expenditures for capital improvements	Section 8.6
Approval of Zone expenses	Section 8.7
Repeal of Rules and Regulations adopted by the Board	Section 11.7
Amendment of Declaration	Section 13.1
Dedication of the Commons	Section 13.2
Merger into, or Dedication of Commons to, Municipality	Section 13.3
Termination of the Declaration	Section 13.5

(b) Quorum. Voting at a Neighborhood Meeting requires presence of members representing the percentage of votes necessary to transact business. The necessary percentage is determined by the Bylaws, and if permitted by the Bylaws and by statute, the Board may revise this percentage from time to time.

(c) Notice. Notice of the meeting must be given to Members in accordance with Section 14.4 ("Notices") and in accordance with the Bylaws. Notice of meetings shall also be posted in at least one place within the Commons.

(d) Proxies; Electronic Voting. To the extent allowed by the Bylaws and statute, proxies and limited proxies may be used to establish a quorum and for voting purposes. To the extent allowed by law and in accordance with procedure that may be adopted in the Bylaws, a quorum may be evidenced, and votes may be cast, by electronic means.

7.2 Action without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of directors) by a written vote conducted by mail, by electronic ballot, or by written consent without a meeting. Notice may be waived in the event of an emergency. Voting or consents shall be in accordance with the Bylaws and statute. Wherever used in this Article, "electronic means" or "electronic ballot" shall specifically include e-mail and, upon approval of the Board, other similar means of communication which may be developed in the future.

7.3 Board Meetings.

(a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and shall have the authority to act on behalf of the Association and to make all decisions necessary for the operation of the Association, the enforcement of this Declaration and the care of the Commons situated within the Neighborhood.

(b) Quorum. Voting at a Board meeting requires presence of at least one-half of the directors, in person or telephone conference or, if allowed by law, by proxy. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board. With the approval of all directors, meetings may be conducted by electronic means.

7.4 Record Keeping. The Board shall keep a record of all meetings, both of the Board and of the Association. For each action taken, the record shall state the vote and a description of the action approved, and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Member.

7.5 Approval. Wherever used in this Declaration, approval by a majority or other proportion of the Members refers to a vote in accordance with this Article, either at a properly called Neighborhood Meeting or through a voting procedure established under Section 7.2. Where the Declaration specifies consent in writing, or request in writing, by a majority or other proportion of all Members, then the necessary number is based on the number of votes represented by the total Membership of the Association, and signatures may be collected without a Neighborhood Meeting or other voting procedure.

ARTICLE VIII:
Association Budget

To fulfill its obligation to maintain the Commons, the Board is responsible for the fiscal management of the Association.

8.1 Fiscal Year. The fiscal year of the Association shall begin January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.



8.2 Budget Items. The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required by this Declaration or properly approved in accordance with this Declaration and a proportion of those expenses incurred by Founder to maintain, own, manage, repair, or upgrade the Commons or service the Master Plan Area. The budget may also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves, including reserves for future expenses to be incurred by the Founder and charged to the Association. If the Commons are taxed separately from the Parcels, the Association shall include such taxes as part of the budget. Fees for professional management of the Association, accounting services, legal counsel and other professional services may also be included in the budget.

8.3 Reserves. The Association may build up and maintain reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Such amount shall include reserves for future expenses to be incurred by the Founder and collected from the Association for major maintenance, repair and replacement of the Commons (such as road resurfacing work and other significant future expenses). Extraordinary expenses not originally included in the annual budget that may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions of Section 10.4 ("Special Assessment"). If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be used to reduce the following year's assessments.

8.4 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Founder shall determine the budget for the fiscal year in which a Parcel is first conveyed to an Owner other than the Founder.

(b) Subsequent Years. Beginning with the year in which a Parcel is first conveyed to an Owner other than the Founder and each year thereafter, at least sixty days before the end of the fiscal year, the Board shall, by majority vote, adopt a proposed budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. Within thirty days after adoption of the proposed budget by the Board, the Board shall set a date for a meeting of the Owners to consider ratification of the budget. The date for the meeting shall be not less than fourteen and not more than thirty days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association are allocated or any larger percentage specified in the bylaws of the Association reject the proposed budget, in person or by proxy, then budget shall be

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deemed ratified, whether or not a quorum is present. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the ratified budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member. If the proposed budget is rejected or the required notice is not given, then the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

8.6 Capital Improvements. Any substantial capital improvement to the Commons approved by the Board must be ratified by a majority of the Members. If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessment. A capital improvement shall be considered substantial if the cost to the Association of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget. However, any repair or replacement of existing improvements shall not be considered a capital improvement. Approval of the Roche Harbor Design Review Board is required for all capital improvements situated within the Neighborhood. This section shall not limit the right of the Founder to make improvements to the Commons and charge the Association for such costs.

8.7 Zone Expenses.

(a) Capital Improvements. Any Zone may, by two-thirds (2/3) vote of the Members within that Zone and approval of the Board, vote to assess themselves for capital improvements to Commons which will primarily benefit that Zone.

(b) Additional Services. Any Zone may, by majority vote of the Members within that Zone and approval of the Board, vote to assess themselves for maintenance or services in addition to those normally provided by the Association.

(c) Combined Zones: Smaller Groups. Zones may be combined or join together for such assessments. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones. If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

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(d) Assessment Levy. Any assessment so approved shall be assessed to all Owners within that Zone or designated group as an Individual Parcel Assessment.

8.8 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE IX: Allocation of Expenses

The Declaration provides a formula for allocating interests among the Parcels for assessment of common expenses.

9.1 Generally. The common expenses of the Association (including a proportionate share of the costs incurred by Founder to maintain the Commons situated within the Master Plan Area) shall be allocated among the Parcels situated in the Neighborhood in accordance with the relative values described in this Article IX. The fractional allocation of the common expenses of the Association may be calculated for each Parcel in the Neighborhood by dividing the value assigned that Parcel by the sum of the values of all Parcels within the Neighborhood.

9.2 Relative Values of Parcels. For purposes of levying assessments against Parcels within the Neighborhood for common expenses (including costs incurred by Founder for the Common Roads and Commons located within or outside the Neighborhood), Parcels shall be assigned the following values:

Residential Unit Use. The following shall be assigned a value of 1.0:

- (a) A lot with a single home (including homes with an accessory dwelling unit).
- (b) A lot with a home and an outbuilding, which may have a separately leaseable residential unit.
- (c) A townhome or similar attached, single residence.
- (d) Each Residential Unit in a multi-family building.
- (e) Each Residential Unit in a mixed-use building, such as a residential unit above a commercial space.

Lodging Unit and Employee Housing Unit Use. All Lodging Units and Employee Housing Units shall be assigned a value equal to 0.50.

Retail and Food/Beverage Uses. Any Building that has a retail service and/or food and beverage use (collectively, a "Day Trip Use") shall be assigned a value equal to 0.1 for each 100 square feet of net leaseable Day Trip Use space situated within

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such Building . Such Day Trip Use shall include grocery stores, restaurants, gas stations and other retail or service businesses. The Founder shall determine the amount of assessed square footage of Day Trip Use space for a particular Building. Net leaseable square footage shall include all heated or air-conditioned space, measured to the center of the wall. Such square footage shall include all space that may be used for commerce, office, storage and other support areas for the retail and/or food or beverage use, but shall not include any Residential Unit, any Lodging Unit, any Employee Housing Unit or any stairwells or walkways used primarily to access residential, lodging or housing space. At the discretion of the Founder, decks and other non air-conditioned spaces that are used on a regular basis for commerce may also be considered as part of the square footage and assessed at a reduced rate, depending on use. The Founder may establish rules for the definition and calculation of square footage, the rounding of square footage to the nearest 100 square feet and other matters relating to assessment against retail and/or food or beverage space. The Founder's agent may enter and examine Buildings at reasonable times for assessment purposes. An Owner shall have the right to a hearing before the Founder to appeal an assessment evaluation applicable to such space; however, the decision of the Founder after appeal is final.

