DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (CC&Rs) OF CAPE HORN MAINTENANCE CO.

ARTICLE I

Definitions

1. Articles of Incorporation Legal document setting forth the terms of Cape Horn Maintenance Co.'s existence.

2. The Board Elected Board of Trustees, the governing body of the Cape Horn Maintenance Co.

3. <u>Bylaws</u> Legal document of technical rules and procedures including, but not limited to: Voting, election of directors/trustees, term limits, powers/duties of trustees, meetings, membership qualifications, etc.

4. <u>CC&Rs</u> (<u>Covenants, Conditions, and Restrictions</u>) Legal document setting forth the rights and responsibilities of each member and the responsibilities of the Board. Including, but not limited to: Architectural restrictions, property use restrictions, property maintenance standards, water system control/maintenance, animal control, vehicles, rental agreements, etc.

5. Corporation shall mean and refer to the Cape Horn Maintenance Co. and its successors and assigns.

6. <u>Governing Documents</u> Legal documents including, in order of precedent, Revised Code of Washington (RCWs), Declaration of Covenants, Conditions, and Restrictions (CC&Rs), Articles of Incorporation, Bylaws, and the Handbook of Rules and Regulations (RRs) the combination of which set forth the legal structure, policies, procedures, etc. of Cape Horn on the Skagit and the Cape Horn Maintenance Co.

7. <u>Hierarchy</u> Cape Horn's governing documents work in a hierarchical structure. This hierarchy helps resolve conflicts and provides a clear chain of authority. The order of priority of the governing documents is first the CC&R's, then the Articles of Incorporation, then the Bylaws, and last the Rules & Regulations

8. Quorum Minimum number of members that must be present to make proceedings valid.

9. RCWs (Revised Code of Washington) Washington State laws.

10. <u>RRs (Handbook of Rules and Regulations)</u> Legal document setting forth in plain language selected topics from the other governing documents.

11. <u>Vehicle</u> As used herein is defined as, but not limited to: passenger car, van, pickup or larger truck, bus, trailer, motorized or tow type RV, any pickup camper not situated on a pickup truck, motorcycle, moped, snowmobile, or other gas or electric powered conveyance, etc.

ARTICLE II

General Rules

<u>Section 1. Member Addresses</u> Each owner of property in Cape Horn on the Skagit (herein referred to as Cape Horn) will provide the Corporation with an address and telephone number at which he/she can be reached.

Section 2. Renting and Leasing of Property

a. Effective September 1, 2014 the rental of any property in Cape Horn will be allowed as long as the rental premise is a "stick built" house or a mobile or manufactured home. After September 1, 2014, no other structure or vehicle of any form whatsoever (including but not limited to recreation vehicles, boats, campers, trailers, tents, garages, sheds, etc.) shall be used at any time as rental premises provided that tenancies existing as of that date may continue without change thereafter.

b. For purposes of this document "rental" or "rental premises" means property occupied by someone other than the owner, as a tenant, whether or not monetary rent is actually paid, or rent is paid in some form other than money, i.e., services, maintenance or repairs to the subject premises, etc., and also regardless of whether the tenancy is verbal or written, or of a specific duration or not.

c. The Cape Horn Board shall have power to make exceptions to the rental prohibition as set forth above upon a showing of circumstances which an emergency for the property owner, such as illness, death, loss of income, or other substantial reason which prevents the property owner from occupying the premises, personally. Any such exception shall be for a predetermined period not to exceed one year or until the property is sold whichever event occurs first.

d. Members who rent or lease their property shall provide Cape Horn Maintenance Co. with a Tenant Undertaking in the form attached hereto within 10 days of entering into any oral or written rental or lease agreement.

e. A premise shall be considered rented or leased when that premise shall be occupied by any person(s) not the owner(s) for a continuous period of longer than 14 days or more than an aggregate of 30 days in any one calendar year.

f. Written notice shall be given to owner and tenant of each violation by the tenant of this Bylaws, any part of this document, and Rules of Regulations of Cape Horn Maintenance Co. at which time owner may be asked by the Corporation to evict tenant(s) for violation(s).