Marina Use. All transient and permanent boat slips now existing or hereafter constructed within the Roche Harbor marina shall be assigned a value of 0.10 per boat slip.

Mixed-Use. A single Parcel may have both a residential use and a Day Trip Use and be assessed for both uses, although the same space shall not be assessed twice. A home-based occupation that does not advertise to the general public or have signage on any street, other than an alley, shall not be subject to the Day Trip Use value.

Special Use Parcels. Assessments for Special Use Parcels shall be determined by the Founder based on the anticipated use of the parcel.

Exempt Parcels. The following Buildings shall be exempt from assessment by the Association:

(a) Buildings that are used by non-profit entities primarily for the benefit of residents of the Neighborhood or visitors to Roche Harbor (including any interpretative center) may have a zero allocation. The Founder may grant such exempt status of record at any time up to and including the time of conveyance of the Building to someone other than the Founder. Once granted, such exempt status shall continue so long as the use of the Parcel remains substantially the same. The Association also has the authority to grant exempt status for qualified entities upon terms and conditions established by the Association;

(b) Open space tracts;

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- (c) Tracts reserved for future development;
- (d) Churches, mosques or synagogues;
- (e) Swimming pools and other recreational complexes or facilities;
- (f) Pushcarts, kiosks, stands or similar temporary sales structures;
- (g) Bus shelters; and
- (h) Child Care Centers

9.3 Unimproved Lots. Unimproved Lots within the Neighborhood shall be assigned a value of 0.25. Unimproved Lots located outside the Neighborhood shall be assigned a value of zero. Upon substantial completion of improvements, the value shall be changed as provided in Section 9.2. If the Founder or an Owner combines two Lots or parts of Lots and uses them as a single Lot, the Association may assess them as a single Lot or other formula in accordance with regulations consistently applied.

9.4 Appeals to Association. The Association may establish rules for the assessment levied against Parcels within the Neighborhood; provided, any rules concerning assessment of commercial space, assessment of Parcels owned by the Founder or assessments collected to reimburse Founder for Common area costs must be approved by the Founder. An Owner shall have the right to a hearing before the Association to appeal an assessment evaluation; however, the decision of the Association after appeal is final, subject to approval rights reserved by Founder in this Section 9.4.

9.5 Adjustments. If Parcels of substantially different size or use are created within the Master Plan Area, the Founder may by Supplemental Declaration establish a different relative value for those Parcels based on a reasonable determination of the expected usage levels consistent with the determination for other properties within the Neighborhood. If individual Residential Units which are within primarily commercial portions of the Master Plan Area are added and the property surrounding such units is not added, the amount of assessments to be paid by such units may be reduced, based upon a reasonable estimate of the units' usage of the Commons.

ARTICLE X:

Covenants for Maintenance Assessments

The cost of fulfilling the Association's financial obligations is divided equitably among the Members by means of Assessments. To assure the Association of a reliable source of funds and to protect those Members who contribute their equitable share, assessments are mandatory and are secured both by a lien on the lot and the Member's personal obligation.

10.1 Obligation for Assessments. The Founder, for each Parcel owned within the property submitted by this Declaration or Supplemental Declaration to the Neighborhood, hereby covenants, and each Owner of any Parcel by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant

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and agree to pay to the Association the following (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget,
- (b) Special Assessments for the purposes provided in this Declaration, and
- (d) Individual Parcel Assessments for any charges particular to that Parcel,

together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

10.2 Allocation of Common Expenses. Expenses shall be allocated among the Parcels as provided in Article IX.

10.3 General Assessments.

(a) Establishment by Board. The Board shall set the date or dates such assessments become due and may provide for collection of assessments annually or in monthly, quarterly or semiannual installments.

(b) Date of Commencement. The annual General Assessments shall begin on the day of conveyance of the first Parcel to an Owner other than the Founder. The initial Assessment on any Parcel subject to assessment shall be collected at the time title is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the prorata share of the annual General or Special Assessment charged to each Parcel, prorated to the month of closing.

(c) Owners to Pay a Proportionate Share of Common Area Expenses. The General Assessment shall include a proportionate share of the cost incurred by Founder to maintain, operate, replace, improve, and/or own the Commons and/or to provide services in the Master Plan Area that benefit the Owners, including without limitation, the cost of all taxes and insurance, security expenses and costs to maintain, repair, and replace the Commons (collectively, the "Common Area Costs"). The proportion of Common Area Costs to be paid by Members shall be determined by allocating among all Owners of Parcels within the Master Plan Area, the total Common Area Costs based on the relative values assigned to each Building or Parcel in Section 9.2 above. Attached for illustrative purposes is a sample allocation of Common Area Costs based on a hypothetical build out of the Master Plan Area (See Exhibit C attached). All information included in that Exhibit is used for illustrative purposes only and may bear no relationship to the actual development that occurs at Roche Harbor or the Common Area Costs incurred by Founder and included in the General Assessments calculated under this Article X. 10.4

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Special Assessment. In addition to the General Assessment, the Board may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four succeeding years as follows:

(a) Capital Improvements. Any substantial capital improvement that has been approved in accordance with Section 8.6 ("Capital Improvements") or any capital improvement not required to be approved by the Members may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration or the law requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

10.5 Individual Parcel Assessments. The Association may levy at any time an Individual Parcel Assessment against a particular Parcel for the purpose of defraying, in whole or in part, the cost of any special services to that Parcel, for expenses approved by that Zone in accordance with Section 8.7, or any other charges designated in this Declaration as an Individual Parcel Assessment.

10.6 Capital Contribution. At the closing and transfer of title of each Parcel to the first Owner other than the Founder or the builder, the Owner shall contribute an amount equal to three months assessments. This contribution, which shall be enforceable in the same manner as an Assessment, shall be deposited in the general funds of the Association for start-up expenses of the Association and for working capital for the Association, and shall not be considered as a pre-payment of assessments.

10.7 Arts Trust Assessments.

(a) Nonprofit Foundation. The Founder or others, with the consent of the Founder, may, but is not obligated to, form a nonprofit corporation, foundation or trust (the "Arts Trust") for the purpose of encouraging the arts and cultural events within the Neighborhood. If the Arts Trust is formed, the following provisions of this Section 10.7 shall apply.

(b) Creation of Assessment. At each closing and transfer of title after the initial closing described in Section 10.6, the new Owner shall pay an Arts Trust Assessment, enforceable in the same manner as other Assessments, to be used only for the development of the arts and cultural events within the Neighborhood. The Arts Trust Assessment shall not be paid by a Mortgagee who assumes title as the result of a foreclosure or deed in lieu, but shall be paid upon the conveyance by the Mortgagee to a subsequent Owner.

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(c) Amount. The amount of the Arts Trust Assessment shall be two-tenths of one percent of the sale price of the Parcel.

(d) Distribution.

(i) Until establishment of the Arts Trust, funds collected from Arts Trust Assessments shall be placed in a special account, and may be used by the Board only for appropriate purposes.

(ii) After establishment of the Arts Trust, the Association shall, if requested by the Arts Trust, continue to collect the Arts Trust Assessment from each owner at the time of collection of the annual General Assessments, and shall give to the Arts Trust all funds collected in its behalf within fifteen (15) days of collection. The Arts Trust shall have authority to enforce collection of Arts Trust Assessments in the same manner as the Association may enforce collection of General and Special Assessments.

10.8 Effect of Nonpayment of Assessment: Remedies

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Parcel at the time when the assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Parcel.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Parcel against which the Assessment Charge is made, which may be enforced upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent owner of the Parcel shall be deemed to have notice of the Assessment Charge on the land, whether or not a lien has been filed.

(c) Suit for Payment: Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Parcel foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Parcel.

(d) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights and right to use of the Commons by an Owner for any period during which any Assessment against his Parcel remains unpaid.