g. The owner shall be held jointly and severally responsible for all violations of the Covenants, Bylaws, or Rules and Regulations of Cape Horn Maintenance Co. by their tenant.

h. It shall be a violation of these Covenants, the Bylaws, and the Rules and Regulations of the Cape Horn Maintenance Co. for any member to misrepresent to the Corporation the rental or lease status for his/her property.

i. Failure to comply with any part of this section as it now exists or may hereinafter be amended or any new section, shall result in a fine of \$500.00, and such fine shall be paid within thirty (30) days of the written notice of such violation and if it is not so paid within 30 days then a fine of an additional \$500.00 shall be incurred for each succeeding month it remains unpaid. Any fine remaining unpaid shall be added to the annual assessment imposed upon such lot owner and be subject to the same assessment collection procedures as provided for in ARTICLE IV Assessments below. However, any fine levied for violation of these General Rules shall not be considered when imposing the \$275.00 annual limitation set in ARTICLE IV. Any and all costs, including attorney's fees, connected with the enforcement of these General Rules by the Association shall be collectible as part of this procedure.

Section 3. Property Maintenance, Motor Vehicles, Recreation Vehicles

a. Each owner shall maintain his/her property in a clean condition, free of debris, and in keeping with the surrounding area. Trees which represent a hazard to neighboring property should be removed.

b. No obnoxious or offensive activity shall be carried on upon any property within Cape Horn, nor shall anything be done thereon which may become an annoyance or nuisance to adjacent property owners or affect the quiet enjoyment of the neighborhood. This shall include, but not limited to, prolonged excessive noise, loud music, barking dogs, motor vehicle noise, etc.

c. Vehicle Rules and Regulations

1) Any and all vehicles parked on any lot in Cape Horn shall be operable and have a valid and current license. This license must be the license that was issued to the VIN/SN of the vehicle the license is attached to.

2) The current registration must be in the name of the lot owner or current resident of the property and must be with the vehicle for verification.

3) The owner of any lot that appears to have any noncompliant vehicles on site, as determined by the Board of Trustees, and based on a written complaint from any Cape Horn property owner shall be immediately notified of the alleged violation. Notice shall be by certified/registered mail with return receipt requested.

4) Said property owner shall have fifteen (15) days from the date of notice to comply in the following manner.

a) Have all vehicles that are in violation removed completely from within the boundaries of Cape Horn.

b) Allow and be present for, or appoint an alternate to be present for, an onsite compliance inspection by a person or persons appointed by the Board of Trustees.

5) The vehicle removal and inspection must be completed by the end of the 15^{th} day at which time fines and penalties will be assessed.

Note: Moving any vehicle(s) that are in violation of this rule to a different lot anywhere in Cape Horn will be considered a gross and purposeful violation of these CCRs and the Bylaws. The present fines as determined by the Board of Trustees will be \$500.00 per month per noncompliant vehicle. However, if a vehicle is moved to another lot within the boundaries of Cape Horn the fine will be increased to \$600.00 per month per noncompliant vehicle and will be levied against the property owner where the vehicle was located at the time of the notice of violation. All fines shall be added to the annual assessment and subject to the same collection rules and proceedings.

d. All RV's residing in Cape Horn on a permanent basis (more than 30 consecutive dates), either occupied or vacant, will need to be 10 model years or newer. The age limit does not apply to short term recreational usage. Exceptions can be approved by the board of trustees on a case-by-case basis. The RV's appearance and condition will determine the board's decision to approve or not. Additionally, lot owners are allowed to exceed the 2 RV's per lot limit for short term recreational usage lasting no more than two weeks.

e. In addition to the fines that may be imposed because of a violation of this Article; the Corporation may remove, after TEN (10) days written notice to the lot owner, any of offensive material deemed to be in violation of Section 3. a. and/or b. of this article, and/or the Corporation may remove any mobile home or manufactured home deemed to be in violation of Section 3. d. hereof, at the owner's expense, including any off-premises storage that may be required. All these costs shall be assessable to the offending lot owner and collectible by the Corporation pursuant to Section 2.i. above.

f. The property owner shall be responsible for payment of any fine, assessment, or penalty levied against a member of his/her family, his/her tenant, his/her invitees, and/or his/her agent.