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10.9 Certificate of Payment. The treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are paid to date by that Owner. Such certificate, when co-signed by the secretary of the Association, may be relied upon by a good faith purchaser or mortgagee as conclusive evidence of payment of any assessment therein stated to have been paid.

ARTICLE XI: Use of Parcels

The following covenants are designed to protect the quality of life for all Owners within the Neighborhood and to set a standard for reasonable cooperation within the community.

11.1 Permitted Uses.

(a) Determination. Permitted uses for Parcels, which may include residential use, civic use or retail, office, restaurant, resort support or other commercial use, shall be determined based on the Roche Harbor Design Code and the plat, subject to applicable zoning and the Development Approvals. At the Founder's discretion, the Founder shall make the determination of record at the time of the Parcel's addition to the Neighborhood, or at any time up to and including the time of conveyance of the parcel to someone other than the Founder. If the Founder fails to make such a determination of record, the Roche Harbor Design Code, or the approval of the Building or modification under Article V, may describe permitted uses, provided, however, such uses shall at all times be consistent with the Development Approvals.

(b) Home-based Businesses. Unless prohibited by law, home-based business that does not generate significant noise, odor or traffic shall be permitted in any residential area. Signage for home-based business shall be regulated under the Roche Harbor Design Code.

(c) Time Sharing/Fractional Ownership. Time-share and fractional ownership of Parcels is permitted only if such ownership is organized and managed by the Founder. For this purpose, the term "time-share ownership" shall mean a method of ownership of an interest in a Parcel under which the exclusive right of use, possession or occupancy of the Parcel circulates among the various owners (or is shared on a fractional ownership basis) on a periodically reoccurring basis over a scheduled period of time. Leasing a building or ownership of a Parcel by a corporation, partnership or other entity or by not more than four individuals or married couples will not normally be considered time-share ownership.

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11.2 Prohibited Uses.

(a) Nuisances. No nuisance or other use that creates an unreasonable disturbance shall be permitted on any Parcel. The Association may from time to time define and determine unacceptable uses.

(b) Insurance. Nothing shall be done or kept on any Parcel or the Commons that will increase the rate of, or result in cancellation of, insurance for the Commons or any other Parcel or its content, without the prior written consent of the Association.

(c) Soliciting. The Association may regulate or prohibit soliciting within the Neighborhood.

11.3 Attractiveness and Safety of Parcels.

(a) Generally. Each Owner shall keep all parts of his Parcel in good order and repair and free from debris. The Roche Harbor Design Code or the Association may regulate exterior color schemes, the placement and maintenance of garbage and trash containers, fuel or gas storage tanks (including the prohibition of such tanks), wood piles and equipment on Parcels and all other matters affecting the attractiveness or safety of Parcels.

(b) Signage. No sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed on any Parcel or portion of the Commons situated within the Neighborhood unless specifically permitted by the Roche Harbor Design Code.

(c) Vehicles. The Roche Harbor Design Code or the Association may regulate or prohibit the parking of trailers, recreational vehicles, nonfunctioning or excessive numbers of vehicles, sports equipment or any other item visible on the Parcel, and may require that garage doors be kept closed except when automobiles are entering or leaving the garage.

(d) Sports Equipment. Play structures, such as basketball hoops and swing sets, must be kept in good repair and may be limited, in accordance with the Roche Harbor Design Code, to back yards or alleys. Large play structures such as skateboard ramps that are visible from outside the Parcel may be prohibited.

11.4 Rental of Residential Units: Restrictions on Transient Rentals.

(a) Transient Rentals. The rental or use of a Residential Unit (or any portion thereof) for periods of thirty (30) days or less is referred to herein as a "Transient Rental". All Transient Rentals are controlled and managed by the Founder and are not subject to regulation by the Association. A Transient Rental may only occur through the Founder, Roche Harbor Residential Declaration

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acting on behalf of the Owner of such unit. Transient Rentals of Residential Units by Owners (other than the Founder) or by any agent, tenant, management company or other lessee of any Owner (other than Founder) is prohibited. The Founder shall control all Transient Rentals pursuant to reasonable rules and regulations promulgated by the Founder, which may be modified from time to time.

(b) Long Term Rentals. The rental or use of a Residential Unit (or any portion thereof) for periods of more than thirty (30) days is referred to herein as a "Long Term Rental". All Long Term Rentals of Residential Units in the Neighborhood shall be subject to such rules and regulations as the Association shall promulgate (which rules are subject to the Founder's prior written approval) to ensure each unit is rented in a manner to prevent unreasonable disturbance to area residents. The Association may prohibit the Long Term Rental of any Residential Unit while the Owner is in default in the payment of Assessments. If the Residential Unit is leased in violation, the Association may attach rentals and may evict the tenant as if it were a tenant violation under paragraph 11.9 (d).

11.5 Pets. Pets may be kept by an Owner on his Parcel but only if such pets do not cause an unsafe condition or unreasonable disturbance or annoyance within the Neighborhood. Each Owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his pets. The Association reserves the right to regulate the number, type and size of pets (specifically including particular breeds of dogs deemed to create unreasonable danger); to prohibit the keeping of animals other than customary household pets, which it may define, acting reasonably; to designate specific areas within the Commons where pets may be walked and to prohibit pets on other areas; to require pets to be on leash; and to restrict the rights of tenants to keep pets.

11.6 Temporary Structures: Camping. The Roche Harbor Design Code may prohibit or regulate construction trailers, tents, shacks, barns, sheds or other structures of a temporary character that are visible from outside the Parcel. However, reasonable, occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed. In addition, the Association or Founder may permit the use of tents, trailers and other temporary buildings on the Commons or elsewhere within the Neighborhood during art festivals, craft fairs, block parties and other special events is encouraged, subject to regulation by the Roche Harbor Design Code. No other camping is permitted within the Neighborhood unless designated campgrounds are added to the property.

11.7 Rules and Regulations.

(a) Generally. The writing of rules is one way to address specific issues that arise within the community. The Association may adopt or amend Rules and Regulations interpreting or expanding upon the basic principles of this Article and other portions of this Declaration. Rules should strive to address the problem in the least restrictive way. The Board should review the Rules and Regulations regularly and remove or amend those that are unnecessary or overly restrictive.

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(b) Effect. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 10% of the Members, a Neighborhood Meeting may be called and any Rule or Regulation may be repealed by majority vote of the Members.

(d) Notice. A copy of the Rules and Regulations adopted from time to time shall be posted in a conspicuous place within the Neighborhood or furnished to each Owner.

(e) Responsibility. Each Owner and the Owners' family members, guests and tenants are required to abide by the covenants contained in this Declaration, which are covenants running with the land, and any Rules and Regulations adopted by the Association. Each Owner is responsible for assuring such compliance, and any violation by family members, guests or tenants may be considered to be a violation by the Owner.

11.8 Chancellor.

(a) Role. The Association shall have one or more Chancellors, who shall mediate disputes among Members of the Association, giving neighbors a forum to work out differences and find solutions. Depending on the circumstance, they may act individually or as a committee. If disputes cannot be resolved by mediation, the Chancellors make recommendations to the Board of Directors.

(b) Selection. The Board determines the number of Chancellors and shall decide whether the Chancellors shall be elected or appointed. If appointed, the Chancellor may be a paid professional position, in which case the Board will hire a mediator, psychologist, attorney or other professional when a Chancellor is needed. If one or more Chancellors are hired by the Board rather than elected, the Chancellors would be paid for service to the Association on terms negotiated by the Board. Chancellors may be hired on a part-time or as-needed basis.

(c) Hearing. When problems with covenant enforcement arise, the Board or any resident or Owner may file a request with the Chancellor to hear the issue. If requested by the Board or the Chancellor to which the case is assigned, and if there is more than one Chancellor, the case will be heard by more than one Chancellor, sitting as a panel. The Chancellor or panel will notify the resident who is believed to be in violation, as well as the Owner of the Parcel, if different, and set a convenient date for a mediation session. Sessions must be conducted with tact, dignity and respect. The Chancellor or panel has the discretion to decide if the complaining party should participate in the mediation session.

(d) Agreement. The object of the mediation session is to hear the various viewpoints and to attempt to reach an agreement that is acceptable to all parties. The

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Chancellor or panel is to evaluate whether the Member has caused an unreasonable disturbance or other violation, and if so, to help reach a resolution within the general principles set out in this Chapter. If the parties reach agreement and the Chancellor or panel approve the agreement, the agreement is to be summarized in writing and signed by the parties, including the Chancellor or panel. The Chancellor's office is to keep a copy of the agreement. The Chancellor or panel has the right to consider whether the same problem has arisen in the past and whether the Member has complied with previous agreements in evaluating the current agreement.

(e) Further Action. If agreement is not reached, or if the parties do not comply with the agreement, the Chancellor or panel is to make a report and recommendation to the Board for further action.

11.9 Enforcement. If the Chancellor determines that the problem is not satisfactorily resolved, the Board will notify the Owner of the date of the Board meeting at which the matter will be discussed. After hearing the report from the Chancellor and giving opportunity for the resident (and Owner, if different) to be heard, the Board may take any of the following actions:

(a) Fines. The Board has the right to assess fines up to the maximum allowed by law and may restrict the resident's use of the Commons for up to sixty (60) days or until the violation is remedied, whichever is longer. However, the primary goal of this chapter is not to punish but to resolve problems. The Association may suggest or approve agreements and withhold the requirement of paying a fine if the agreement is honored. Fines shall be charged against the Parcel as an Individual Parcel Assessment. Any fines collected shall be contributed to the general fund of the Association.

(b) Pets. If the Board finds that a pet causes an unsafe condition or unreasonable disturbance or annoyance, it may require the resident or Owner to take steps to cure or limit the offensive condition. If such steps are ineffective, if the resident or Owner fails to cooperate or if the pet is considered to create an unsafe condition or unreasonable disturbance or annoyance, the Association may require that an Owner or resident permanently remove the pet from Roche Harbor.

(c) Corrective Action for Parcel Maintenance. If the Board determines that any Owner has failed to maintain any part of a Parcel (including the yard and any wall, fence, or building for which the Owner is responsible) in a clean, attractive and safe manner, in accordance with the provisions of this Declaration, Roche Harbor Design Code and applicable Rules and Regulations, the Board shall notify the Owner of its findings and may assess fines. If the violation continues for ten days after notice to the Owner, the Association shall have the right without liability to enter the Parcel to correct, repair, restore, paint and maintain any part of such Parcel and to have any objectionable items removed from the Parcel. The Board may reduce or eliminate the time for notice if

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it believes the condition creates a hazard. All costs related to such action are to be assessed to the Owner as an Individual Parcel Assessment.

(d) Tenant Violations. If after notice to both the tenant and the Owner and opportunity for a hearing the Board determines that a tenant has violated this Declaration or Rules and Regulations, the Association may assess fines against the Owner. In addition, if the violation continues for ten days after notice to the Owner of the findings, or if the tenant materially violates the same covenant more than once in any one-year period, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed irrevocably appoints the Association as its agent and attorney-in-fact in such an eviction action. All costs related to such action shall be charged to the Owner as an Individual Parcel Assessment.

(e) Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Association and/or the Founder shall also have the right to bring suit to enforce the covenants contained in this Declaration, including the right to an injunction.

11.10 Development Approvals. The development of Parcels within the Neighborhood is subject to the Development Approvals. To the extent any conflict exists between this Declaration and the Development Approvals, the Development Approvals shall govern. Owners shall comply with all conditions of approval imposed by San Juan County for Roche Harbor including those set forth in the Development Approvals and in all preliminary and final subdivision approvals.

11.11 Historic Resource Management Plan. The development of Parcels within the Neighborhood is subject to the Roche Harbor Historic Resource Management Plan dated November 20, 2003 prepared by Cultural Resource Management (the "Management Plan"). The Founder and all Owners shall comply with the recommendations included in the Management Plan.

ARTICLE XII:

Insurance

Insurance is essential to protect the interests of the various Owners and to assure that funds will be available for rebuilding after a casualty. However, because insurance costs may increase significantly or new types of coverage made available, this Article gives some flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.

12.1 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once each year. Insurance can protect the Association's assets and financial security. However, insurance is a large, and sometimes volatile, item on the Roche Harbor Residential Declaration
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Association's budget. At least once each year, the Board should review types of insurance and terms and limits of coverage for insurance held by the Association. Changes in replacement costs or anticipated liabilities can make old insurance inadequate. In rare cases, if coverage becomes too expensive, the Association may make a decision to drop certain coverage or to take a higher deductible. In any event, the Board is expected to exercise the "prudent person" principle in determining how to deal with insurable risks of the Association. The insurance described in this Article XII is in addition to the insurance which Founder will carry for the Commons and include in Common Area Costs allocated to Owners in accordance with paragraph 10.3 (c) above.

12.2 Severability of Interest. Whenever practical, insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement that prevents the insurer from denying the claim of an insured because of negligent act of other insureds.

12.3 Types of Insurance. The Association should consider the following types of coverage:

(a) Casualty Insurance. The Board should consider whether any Commons owned by the Association include structures or other improvements that can and should be insured against casualty loss. Certain improvements, such as green space or landscaping, may not be insurable. However, buildings or other structures usually are insurable. Endorsements for fire and extended coverage, vandalism, malicious mischief, flood (if in a flood-prone area) and windstorm should be obtained where available at reasonable cost. Coverage should be in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy or "agreed amount" insurance should be obtained.

(b) Public Liability. The Board may obtain public liability insurance in such limits as the Board determines, insuring against liability arising out of, or incident to, the ownership or use of the Commons and any topographic conditions or water access located on or adjoining Roche Harbor. At the Board's discretion, such coverage may include easements, such as walkways.

(c) Director Liability Insurance. The Board may obtain liability insurance insuring against loss for actions taken by members of the Board, officers of the Association and advisory members in the performance of their duties. The Board may also obtain fidelity insurance or bonding for Board members, officers and employees.

(d) Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Members.

12.4 Parcel Coverage. Each Owner shall obtain casualty insurance for improvements on the Parcel. If available at reasonable cost, the policy shall name the Association as an additional insured. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the Parcel. If requested by the Association, an Owner shall provide evidence of such insurance to the Association.

12.5 Repair and Reconstruction after Fire or Other Casualty.

(a) Commons. If fire or other casualty damages or destroys any of the improvements on the Commons owned by the Association, if requested by the Founder, the Board shall arrange for and supervise the prompt repair and restoration of the improvements unless the area is to be redeveloped as provided in Section 13.2 ("Redevelopment"). The Board shall obtain funds for such reconstruction first from the insurance proceeds, if available, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.

(b) Parcel Improvements. If fire or other casualty damages or destroys a Building or any other improvements on a Parcel, the Owner of that Parcel shall immediately proceed to rebuild and restore the improvements to the condition existing immediately prior to such damage or destruction, unless other plans are approved by the Roche Harbor Design Review Board or the area is to be redeveloped as provided in Section 13.3. If the Owner fails to clean and secure a Parcel within 30 days after a casualty, the Association may, in accordance with the provisions of paragraph 11.8(d) ("Corrective Action for Parcel Maintenance"), remove debris, raze or remove portions of damaged structures and perform any other clean up the Association deems necessary to make the Parcel safe and attractive. The cost of such clean-up shall be assessed to the Parcel Owner as an Individual Parcel Assessment.

ARTICLE XIII:

Amendment, Redevelopment and Termination

The Declaration sets forth the general principles on which the Neighborhood was based. Amendments to the Declaration may be necessary in the future to adjust to changing conditions. These new provisions should be incorporated into the Declaration.

When, over long periods of time, conditions change so that redevelopment is necessary, the Declaration allows for a unified plan of redevelopment and compensation for affected owners.

13.1 Amendment.

(a) By Members. After the Development Period (as that term is defined in the Master Deed Restrictions), this Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association.

(b) By the Founder. During the Development Period, the Founder reserves the right to amend this Declaration without the consent or joinder of any party as the Founder deems advisable including without limitation the absolute and unconditional right to amend this Declaration (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or any other generally recognized institution involved in the guarantee or purchase and sale of mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Declaration's provisions or correct errors, and/or (iv) to comply with the Development Approvals and/or any other requirements of San Juan County or any other applicable governmental entity or agency.

(c) Limitations. Whenever any action described in this Declaration requires approval of greater than sixty seven percent (67%) of the Parcel Owners, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly. Rights reserved to the Founder may not be amended without the specific consent of the Founder.

(d) Recording. Any amendment shall take effect upon recording in the public records.

13.2 Right to Dedicate.

(a) Common Roads. The Common Roads are private roads owned by the Founder. The Founder shall have the right, but shall not be obligated, to convey title to or dedicate the Common Roads to the appropriate public agency or authority, to the

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Association, to the Resort Core Association, if and when formed, or to any other individual or entity, at the Founder's sole discretion.

(b) Commons. All other Commons may be dedicated by the Founder to the public, to the Association, to the Resort Core Association (if and when formed) or to any other individual or entity at the Founder's sole discretion.

(c) Alleys: footpaths. If the Founder determines that it no longer wishes to maintain all or some of the alleys or footpaths between Parcels, the ownership of such alleys or footpaths may be divided evenly between the adjacent Parcel Owners, with the consent in writing of the Parcel Owners representing sixty seven percent (67%) of the votes in the Association. The property shall be subject to an easement for any then-existing utilities, and an easement may be reserved for continued use of the alleys or footpaths if required by the approving Owners.

(d) Necessary Approval. Any dedication or conveyance described above is subject to acceptance by the applicable governmental agency.

13.3 Redevelopment.

(a) Purpose. If the Neighborhood should ever be struck by a natural disaster or other casualty, all or a portion of the Neighborhood might be destroyed and need to be rebuilt. In general, after any casualty loss, improvements are to be rebuilt in accordance with the original plan. Alternatively, this section provides a method for redevelopment in accordance with a new plan when Parcel Owners representing sixty seven percent (67%) of the votes in the Association, the Founder and a majority of the mortgagees agree that it is necessary and desirable to do so. This super-majority approval is designed to protect individual property owners' rights and expectations in their property. However, when such consensus is achieved, this section allows redevelopment, while continuing to protect the dissenting owners by assuring payment to them of fair market value, plus a relocation allowance. The same method may be used when, after long periods of time, changing uses and conditions make redevelopment desirable.

(b) Definitions. Redevelopment is the process of rebuilding all or a portion of the Neighborhood, known as a Redevelopment Area, in accordance with a revised Roche Harbor Design Code, combined with the offer to purchase the property of any dissenting Parcel Owners. A Redevelopment Area must be a defined, logical section for redevelopment comprising a Zone or Zones, or the entire Neighborhood. The plan may allow buildings that are currently in serviceable condition to remain but require that such buildings, if rebuilt or remodeled in the future, to be rebuilt in accordance with the redevelopment plan. The plan for redevelopment may include termination of the Declaration for the Redevelopment Area. If the Declaration is terminated for a Redevelopment Area, the Founder may sell or donate to the Owners within the Roche Harbor Residential Declaration

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Redevelopment Area the Commons located there, reserving access and use ~~assessments as~~ appropriate.

(c) Redevelopment: When Available. Redevelopment shall be available ~~only~~ upon the occurrence of one of the following:

(i) Any time after thirty (30) years from the recording of this Declaration, or

(ii) Upon a casualty loss destroying at least two-thirds, by value, of the insurable improvements, either within the entire Neighborhood, or within a Redevelopment Area. If the necessary approvals are not obtained within ninety (90) days after the casualty, the damage must be repaired in accordance with Section 12.7 ("Repair and Reconstruction after Fire or Other Casualty").

(d) Approvals. Redevelopment requires the consent in writing of Parcel Owners representing sixty seven percent (67%) of the votes within the Redevelopment Area; Mortgagees holding mortgages on a majority, by assessment interests, of the Parcels encumbered by such mortgages; and the Founder. If the plan is approved, consenting Owners must rebuild in accordance with the redevelopment plan, and ~~unless~~ the plan provides otherwise, must participate in the purchase of dissenting Owners' Parcels.

(e) Redevelopment Corporation. The plan may include formation of a redevelopment corporation or other entity to purchase the Parcels of dissenting Owners. Unless otherwise agreed, the consenting Owners would be required to contribute to the capital of the redevelopment corporation in proportion to their General Assessments, as a portion of all consenting Owners. The plan may authorize the Association, on behalf of the redevelopment corporation, to collect the Owners' shares as an Individual Parcel Assessment.

(f) Option to Purchase. Upon approval of the redevelopment plan, the redevelopment corporation or other designee of the consenting Owners shall deliver an option to purchase to all remaining Owners of Parcels within the Redevelopment Area. The option to purchase must be delivered in person or by registered mail to each Owner of a Parcel to be purchased. The recipient of such an option shall, within 30 days, choose either to join the consenting Owners, or to sell the Parcel to the consenting Owners. Failure to agree to the sale within 30 days shall be deemed to be agreement to join the consenting Owners. The sale price shall be paid in cash or upon terms approved by the seller, and the sale shall be closed in a timely fashion following determination of the sale price.

(g) Price. The price for each Parcel to be purchased shall be its fair market value determined by agreement between the seller and the designee of the consenting Owners.
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Owners within 30 days of the delivery or mailing of the notice. In the absence of agreement, the purchasing Owners and the selling Owners shall each select a real estate appraiser, which appraiser shall then choose a third appraiser, and the purchase price shall be the average (mean) of the three appraisals. The fair market value of the property shall be determined in its present, as-is condition, subject to the Declaration, and the seller shall be entitled to any insurance proceeds attributable to that Parcel distributed on account of the casualty loss. The expense of the appraisals and all closing costs shall be paid by the purchaser.

(h) Relocation Allowance. In addition to the purchase price, the purchaser shall pay to the seller a relocation allowance of five percent (5%) of the purchase price.

(i) Enforcement. A judgment of specific performance of the purchase based upon the determination of the price by the appraisers may be entered in any court of competent jurisdiction.

(j) Limitation. Redevelopment shall be subject to applicable zoning and other governmental regulation. If necessary for this section's validity under the Rule Against Perpetuities or similar law, this option shall expire 90 years from the time of recording of this Declaration, or whatever greater time period allowed by law.

13.4 Formation of Municipality. If all or substantially all of Roche Harbor is incorporated as a municipality or other local government unit, the following would apply:

(a) Merger of Association. Members of the Association may, by majority vote, dissolve the Association or, if allowed by law, merge the Association into the municipality. Upon such dissolution or merger, all the Commons then owned by the Association shall be dedicated to the public and the municipality shall have all the rights and obligations of the Association provided by this Declaration.

(b) Dedication without Merger. Alternatively, Owners could approve by majority vote a plan by which the Commons then owned by the Association are dedicated to the public, but the Association would retain some of its powers and duties, such as architectural review and enforcement of the covenants and restrictions.

(c) No Dedication. If no dedication is approved, the Association and the Commons then owned by the Association shall be maintained without change.

13.5 Duration: Termination. The covenants and restrictions contained in this Declaration shall run with and bind the Neighborhood and shall inure to the benefit of and be enforceable by the Founder, the Association, and all Owners of property within the Neighborhood, their respective legal representatives, heirs, successors or assigns for twenty years, and shall be automatically extended for each succeeding ten year periods

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unless an instrument signed by Owners representing 90% of the votes in the Association shall have been recorded, agreeing to terminate the Declaration as of a specified date.

This Declaration may also be terminated in any of the following ways:

(a) Unanimous Consent. The Declaration may be terminated at any time by the consent in writing of all Owners.

(b) Dedication of Commons. The Declaration may be terminated by consent in writing by Parcel Owners representing sixty seven percent (67%) of the votes in the Association, if the Commons have been accepted for dedication or taken by eminent domain by the appropriate unit of local government (except that alleys or footpaths between two Parcels may be divided evenly between the adjacent Parcel Owners in accordance with Section 13.2).

(c) Redevelopment. The Declaration may be terminated for all or a part of the Neighborhood in accordance with the redevelopment provisions of Section 13.3.

13.6 Rerecording. Unless this Declaration is terminated, the Association shall rerecord this Declaration or other notice of its terms at intervals necessary under Washington law to preserve its effect, if required.

13.7 Condemnation. If all or part of the Commons is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the owner thereof. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

ARTICLE XIV: General Provisions

14.1 Interpretation.

(a) Construction. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the development and operation of the Neighborhood as a community of the highest quality. The italicized portions at the beginning of each Article are intended to state the purposes for the provisions that follow and may be used as an aid to interpretation. However, if the italicized portion conflicts with the operative provision, the operative provision shall govern.

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(b) Governmental Regulation. All provisions of this Declaration, including without limitation modifications to the Master Plan and redevelopment provisions applicable to the Neighborhood, shall be subject to applicable government regulation or agreements. In the event the provisions of this Declaration conflict with the Development Approvals, the Development Approvals shall govern.

14.2 Invalidity. The invalidity of any part of this Declaration shall not impair or affect the validity or enforceability of the rest of the Declaration, which shall remain in full force and effect.

14.3 Enforcement of Declaration.

(a) Enforcement. Suit may be brought against any person, persons or entity violating or attempting to violate the provisions of this Declaration, either to restrain violation or to recover damages, and against his or its property to enforce any lien created by this Declaration. To enforce this Declaration or the Rules and Regulations, the Association, the Founder or any Owner may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association.

(b) No Waiver. Failure to enforce any provision of this Declaration or the Rules and Regulations shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as an Individual Parcel Assessment to the Owner against whom such action was taken.

14.4 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Parcel and, if different, to the last known address of the person who appears as Owner of the Parcel as that address is stated on the records of the Association at the time of the mailing. If the Owner has given approval, notice may be given by electronic means to an address provided by the Owner.

14.5 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

14.6 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Parcel. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of Mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Founder, the Association or the Members to make amendments that do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on two-thirds or more of all Parcels encumbered by a mortgage.

(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within 30 calendar days of receipt of request for consent shall be deemed given.

14.7 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Washington.

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IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Charter, Easements, Covenants and Restrictions for Roche Harbor and has caused this Declaration to be executed as of the day and year first above written.

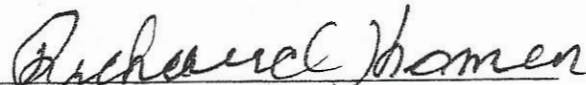
New RH L.L.C., a
Washington limited liability company

By: Roche Harbor Investments Inc., its Member

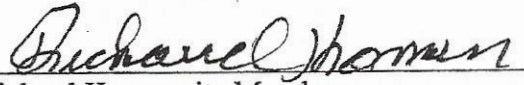


Brian Bogen, its President

By: Roche Harbor Lime and Cement Company, its Member



Richard Komen, its President

By: 

Richard Komen, its Member

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STATE OF WASHINGTON)
: SS.
COUNTY OF San Juan

I certify that I know or have satisfactory evidence that BRIAN BOGEN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Roche Harbor Investments Inc, a corporation which is a Member of NEW RH L.L.C., the entity that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 25th day of August, 2004.



Christine J. Watling
[Signature of Notary]

CHRISTINE J. WATLING
[Print Name of Notary]

Notary Public in and for the State of
Washington, residing at Friday Harbor
My commission expires: 6-26-2007

STATE OF WASHINGTON)
: SS.
COUNTY OF San Juan

I certify that I know or have satisfactory evidence that RICHARD KOMEN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Roche Harbor Lime and Cement Company, a corporation which is a Member of NEW RH L.L.C., the entity that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 25th day of August, 2004.



Christine J. Watling
[Signature of Notary]

CHRISTINE J. WATLING
[Print Name of Notary]

Notary Public in and for the State of
Washington, residing at Friday Harbor
My commission expires: 6-26-2007

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STATE OF WASHINGTON)

: ss.

COUNTY OF San Juan

I certify that I know or have satisfactory evidence that RICHARD KOMEN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Member of NEW RH L.L.C., a limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 25th day of August, 2004.



Christine J. Watling
[Signature of Notary]

CHRISTINE J. WATLING
[Print Name of Notary]

[Notary Public in and for the State of

Washington, residing at Friday Harbor

My commission expires 6-26-2007

SCHEDULE OF EXHIBITS

Exhibit A: Legal Description of Approved Phase of Roche Harbor

Exhibit B: Setbacks, Buffers and Dimensional Standards

Exhibit C: Sample Allocation of Common Area Costs

Roche Harbor Residential Declaration

8/6/2004

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RE-RECORDED

EXHIBIT A

(Legal Description of Approved Phase of Roche Harbor)

That certain real property located in San Juan County, Washington and described as follows:

Lots 1 through 19 and Tract A, Tract B and Tract C of that certain Plat of Roche Harbor Resort Village, Phase 1.1, as such Plat is recorded in Volume 5 of Plats, Pages 129, 129a and 129b, records of San Juan County, Washington

Roche Harbor Residential Declaration
9/2/2004

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RE-RECORDED

EXHIBIT C
(Sample Allocation of Common Area Costs)

Below is a sample allocation of Common Area Costs based on a hypothetical build out of Roche Harbor consisting of 50 single family lots, 5 residential units in a mixed use building, 30,000 net square feet of retail and/or food and beverage businesses, a 200 slip marina, lodging facilities with 60 rooms or suites, 20 units of employee housing, 20 unimproved lots owned by the Founder within the Neighborhood and 5 unimproved Parcels located within the Master Plan Area but outside the Neighborhood. For purposes of this example, it is assumed that Founder has incurred \$150,000 in Commons Area Costs for the year. Based on the foregoing hypothetical, \$150,000 in Common Area Costs would be allocated among the Owners in the manner set forth in the table below. *Please note that all information included in this exhibit is provided for illustrative purposes only; the actual development of Roche Harbor and the actual Common Area Costs incurred by Founder and allocated to Owners will vary from the numbers provided.*

Property Type	Number of Units	Value per Unit as per Section 9.2	Number of Units times value per unit	Allocation of \$50,000 annual cost among Property Types	Per Unit Common area Cost Allocation Per Year
Residential Units - Single Family Lots	50	1.0	50	$50 \div 150 \times \$150,000 = \$50,000$ for all single family lots)	\$1000 per single family lot
Residential Units - Mixed use building	5	1.0	5	$5 \div 150 \times \$150,000 = \5000 for the Residential Unit	\$1000 per Residential Unit
Boat Slips in Marina	200	0.10	20	$20 \div 150 \times \$150,000 = \$20,000$ for all boat slips	\$100 per boat slip
Lodging Units	60	0.50	30	$30 \div 150 \times \$150,000 = \$30,000$ for all Lodging Units	\$500 per Lodging Unit
Employee Housing Units	20	0.50	10	$10 \div 150 \times \$150,000 = \$10,000$ for Employee Housing Units	\$500 per Employee Housing Unit
Day Trip Use(nsf)	30,000 nsf	0.10 per 100 nsf	30	$30 \div 150 \times \$150,000 = \$30,000$ for 30,000 nsf of Day Trip Use space	\$1000 per every 1,000 nsf of Day Trip Use space
Unimproved Parcels in Neighborhood owned by Founder	20	0.25	5	$5 \div 150 \times \$150,000 = \5000 for all unimproved Parcels in the Neighborhood owned by Founder	\$250 per unimproved parcel in the Neighborhood owned by Founder
Unimproved Parcels in Master Plan Area	5	0.00	0	$0 \div 50 \times \$150,000 = \0	\$0 for unimproved parcels situated outside Neighborhood

EXHIBIT B
(Setbacks, Buffers and Dimensional Standards)¹

Zone ²	Front Yard Setback (minimum in feet)	Side Yard Setback (minimum in feet)	Rear Yard Setback (minimum in feet)	Attachment Zone Depth ³ (minimum in feet)	Outbuilding Setbacks (minimum in feet)	Breezeway Setbacks between main building and outbuilding (min. feet)
De Haro District (Div. 1, Lots 1-6 & 13-18)	3	NA	NA	Front: 3	NA	NA
Cottage District (Div 1, Lots 7-12; Div 2, Lots 4-8)	12	6	40 ⁴	Front: 8 Rear: 8	16 from main building ⁵ Rear: 2 Side: 12 combined ⁶	Side: zero on one side and 20 feet on the other side
Carriage House (Div 1, Lots 19-23 & 31-34; Div 2, Lots 1-3)	5	6	NA	Side: 3 Front: 3 *	NA	NA
Woodland District (Div 1, Lots 24-30)	12	6	40 ⁷	Front: 8 Rear: 8	16 from main building ⁸ Rear: 2 Side: 12 combined	Side: zero on one side and 20 feet on the other side
South Hill (Div 2, Lots 9-13)	6	12 feet for total combined side yard ⁹	24	Front: 4	NA	NA
South Hill (Div. 2, Lots 14 and 15)	6	6	NA	NA	NA	NA
South Hill D2, Lot 19	2	6	NA	NA	NA	NA
Captains Row (Div 2, Lots 16, 17, 18 and 20)	20	6	20	Front: 8 Rear: 8	Zero from main building Side: 6 Rear: NA	NA
Marina Storage, Div. 3, Lots 1-3	5	6	0	NA	NA	NA

¹ Notwithstanding the foregoing, any information included in this Exhibit pertaining to property that is not included in an Approved Phase of Roche Harbor is subject to further revision at Founder's sole discretion. In addition, the lot numbers used in this Exhibit correspond to the original lot numbers included in the Development Approvals. The lot numbers shown on the final subdivision plat for property included in the Neighborhood may change. When interpreting this chart, please see the lot numbers used in the original Development Approvals. Finally, the setback standards set forth above may be adjusted by the Founder, in its sole discretion, for individual Lots depending on the topography, tree location, preferred house/Lot orientation or other environmental conditions pertaining to such Lots.

² See Development Approvals for zone descriptions and general location of division and lots numbers

³ Attachment zones may be used for porches, stoops, bay windows, and balconies. In addition, awnings are allowed in the attachment zones for the De Haro District Div 1, Lots 1-6 and 13-18. *Also, the front yard attachment zone for Carriage House lots is only available if specifically approved by the Founder in its sole discretion.

⁴ This minimum setback is subject to reduction to a minimum of 24 feet for lots with a depth of less than 100 feet. The actual minimum setback shall be calculated by subtracting, from 40 feet, one foot for each foot under 100 feet the lot is deep. For example, for a lot which is 90 feet in depth, the minimum rear setback shall be 30 feet calculated as follows: 40 feet minus the difference between 100 feet and the actual lot depth of 90 feet.

⁵ This minimum setback is subject to reduction to zero for shallow lots.

⁶ Combined side yard setback can be zero feet on one side and 12 feet on the other side.

⁷ See footnote number 2.

⁸ This minimum setback is subject to reduction to zero for shallow lots.

⁹ Common wall structures with zero setback on one side yard and 12 foot setback on other side yard are allowed.

Roche Harbor Residential Declaration
9/2/2004

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RE-RECORDED

RE-RECORDED

SETBACK STANDARDS
WOODLANDS DISTRICT
Implements setback provisions for Woodlands in Exhibit 'B' of AFN 2005 0317034, AFN 2007 0901009, and AFN 2007 0921002

Setbacks: unless specifically provided otherwise in the notes section below, the following setbacks and development limitations shall apply:

- Front: 12'
- Side: 40' min. (main building)
- Sides: 6' min. (3' along public space)
- (outbuilding 3' min. one side, 12' min. other)
- (connector: 3' min. one side, max. width 16')

Attachment Zones:

- First level porch, stoop, balcony, bay window,
- Second level bay window, open porch with or without roof,
- Front Depth: 6'
- Rear Depth: 6'

Outbuilding Zones:

- One or two story building with garage, office, with potential of being above (no ADU) in Maximum footprint of 200 square feet
- Side yard: 3' min. one side, 12' min. other side
- Rear yard: 3' min. from alley
- Rear yard: 16' min. from main building

Connector Zones:

- One story potential use (living, breezeway) between and connecting the main building and outbuilding
- Side yard: 3' min.
- Width of connector: 16' min.
- Length of connector: 16' min. or distance between main building and outbuilding

Notes:

- Lot 12 and 33: front yard 5' min. (for building), rear yard 20' min.
- Lot 21 and 24: front yard 20' required, rear yard 42' min. 16' min. from main building to outbuilding (see connector width 16')
- Lot 20: rear yard 15' required at public way, zero (0) setback to outbuilding from main building
- Lot 14 and 31: corner lot 12' front and 12' side (front) on public way
- Lot 14: outbuilding 3' min. side yard, each side
- Lot 11: zero (0) setback to outbuilding from main building 3' rear yard, rear yard 42' min. as measured along lot line common to lots 20 and 31
- Lot 22: 30' rear yard required 42' to main building, updated connector max. width 16'
- Lot 14 and 31: rear yard 6' min.
- Lot 16: 18' rear yard 20' min.

Parking Easement Lots and Structures:

- Lot 25: 26 parking - front 5', side 3', rear 20' with 12' attachment zone with storage shed (typical) - base of two structures on shared common parking easement lot (lines on building site for lots 32 and 33)
- Lot 25: side yard (south) 0'

Additional notes:

- Lot 15 and lot 24
- Prerequisite of record and then deck allowed on side yard (to become 0' setback) when side yard is dedicated open space common - with condition that (the dedicated open space common may not be modified in any manner. The open space is considered a public way and any restriction to the open space must be approved by SJC CDOP)

- All conditions of the outbuilding, front and connector zones apply to lots 20 thru 24 and lot 27 thru 31
- Lot 36: 37' and 38' outbuilding to be one story living or use

Open Space Tract 'C' per
ROCHE HARBOR RESORT VILLAGE
Phase 11
Volume 5, Page 179, 129A & 129B of State

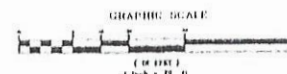
OPEN SPACE COMMONS

OPEN SPACE COMMONS

LEGEND

- Found L515038 plastic cap on 5/8" rebar or as noted
- angle point - not staked
- Set L515038 plastic cap on 5/8" rebar
- Set L515038 plastic cap on 5/8" rebar in concrete or as noted

reviewed by San Juan County
01/15/2008



GRAPHIC SUPPORT SITE -
SETBACK DRAWING FOR EXHIBIT 'B'
for the WOODLANDS ROCHE HARBOR CC&R's

ROCHE HARBOR RESORT VILLAGE
PHASE 1.2 - WOODLANDS
Portions of GL 1, Sec. 23, & GL 1, Sec. 24, T36N, R4W,
W.M., San Juan Island, San Juan County, WA

STAR SURVEYING, INC.
P.O. BOX 2997
FEDERAL HARBOR
WASHINGTON 98250
(360) 378-5072

CAD BY: STW/DJW
CHK BY: TCS
DATE: 10/27/08
JOB NO: 12339
SCALE: 1" = 20'
ACAD VER: 2008

SURVEYED BY FIELD TRAVERSE WITH A TOPCON/LEICA 2110 5" SYSTEM

ROCHE HARBOR RESORT VILLAGE
PHASE 1.2 - WOODLANDS
Volume 6 of Plats, pages 23, 23A, and 23B, records of San Juan County, WA.

60' Rd. easement per AFN 91047

Richard W Hobbs
PO Box 4001
Roche Harbor, WA 98250



Recorded at the request of:
ROCHE HARBOR RESORT

CERTIFIED COPY
SAN JUAN CO. AUDITOR

Document Title(s):

Setback Standards RHRV phase 1.3

Grantors:

Roche Harbor Resort Village 1.3

Grantees:

Roche Harbor Resort Village 1.3

Tax Parcel Number(s):

462311001, 462311002, 462311003, 462311004, 462311005

Legal Description:

Portions of SW-SW, Sec 13, NE-SE, GL 3 & GL 4, Sec 14,
SW-NE, GL 1, GL 2 & GL 10, Sec 23 and Col 1, Sec 24
all Township 36 North, Range 4 West W.M. San Juan River
San Juan County, Washington.

Reference Auditor File Number:

State of Washington }
County of San Juan }



I, F. Milene Henley, Auditor of San Juan County, State of Washington
do hereby certify the foregoing instrument is a true and exact copy
of the original as the same appears on file and of record in the
Auditor's Office.

Witness my hand and seal this 12th day of June, 2009

Auditor of San Juan County

By Kate Fiddle
Deputy

SETBACK STANDARDS

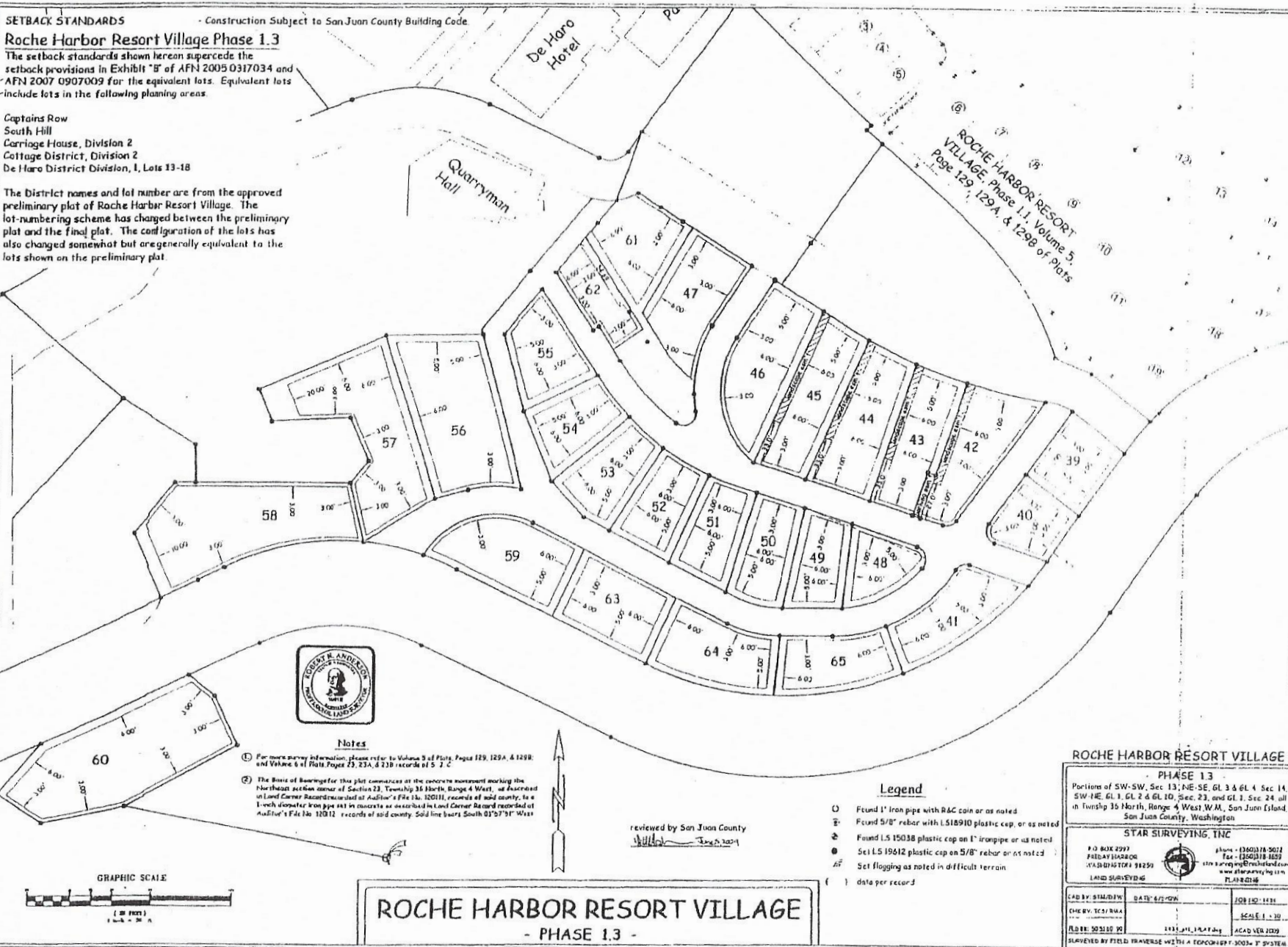
Construction Subject to San Juan County Building Code

Roche Harbor Resort Village Phase 1.3

The setback standards shown hereon supercede the setback provisions in Exhibit "B" of AFN 2005 0317034 and AFN 2007 0907009 for the equivalent lots. Equivalent lots include lots in the following planning areas:

Captains Row
South Hill
Carriage House, Division 2
Cottage District, Division 2
De Haro District Division, 1, Lots 13-18

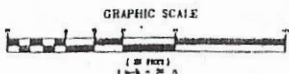
The District names and lot number are from the approved preliminary plat of Roche Harbor Resort Village. The lot-numbering scheme has changed between the preliminary plat and the final plat. The configuration of the lots has also changed somewhat but are generally equivalent to the lots shown on the preliminary plat.



Notes

- For more survey information, please refer to Volume 3 of Plate Pages 129, 129A, & 129B; and Volume 6 of Plate Pages 23, 23A, & 23B records of S. J. C.
- The Base of Bearings for this plat commences at the concrete monument marking the Northeast corner of Section 23, Township 36 North, Range 4 West, as described in Land Corner Record of Auditor's File No. 120111, records of said county, to a 1-inch diameter iron pipe set in concrete as described in Land Corner Record of Auditor's File No. 120112, records of said county. Said line bears South 81°57'51" West.

reviewed by San Juan County
Auditor
3-26-2011



ROCHE HARBOR RESORT VILLAGE

- PHASE 1.3 -

Legend

- Found 1" iron pipe with R&C coin or as noted
- Found 5/8" rebar with LS18910 plastic cap, or as noted
- Found LS15038 plastic cap on 1" iron pipe or as noted
- Set LS19612 plastic cap on 5/8" rebar or as noted
- Set flagging as noted in difficult terrain
- data per record

ROCHE HARBOR RESORT VILLAGE

PHASE 1.3

Portions of SW-1/4, Sec 13; NE-1/4, GL 3 & 6L 4, Sec 14, SW-1/4, GL 1, GL 2 & 6L 10, Sec 23, and GL 1, Sec 24, all in Township 36 North, Range 4 West W.M., San Juan Island, San Juan County, Washington

STAR SURVEYING, INC.

P.O. BOX 2297
FREDAY HARBOR
WASHINGTON 98259
LAND SURVEYING
Phone: (360) 78-5072
Fax: (360) 78-1059
star@star-surveying.com
www.star-surveying.com
PLAT 80148

DATE: 6/2/11	JOB NO: 1131
CLIENT: TCS/RMA	SCALE: 1" = 10'
FILE NO: 102110 10	ACAD VER: 1109
SURVEYED BY FIELD TRAVERSE WITH A TOPCON BT-303A T-SYSTEM	

CERTIFIED COPY
SAN JUAN CO. AUDITOR