<u>Section 4. Animal Regulations</u> It shall be a violation of the Cape Horn Rules and Regulations for any resident to violate the following rules and regulations concerning animals within Cape Horn.

a. Dogs

1) All dogs, both male and female, natural or sterilized, must be restrained or confined within the property limits of its owner or keeper by a suitable fence or enclosure or securely restrained within the premises by a leash affixed to a post or other securely fixed object.

2) An animal may be on cord, thong, or chain. At a length of 20 feet or less, which an animal is controlled by the person accompanying the animal.

3) An animal is at large or running loose to be off the premises of the owner and not under control of the owner or an authorized person either by leash or otherwise in Cape Horn.

4) A dog within an automobile or other vehicle shall be deemed to be restrained.

5) It shall be against the rules of Cape Horn for the keeper of a dog or animal to harbor or permit the animal which by frequent or habitual howling, yelping, or barking is audible or bothersome to persons on adjacent property in Cape Horn.

6) It shall be against the Rules of Cape Horn for the owner or keeper to permit a vicious, depredatory, destructive, or diseased animal to run at large after the owner or keeper has been notified that such animal has been so classified.

7) Any person reasonably apprehensive over the safety of his/her person, his/her family, or his/her property because of the threatening, vicious, or depredatory action of any dog, may make a written complaint giving such information to the Secretary of Cape Horn Maintenance Co. and—the Board of Trustees of Cape Horn Maintenance Co. will contact the owner of the dog. A decision will then be made to either contact the Skagit County Sheriff Department, or the Humane Society or whether to levy a fine and to see that the dog is restrained.

b. Domestic (Farm) Animals

1) It is a violation of these CCRs and the Bylaws to have any domestic animal/fowl other than a dog or a cat on any lot in Cape Horn. This restriction includes but not limited to goats, sheep, pigs, cows, horses, chickens, roosters, turkeys, geese, emus, ostrich, alpaca, llama, etc.

2) Any lot owner found in violation of any of the terms of this domestic animal/fowl regulation for which no other fine is expressly provided in these CCRs or Bylaws will be fined \$500.00 per month until the violating animal/fowl have been removed from Cape Horn.

3) Lot owner shall be notified of this violation in writing by certified/registered, return receipt mail. Owner shall then have 45 days from the date of the registration of this, to have all violating animals/fowl removed from Cape Horn.

4) If this is not accomplished, the fines will begin on the 46^{th} day and be retroactive to the date of the notice registration.

5) Any and all fines levied under this subsection shall be assessable to the violating lot owner and collectible by the Corporation pursuant to Section 2.i. above.

Note! Only one notice of violation shall be issued to any one lot owner. Fines will be levied immediately and without further notice for repeat offenders.

c. Any person found violating any terms of Animal Regulations for which no other penalty is expressly provided in this Article may be fined any sum not to exceed \$500.00 for each offense.

ARTICLE III

Waste Disposal/Water Resources

a. Waste Disposal

1) No owner can operate a non-permitted septic, or dump waste illegally.

2) All lot owners must provide proof of proper waste disposal to the office within a week of request or will be subject to being fined according to the fine schedule. This includes but is not limited to, proof of septic permit or a receipt of waste disposal from a licensed company, or receipt of waste disposal at a licensed facility.

3) Other proper disposal methods (i.e. Composting toilets, incinerating toilets, private legal waste disposal at another location, etc) are acceptable with approval by Cape Horn Board of trustees granted it is not a nuisance or creating unpleasant smells.

4) If using one of these alternative waste disposal methods the lot owner will need to be prepared to provide proof to the office upon request to ensure waste is being disposed of properly.

b. Water Line Obstruction Rules and Regulations.

1) It is a violation of Cape Horn Rules and Regulations to obstruct in any way Cape Horn Maintenance Co. access to any portion of the Cape Horn water distribution system.

2) A lot owner may be fined for such a violation on his/her lot including any easement thereto.

3) Obstructions include but are not limited to: Vehicles (see definition above), barrels, fences of any kind, shrubbery, trees, etc.

4) Lot owner will also be billed for any and all expenses incurred by Cape Horn Maintenance Co. for the removal of these obstructions.

5) Any property occupied in Cape Horn for more than 30 consecutive days must be connected to the community water system. Alternative fresh water systems or storage may be approved by the board of trustees on a case-by-case basis.

ARTICLE IV

Assessments

a. The property owner shall be responsible for payment of any fine, assessment or penalty levied against a member of his/her family, his/her tenant, his/her invitees, and/or his/her agent. Water assessments are bound to the property and as such remain an obligation to any new owner.

b. The members of the Corporation shall be liable for the payment of such charges or assessments as may from time to time be fixed and levied by the Board of Trustees pursuant to these CCRs, the Bylaws, and/or Articles of Incorporation. The amount of such charges and assessments levied upon each lot shall in no event, except hereinafter provided for by special assessment vote of the members, exceed in one year the amount approved by a vote of the members. Charges and assessments against all members shall be levied by the Trustees at a uniform rate per lot without distinction or preference of any kind. All charges or assessments are expended pursuant to the Articles of Incorporation.

c. Water assessment fees of \$350.00 per lot plus the street light assessment of \$25.00 per lot was passed by membership at the July 8, 2023 Annual Membership Meeting.

d. From time to time as and when such assessments in this ARTICLE are levied, each member with respect to the land or interests therein to which his/her membership is appurtenant, shall pay the amount of such assessment against the same to the Corporation, at its office, within thirty days after the mailing of the notice of such to the members: and the amount of such assessments, together with all expenses, attorney's fees and costs reasonably incurred in enforcing the same, shall be paid by the members and shall all be a lien upon said land and the membership appurtenant thereto, superior to any and all other liens (except as in Sub-section e. of this ARTICLE otherwise provided) created or permitted by the owner of such land and enforceable by foreclosure proceedings in the manner provided by law for foreclosure of mortgages upon land; that no proceedings for the foreclosure of any said liens in this ARTICLE provided shall be commenced except upon the expiration of four months from and after the date of mailing said notice of assessment in this section described.

e. First mortgage liens placed upon any of said tracts which are recorded in accordance with the laws of the State of Washington shall be, from the date of recording of such, superior to such assessments and the liens resulting there from as are levied by the Corporation subsequent to the date of recording of the first mortgage; provided however, that the Corporation is notified in writing of such first mortgage within thirty days after recording of such.

f. Notwithstanding any other provision of these CCRs, any lots that were owned by Skagit County on July 9, 2011, and which were acquired through the FEMA flood mitigation (or similar) program, and which do not have water service thereto, shall be exempt from the payment of the assessments, past, current or future, provided that upon the commencement (or recommencement) of the water service, any such lot shall be obligated from that point forward to pay assessments per these Bylaws, the articles of incorporation, and /or Members Handbook.

g. Nothing herein shall limit the obligation on the part of Skagit County to comply with the provisions of these Bylaws of Incorporation, and/or Members Handbook concerning issues other than the obligation to pay assessments, specifically including (but not limited to) use and/or maintenance of any and all lots owned by the county.

h. These provisions are made in connection with the Agreement made and entered into between Cape Horn and Skagit County, dated September 15, 2011 and which is incorporated herein by reference.

i. New property owners buying a lot in Cape Horn are responsible to pay a one-time HOA Transfer fee of \$200.00. This fee can be negotiated with the seller and paid through the escrow company, if not then the new buyer is responsible to pay the fee within 30 days of legal property ownership.

IN WITNESS WHEREOF, we, the undersigned, the board of trustees, have this 13th day of August, 2024, hereunto set our hand and seals.

Ronald F. Bates, Vice President, Cape Horn Maint. Co.

State of Washington } } SS County of Skagit }

THIS IS TO CERTIFY, that on the 13th day of August, 2024 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sword, personally appeared Ronald F. Bates to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year this certificate first above written.

Notary Public in and for the State of Washington, residing at Concrete WA. My commission expires: