

Restrictions imposed by instrument recorded March 18, 1969, under Auditor's File No. 218862, on USELESS BAY BEACH AND COUNTRY CLUB, DIVISION NO. 12

1. GENERAL PROVISIONS: All of the real property situated within Division No. 12 is and shall be held, transferred, sold, conveyed and occupied subject to the conditions, covenants, restrictions, reservations, and easements hereinafter set forth in this DECLARATION OF PROTECTIVE RESTRICTIONS, all of which shall run with the land and be binding upon all of the present and future owners of said real property and all persons claiming under them as hereinafter provided.

2. STREETS AND EASEMENTS: All streets, lanes and places as shown on this plat, together with a five foot utilities easement each side of all lot lines except those lines on street frontages.

3. BUILDING RESTRICTIONS AND LIMITATIONS: All lots in Division No. 12 shall be used for residential purposes only (which lots are hereinafter sometimes designated as "residential lots"). Set back lines for building purposes shall be twenty five (25) feet from front lot line, six (6) feet from each side lot line except that in the event a side property line abutts a side road, the setback shall be not less than ten (10) feet therefrom and twenty five (25) feet from back lot line.

Prior to building, plans for such building will be submitted for approval to H & H PROPERTIES, INC., or its nominee as designated, showing particularly, North, South and West elevations, outside construction materials, exterior color or colors and the location of such building or buildings on the lot plot plan. Such approval will be presumed unless within thirty (30) days after the submission of the plans and specifications said H & H PROPERTIES, INC., or its nominee, gives notice in writing of its disapproval thereof.

Prior to landscaping a plan of the overall landscaping theme showing all plantings shall be submitted to H & H PROPERTIES, INC., or its nominee for approval. All unimproved lots shall be kept in a manner which would prevent fires and be in keeping with the overall esthetic appearance of the Useless Bay community.

After 3-17-69 no building, trailer, tent or structure of any kind shall be erected on any residential lot within Division No. 12 prior to the erection of the main dwelling house thereon, except that a garage or other small building of permanent construction may be erected for purposes of storing of tools and other articles prior to the erection of the permanent dwelling house, but such structure shall not be used as a domicile without permission of H & H PROPERTIES, INC., or its nominee. After 3-17-69 any building, trailer, tent or structure, other than a permanent dwelling and appurtenances which conform to these covenants, shall be removed upon written notice and request of H & H PROPERTIES, INC., or its nominee.

Current Island County Building Codes will be followed.

No structure shall be erected, altered, placed or permitted to remain on any residential lot other than one detached, single family dwelling for single family occupancy only EXCEPT lot 4 which may be divided into not more than two residential lots. The habitable main floor area of which, exclusive of garage, open entry, porches and patios, shall be not less than twelve hundred (1200) square feet, except a private

garage and other outbuildings appurtenant to any dwelling house, such as garden house, boat house, pergola, conservatory or other similar structure, architecturally in harmony herewith and of permanent construction and incidental and necessary to residential use of said residential lots. All structures shall be of new construction and no dwelling shall be more than two (2) stories in height. No structure shall be occupied as a residence until the installation of adequate plumbing, including connection to septic tanks or sewer. Lot entry roads shall be built over a 12" concrete culvert pipe laid in the drainage ditch.

The work of construction or erection of all buildings and structures shall be prosecuted diligently from commencement of such construction or erection and exterior of such buildings and structure shall be completed within twelve (12) months after construction is started.

Fences and hedges may be erected along lot lines, however, from the front building line to the stake line, and across the width of the lot, as shown on the face of the Plat of Useless Bay Beach and Country Club, Division No. 12, the fence must be of a cyclone type or comparable design and not to exceed 4 feet in height. Other fences on property shall not be more than 6½ feet in height above the finished ground elevation.

4. NOXIOUS USE OF PROPERTY: No noxious, illegal or offensive activity shall be carried on upon any lot nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

No goods, equipment, trucks, vehicles or paraphernalia used or designated for use in connection with any business, service or trade shall be kept or stored in the open on any residential lot or street. No commercial signs, including "For Sale" signs, shall be placed on any lot or structure.

5. ANIMALS: No fowl, rodents, hogs, cattle, horses, sheep, goats or similar livestock shall be maintained on the residential lots at any time. Household pets shall be permitted. Not more than one accessory building on any one residential lot shall be permitted for use in the housing of such household pets. Any such building shall be located not less than fifty (50) feet from any place of human habitation other than the owners.

6. ELECTRICAL AND TELEPHONE SERVICE ENTRANCE: After 3-17-69 telephone or any service wires shall be located underground from the street utilities to the entrance of private buildings. No overhead lines will be permitted on any residential lot or building thereon.

7. USELESS BAY BEACH AND COUNTRY CLUB, INC.: Each fee owner or contract purchaser of any residential lot or lots situated within Division No. 12 shall become a member of Useless Bay Beach and Country Club, Inc., a nonprofit Washington Corporation, (hereinafter, in this paragraph 7 called the Corporation) on the following terms and conditions:

(a) Each membership in the Corporation shall be governed by the Articles of Incorporation, By-Laws and Rules and Regulations of the Corporation, including any amendments or revisions thereof, which may hereafter be effected from time to time.

(b) Each fee owner or contract purchaser shall maintain his membership in the Corporation in good standing, subject to the aforesaid Articles, By-Laws and Rules and Regulations, as long as he shall continue to have a fee owner's or contract purchaser's interest in said residential lot or lots. The membership shall cease and terminate upon the legal transfer of ownership of said residential lot or lots by the member (it

being understood that the sale of the realty under a real estate contract or assignment of a vendee's interest in a real estate contract shall constitute a transfer of ownership for the purpose of termination of membership).

(c) Each member shall pay when due all fees, dues, charges or assessments which may from time to time become payable to the Corporation; and any default or defaults on such obligations or otherwise with regard to the member's duties and obligations as a member of the Corporation, shall subject said defaulting member and/or the residential lot or lots owned or being purchased by said defaulting member to such claims, damages, liens, mortgages, penalties and/or other liabilities as may not or hereafter be provided for by Law or in the aforesaid Articles, By-Laws and Rules and Regulations of the Corporation.

8. TERM: The conditions, covenants, restrictions, reservations and easements set forth in Declaration of Protective Restrictions shall become effective Mar. 17, 1969, and shall remain effective thereafter unless terminated or modified in accordance with paragraph 10 thereof.

9. AMENDMENTS: This Declaration of Protective Restrictions may be amended, revised or terminated, in whole or in part, by the approval of 65% of the combined total of all of the owners of all residential lots situated within Useless Bay Beach and Country Club, Divisions 1 through _____, inclusive, and all residential lots situated within such additional real property as may hereafter be platted on Whidbey Island, Island County, Washington, by said H & H PROPERTIES, INC., by plats designating such additional real property as a division of Useless Bay Beach and Country Club. The term owners as used in this paragraph 9 shall be deemed to include persons purchasing residential lots under real estate contracts but shall exclude sellers under real estate contracts (and assignors of vendee's interests, etc.). When voting on any proposed amendment, revision or termination, each owner shall be entitled to one vote for each residential lot owned or being purchased by him.

10. VIOLATION: In the event of the violation of any of the conditions, covenants, restrictions, reservations or easements set forth in this Declaration of Protective Restrictions, it shall be lawful for an owner (including contract sellers and purchasers) of any real property situated within Useless Bay Beach and Country Club, Division No. 12, or of any additional real property hereafter platted on Whidbey Island, Island County, Washington, by said H & H PROPERTIES, INC., by plats designating such additional real property as a division of Useless Bay Beach and Country Club, to prosecute any proceedings at law or in equity against such person or persons causing or Attempting to cause any such violations, and to prevent him or them from so doing or to recover damages arising from any such violation, or both.

11. INVALIDATION: Invalidation of any of the conditions, covenants, restrictions, reservations or easements set forth in this Declaration of Protective Restrictions by a judgement of any court of competent jurisdiction shall in no wise affect any of the other provisions, all of which shall remain in full force and affect.

RESOLUTION ADOPTING AND EXTENDING PROTECTIVE RESTRICTIONS RELATING TO DIVISIONS NUMBERS ONE THROUGH TEN AND DIVISION NUMBER TWELVE OF PLATS OF USELESS BAY BEACH AND COUNTRY CLUB, recorded January 15, 1976, under Auditor's File No. 292845.

Such restrictions and provisions are hereby adopted, extended and reenacted to continue in perpetuity. Filing of this resolution for record with the Auditor of Island County, Washington, shall be made forthwith.

RESOLUTION IMPOSING LIEN AGAINST ANY LOT SOLD
WITHIN ANY PLAT OF USELESS BAY BEACH AND COUNTRY
CLUB FOR CHARGE OF TRANSFER OF OWNERSHIP MEMBERSHIP

KNOW ALL MEM BY THESE PRESENTS:

Whereas, the Board of Trustees of Useless Bay Beach and Country Club, Inc., in a formal resolution dated January 6, 1978, recorded January 6, 1978, under Island County Auditor's File 325514, did resolve, according to the Articles of Incorporation and By-Laws, to impose a charge to the seller of \$100.00 for each sale made thereafter of one or more lots within any plat, amended or revised, of Useless Bay Beach and Country Club, which charge was to be a lien against the property sold, whether of one or more such lot or lots subsequently sold.

A "sale" shall be considered as any transfer of a "membership" which, consistent with the Corporation's Articles of Incorporation and its By-Laws, is inseparably appurtenant to the respective lot or lots sold by transfer of ownership or contract of sale.

Now, the Board of Trustees of Useless Bay Colony, Inc., formerly Useless Bay Beach and Country Club, Inc., acting according to the Articles of Incorporation and By-Laws, does hereby resolve that the amount of said charge and/or lien is, as of November 1, 1981, increased from \$100.00 to \$150.00, and as such affects all lots contained within all divisions of the Plat of Useless Bay Beach and Country Club.

Dated this 24th day of October, 1981.

218862

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PAGE REQUEST OF

H & H Properties, Inc.

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DECLARATION OF PROTECTIVE RESTRICTIONS FOR THE

PLAT OF

USELESS BAY BEACH AND COUNTRY CLUB, DIVISION NO. 12

J.W. LISBEE, AUDITOR
ISLAND COUNTY, WASH.

Declaration:

WHEREAS, the undersigned are the owners of all of the real property included within the Plat of USELESS BAY BEACH AND COUNTRY CLUB, DIVISION NO. 12, as recorded in Volume 10 of Plats, Page 59, records of Island County, State of Washington (hereinafter called Division No. 12), and ;

NOW THEREFORE, the undersigned hereby declare as follows:

1. GENERAL PROVISIONS: All of the real property situated within Division No. 12 is and shall be held, transferred, sold, conveyed and occupied subject to the conditions, covenants, restrictions, reservations, and easements hereinafter set forth in this DECLARATION OF PROTECTIVE RESTRICTIONS, all of which shall run with the land and be binding upon all of the present and future owners of said real property and all persons claiming under them as hereinafter provided.

2. STREETS AND EASEMENTS: All streets, lanes and places as shown on this plat, together with a five foot utilities easement each side of all lot lines except those lines on street frontages.

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Prior to building, plans for such building will be submitted for approval to H & H PROPERTIES, INC., or its nominee as designated, showing

particularly, North, South and West elevations, outside construction materials, exterior color or colors and the location of such building or buildings on the lot plot plan. Such approval will be presumed unless within thirty (30) days after the submission of the plans and specifications said H & H PROPERTIES, INC., or its nominee, gives notice in writing of its disapproval thereof.

Prior to landscaping a plan of the overall landscaping theme showing all plantings shall be submitted to H & H PROPERTIES, INC., or its nominee for approval. All unimproved lots shall be kept in a manner which would prevent fires and be in keeping with the overall esthetic appearance of the Useless Bay community.

After 3/17/69 no building, trailer, tent or structure of any kind shall be erected on any residential lot within Division No. 12 prior to the erection of the main dwelling house thereon, except that a garage or other small building of permanent construction may be erected for purposes of storing of tools and other articles prior to the erection of the permanent dwelling house, but such structure shall not be used as a domicile without written permission of H & H PROPERTIES, INC., or its nominee.

After 3/17/62 any building, trailer, tent or structure, other than a permanent dwelling and appurtenances which conform to these covenants, shall be removed upon written notice and request of H & H PROPERTIES, INC., or its nominee.

Current Island County Building Codes will be followed.

No structure shall be erected, altered, placed or permitted to remain on any residential lot other than one detached, single family dwelling for single family occupancy only EXCEPT lot 4 which may be divided into not more than two residential lots. The habitable main floor area of which, exclusive of garage, open entry, porches and patios, shall be not less than twelve hundred (1200) square feet, except a private garage and other outbuildings appurtenant to any dwelling house, such as garden house, boat house, pergola, conservatory or other similar structure, architecturally in harmony herewith and of permanent construction and

incidental and necessary to residential use of said residential lots. All structures shall be of new construction and no dwelling shall be more than two (2) stories in height. No structure shall be occupied as a residence until the installation of adequate plumbing, including connection to septic tanks or sewer. Lot entry roads shall be built over a 12" concrete culvert pipe laid in the drainage ditch.

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4. NOXIOUS USE OF PROPERTY: No noxious, illegal or offensive activity shall be carried on upon any lot nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

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5. ANIMALS: No fowl, rodents, hogs, cattle, horses, sheep, goats or similar livestock shall be maintained on the residential lots at any time. Household pets shall be permitted. Not more than one accessory building on any one residential lot shall be permitted for use in the housing of such household pets. Any such building shall be located not less than fifty (50) feet from any place of human habitation other than

the owners.

6. ELECTRICAL AND TELEPHONE SERVICE ENTRANCE: After 2/17/62 telephone or any service wires shall be located underground from the street utilities to the entrance of private buildings. No overhead lines will be permitted on any residential lot or building thereon.

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(c) Each member shall pay when due all fees, dues, charges or assessments which may from time to time become payable to the Corporation; and any default or defaults on such obligations or otherwise with regard to the member's duties and obligations as a member of the Corporation, shall subject said defaulting member and/or the residential lot or lots owned or being purchased by said defaulting member to such claims, damages, liens, mortgages, penalties and/or other liabilities as may now or here-

after be provided for by Law or in the aforesaid Articles, By-Laws and Rules and Regulations of the Corporation.

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any such violations, and to prevent him or them from so doing or to recover damages arising from any such violation, or both.

11. INVALIDATION: Invalidation of any of the conditions, covenants, restrictions, reservations or easements set forth in this Declaration of Protective Restrictions by a judgement of any court of competent jurisdiction shall in no wise affect any of the other provisions, all of which shall remain in full force and effect.

DATED as of the 17 day of March, 1969

H & H PROPERTIES, INC.

by D. E. MacDonald
D. E. MacDonald Secretary

by Howard F. Sievers
Howard F. Sievers President

157876

ARTICLES OF INCORPORATION
OF
USELESS BAY BEACH AND COUNTRY CLUB, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, FLOYD E. HOWARD, BARBARA L. HOWARD, CHRISTIAN H. SIEVERS, SHIRLEY J. SIEVERS and HOWARD F. SIEVERS, residing in the State of Washington, and being citizens of the United States, each being over the age of twenty-one years, and being desirous of forming a corporation under Title 24 Revised Code of Washington, relating to non-profit corporations, do hereby associate ourselves together for the purpose of forming a non-profit corporation and make, subscribe, execute and adopt, in triplicate, the following Articles of Incorporation, and certify as follows:

ARTICLE I.

The name of the corporation shall be

USELESS BAY BEACH AND COUNTRY CLUB, INC.

ARTICLE II.

The purpose for which this corporation is formed are:

1. To purchase or otherwise acquire, construct, improve, develop, repair, maintain, operate, care for and/or

dispose of streets, roadways, easements, parkways, playgrounds, open spaces and recreational areas, tennis courts, beaches, boat landings, mooring basins, floats, piers, clubhouses, swimming pools and/or swimming areas, bath houses, places of amusement, community buildings, community clubhouses and in general community facilities appropriate for the use and benefit of its members and of any and all realty hereafter platted on Whidbey Island, Washington, by H & H Properties, Inc., a Washington corporation.

2. To build, improve and maintain roadways, culverts, bridges and drainage areas and to provide for the improving, cleaning and sprinkling of streets, and for collection and disposal of the street sweepings, garbage, ashes, rubbish and the like; to prevent and suppress fires, to provide police protection, and to make and collect charges to cover the costs and expenses therefor.

3. To improve, light and/or maintain streets, roads, alleys, courts, walks, gateways, fences and ornamental features now existing or hereafter to be erected or created, and shelters, comfort stations and/or buildings and improvements ordinarily appurtenant to any of the foregoing; to improve, plant and maintain grass plots and other areas, trees and plantings within the lines of the street immediately adjoining the properties of its members and of said H & H Properties, Inc.

4. So far as it can legally do so, to grant franchises, rights-of-way and easements for public utilities or other purposes.

5. To acquire by gift, purchase, lease or otherwise , and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of real and/or personal property and interests therein wherever situate.

6. To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment, and/or enforcement of covenants, reservations, restrictions, liens and charges imposed upon the realty referred to in Article II, Section I, hereof, and as may be vested in, delegated to, or assigned to this corporation and such duties with respect thereto as may be assigned to and assumed by this corporation.

7. To appropriate, purchase, divert, acquire and store water from streams, water courses, wells or other source, and to distribute the water so appropriated and acquired to its members for use upon the lands of said members and for domestic purposes; to acquire, own, construct, hold, possess, use and maintain such pumping plants, tanks, pipe lines, reservoirs, ditches, buildings, roads, trails, and appliances, and such

other property, including water rights and shares of stock in other corporations as this corporation may from time to time desire to acquire or purchase for furnishing and supplying water to its members; provided that this corporation shall not use or dispose of such water as a public utility, but solely for the use and benefit of its members and for the irrigation of lands and domestic and other useful and beneficial purposes.

8. To fix, establish, levy and collect such fees, dues, charges and/or assessments as may be necessary, in the judgment of the Board of Trustees, to carry out any or all of the purposes for which this corporation is formed, but not in excess of the maximum from time to time fixed by the By-Laws.

9. To expend the moneys collected by this corporation from assessments, fees, dues and charges and other sums received for the payment and discharge of costs, expenses, and obligations incurred by this corporation in carrying out any of all of the purposes for which this corporation is formed.

10. Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by this corporation under or by virtue of any restrictions, conditions, and/or covenants or laws affecting the realty referred to in Article II, Section 1, hereof, or any portion thereof (including areas now or hereafter dedicated to public use); and to do and perform any and all acts which may be

either necessary for, or incidental to, the exercise of any of the foregoing powers or for the peace, health, comfort, safety, and/or general welfare of the members of this corporation.

11. To borrow money and mortgage, pledge or hypothecate any or all of the real or personal property of this corporation as security for money borrowed or debts incurred; and to do any and all things that a corporation organized under said laws of the State of Washington may lawfully do when operating for the benefit of its members or the property of its members, but without profit to this corporation.

12. Generally, to do and perform any and all acts which may be either necessary or proper for, or incidental to, the exercise of any of the foregoing powers and such powers granted by the provisions of Title 24, Revised Code of Washington, and other laws of the States of Washington relating to non-profit corporations.

13. Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting this corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of this corporation shall not be carried on for profit either to itself or for the benefit of its members, and wherever it is authorized to collect fee, dues, charges or assessments it shall

have no power or authority to use said fees, dues, charges or assessments except as necessary.

ARTICLE III.

This corporation shall at all times hereafter be a joint and mutual association of the above named incorporators and such other persons as may hereafter be admitted to membership in accordance with the By-Laws of the corporation. Membership in this corporation and certificates evidencing the same shall be inseparably appurtenant to the respective lots shown on all plats of realty on Whidbey Island, Washington, hereafter filed by said H & H Properties, Inc., and upon transfer of ownership or contract for sale of any such tract, the membership and certificate of membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser. No membership or certificate of membership may be transferred, assigned, or conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership and certificate of membership of such deceased member shall be and become the property of the personal representative of such deceased member upon appointment and qualification as such in a judicial proceeding and such personal representative shall have all of the rights, privileges and liabilities of such member until title shall be transferred or contracted to be transferred.

ARTICLE IV.

The number of trustees of this corporation shall not be less than five (5) nor more than eleven (11). The names of the initial trustees, who shall manage the affairs of the corporation for not less than two (2) months and not more than six (6) months and until their successors are elected by the members are:

<u>NAME</u>	<u>ADDRESS</u>
Floyd E. Howard	Langley, Washington
Christian H. Sievers	Langley, Washington
Howard F. Sievers	Langley, Washington
William H. Sievers	Langley, Washington
Robert B. Olson	Langley, Washington

ARTICLE V.

The time of the existence of this corporation shall be perpetual.

ARTICLE VI.

The principal place of business of this corporation shall be Langley, Washington.

ARTICLE VII.

The qualifications of the members of this corporation, and the property, voting and other rights and privileges, and the liabilities to charges and assessments, of the members, shall be set forth in the By-Laws of the corporation.

IN WITNESS WHEREOF, we, the undersigned, the

incorporators of this corporation have on this 15th day of
May, 1963, hereunto set our hands.

Signed

(Floyd E. Howard)

Signed

(Barbara L. Howard)

Signed

(Christian H. Sievers)

Signed

(Shirley J. Sievers)

Signed

(Howard F. Sievers)

12/11/02



AFTER RECORDING MAIL TO:

Useless Bay Colony, Inc.
Post Office Box 956
Freeland, WA 98749

Amendment No. 1

THIS AMENDMENT NO. 1 to the November 24, 1990 Agreement by and between USELESS BAY GOLF AND COUNTRY CLUB ("Club"), a Washington nonprofit corporation, and USELESS BAY COLONY ("Colony"), a Washington nonprofit corporation, incorporates:

- I. The changes to that Agreement approved by the membership of the Colony at its July 20, 2002 regular Annual Meeting.
- II. The December 16, 1999 Agreement between the parties.
- III. The March 25, 1998 Action by the Board of Directors of the Club.

I. Changes to November 1990 Agreement

As used in this section, the following definitions shall apply:

Additional Access - Use of clubhouse dining facilities
Additional Dues - Amounts paid by Colony members for such Additional Access

Section 4 of the Agreement is hereby amended to read as follows:

"4. The Colony members shall have access to and use of the facilities of the Club under the same terms and conditions as have heretofore existed with respect to use of said facilities by said members, EXCEPT THAT only those Colony members who have agreed to pay Additional Dues (as hereinafter described) shall have Additional Access to and use of the main floor activities and facilities.

The Colony members' memberships, hereinafter referred to as "Colony memberships", shall be available to those who are owners of a lot or a condominium unit in one of the properties described in Exhibit A, as modified by the March 30, 1995 Addendum to this Agreement and the March 25, 1998 Action. The Colony memberships shall inure to the benefit of any subsequent owner of any lot or condominium unit as described herein, and as more particularly described and set forth in Exhibit A, as modified.

Colony members will have at least one participating member on the House Committee, or its successors, of the Club. Said members shall not also be (a) Club members(s)."

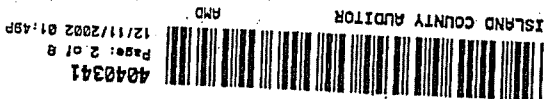
Section 5 is hereby amended to read as follows:

"5. Colony members shall be charged dues of \$38.50 each per year to compensate the Club for administrative and other support services provided by it to the Colony.

Colony members who wish to have Additional Access to the Club may do so upon election to pay Additional Dues of \$60 annually, effective the year beginning July 1, 2002. Colony members may elect such Additional Access at any time subsequent to July 1, 2002 and will be charged Additional Dues effective on the date of such election.

All dues shall be subject to change on the same percentage as dues may increase for "social members" of the Club: provided, however, that Colony member dues shall not be increased so as effectively to exclude Colony members from the use of Club facilities.

12/11/02



Proceeds from such Additional Dues shall be utilized solely to fund capital improvements to the Clubhouse.
All other terms of the Agreement shall remain in force as stated in the Agreement. These changes shall be effective July 1, 2002.

II. December 16, 1999 Agreement

This Agreement, executed on the indicated date, contains terms for Colony participation in use, operation and maintenance and sharing of costs for the tennis courts located proximate to the Club. It is incorporated in this Amendment No. 1 by reference. A copy is attached as Exhibit C.

III. March 25, 1998 Action

On this date, a Special Meeting of the Board of Directors of the Club was called. At which a motion was passed by said Board to grant owners of lots in Division 15 and 17 and along Fairway 12 the same privileges as present Club members. The minutes documenting this action are incorporated in this Amendment No. 1 by reference. A copy is attached as Exhibit D.

Agreed to and accepted on the 20th day of July, 2002

By: Byron J. Vadset
USELESS BAY GOLF & COUNTRY CLUB, INC. President

By: David P. Haworth
USELESS BAY COUNTRY, INC. President

STATE OF WASHINGTON)

) ss

I certify that I know or have satisfactory evidence that Byron J. Vadset is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that was authorized to execute the instrument and acknowledged that he signed this instrument, on oath stated that County Club, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



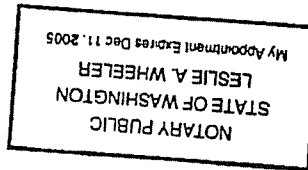
Notary Public in and for the State of Washington
Residing at USELESS BAY COUNTRY
My appointment expires: 9-5-05

STATE OF WASHINGTON)

) ss

I certify that I know or have satisfactory evidence that David P. Haworth is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that was authorized to execute the instrument and acknowledged that he signed this instrument, on oath stated that the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Nov. 13, 2002



Notary Public in and for the State of Washington
Residing at USELESS BAY COUNTRY
My appointment expires: 12-11-2005

12/11/02



Exhibit A

Useless Bay Beach and Country Club Division No. 1, according to the plat recorded in Volume 7 of Plats, page 54, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 2, according to the plat recorded in Volume 7 of Plats, page 60, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 3, according to the plat recorded in Volume 7 of Plats, page 70, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 4, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 5, according to the plat recorded in Volume 8 of Plats, page 9, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 6, according to the plat recorded in Volume 8 of Plats, pages 41-45, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 7, according to the plat recorded in Volume 8 of Plats, pages 68-71, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 8, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 9, according to the plat recorded in Volume 10 of Plats, page 53, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 10, according to the plat recorded in Volume 10 of Plats, pages 72-75, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 11, according to the plat recorded in Volume 12 of Plats, page 64, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 12, according to the plat recorded in Volume 10 of Plats, page 59, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 14, according to the plat recorded in Volume 11 of Plats, pages 49-52, records of Island County, Washington.

12/11/02

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Page: 4 of 8
12/11/2002 01:45P

RND

ISLAND COUNTY AUDITOR

Exhibit B

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1. Beginning at the West quarter corner of Section 18, Township 29 North, Range 3 E.W.M.; thence North 01°30'30" East along the West line of said section a distance of 1394.80 feet; thence South 85°00'00" East a distance of 146.60 feet; thence along the arc of a curve to the right having a radius of 246.92 feet and subtending an angle of 57°20'00" for 247.08 feet; thence South 27°40'00" East for 186.26 feet; thence due South for 50.00 feet to the true point of beginning; thence continue due South for an additional 100.00 feet; thence East for 200.00 feet; thence North for 100.00 feet; thence West for 200.00 feet to the true point of beginning; being a portion of the Southwest quarter of the Northwest quarter of said Section 18 and containing 0.46 acres.

Situate in the County of Island, State of Washington.

2. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

Commencing at the most southerly corner of Lot 60 in the Plat of Useless Bay Beach and County Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40°48'54" West for 16.37 feet; thence North 86°15'11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 179°55' feet; thence North 89°25'19" West for 178.00 feet to the Easterly right of way line of County Club Drive; thence North 27°40'31" West along said right of way for 106.48 feet; thence North 76°36'02" East for 178.86 feet; thence North 51°50'32" East for 67.98 feet to the true point of beginning and containing 0.60 acres.

Situate in the County of Island, State of Washington

3. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

Commencing at the most Southerly corner of Lot 60 in the Plat of Useless Bay Beach and County Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40°48'54" West for 16.37 feet; thence North 86°15'11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 51°50'32" West for 67.98 feet; thence North 13°54'48" West for 144.00 feet; thence North 76°05'12" East for 85.00 feet; thence South 120.00 feet to the true point of beginning and containing approximately 0.24 acres.

Also an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying northerly of the following described line: commencing at above mentioned Point "A", the true point of beginning; thence South

12/11/02

51° 50' 32" West for 67.98 feet; thence South 76° 37' 02" West for 178.86 feet to an intersection with the easterly right of way line of County Club Drive.

The grantor reserves an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying southerly of the following described line: commencing at above mentioned Point "A", the true point of beginning, thence South 51° 50' 32" West for 67.98 feet; thence South 76° 36' 02" West for 178.86 feet to an intersection with the easterly right of way line of County Club Drive.

Situate in the County of Island, State of Washington

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Page: 5 of 8

12/11/2002 01:45P

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ISLAND COUNTY AUDITOR

12/11/02

EXHIBIT C



AGREEMENT BETWEEN USELESS BAY GOLF & COUNTRY CLUB, INC.,
AND USELESS BAY COLONY, INC.

Useless Bay Colony may have the use of the tennis courts on a first-come, first-served basis. Colony shall reimburse the Golf Club 50% of the reasonable costs incurred by the Golf Club in the course of such maintenance and improvements.

Golf Club shall provide the Colony by January 15 of each year with a written estimate of maintenance expenses that the Golf Club reasonably expects to incur during that calendar year. Before commencing any improvements, Golf Club shall provide Colony with a written estimate of the cost of such improvements. Total annual expenditures shall not exceed \$4,000 without prior approval by both Boards of Directors. If the Golf Club has a Committee to review the repair and maintenance of the tennis courts, Useless Bay Colony, Inc., shall be represented.

If lights are installed to permit use of the tennis courts in darkness, Golf Club shall ensure that such lights are directed downward toward the tennis courts and are turned off not later than 10:00 p.m. each day. The obligations of the preceding sentence are made for the benefit of and may be enforced by any Colony Member who owns one or more lots or condominium units in any of Division 14, Division 16 or Division 17, Useless Bay Colony, according to the plats thereof recorded in Island County, Washington.

In this Agreement, reference to being an owner of a lot or a condominium unit includes being a purchaser thereof under a real estate contract.

USELESS BAY GOLF & COUNTRY CLUB, INC.

By: [Signature] President Date: 12-15-90
By: [Signature] Secretary Date: 12-15-90
By: [Signature] Jack Beengrahn

ACCEPTED AND AGREED BY
USELESS BAY COLONY, INC.

By: [Signature] President Date: 12/16/99
By: [Signature] Secretary Date: 12/16/99
By: [Signature] Bill Cochran

12/11/02



USELESS BAY GOLF & COUNTRY CLUB

MINUTES

BOARD OF DIRECTORS MEETING

March 25, 1998

The meeting was called to order at 7:02 P.M. by President John Cooper.

MEMBERS PRESENT: John Cooper, Gene Parmelee, Hugh Barr, Tommie Byers, Roberta Pollard, Les Ross, Jack Leengran, Jim Sparling, Tom Anderson, and Lou Ekorenrud.

MEMBER EXCUSED: Mike Holmberg

MANAGERS PRESENT: Jack Petosa, Bill Davis, Fred Van Benschoten

MINUTES: The minutes of the January 28, 1998, meeting were approved on motion of Anderson and Sparling.

GUEST PRESENT:

Mei Wilson attended the Board meeting concerning an operating agreement with the Colony Club and H & H Properties. He recommended that we approve an agreement with H & H Properties concerning Divisions 15 and 17 to allow landowners to have the same privileges as the present Colony Club members (see attached letters and maps). Motion by Parmelee and Sparling to grant owners the same privileges as present Colony Club members concerning Divisions 15 and 17 and along Fairway 12, total lots not to exceed 55 lots to be developed (see letter dated March 25, 1998). Motion passed - 6 yes 2 no.

CORRESPONDENCE: (See attached letters)

1. Bill Sievers & Robert B. Olson: Letter dated February 25, 1998.
2. Washington Junior Golf Association: Jerry Fehr letter dated March 10, 1998.
3. Letter dated January 30, 1998, from President John Cooper to Bill Smith.
4. Jan Stallbaum: Letter to Gene Parmelee dated January 27, 1998.

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EXHIBIT D
Page 1 of 2

12/11/02

EXHIBIT D
Page 242

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Page: 8 of 8
12/11/2002 01:45P



ISLAND COUNTY AUDITOR

RMD

H & H Properties

INCORPORATED

Responsible development for people & nature since 1959

March 25, 1998

Mr. John Q. Cooper
President
Useless Bay Golf & Country Club
5725 S. Country Club Drive
Langley, Wa 98260

Dear John:

As requested by you at our meeting last Saturday, March 21, 1998, here is a map outlining the boundaries of Useless Bay Colony, Inc., as presently developed and as we contemplate developing.

Presently, two divisions of Useless Bay Colony, Inc., Divisions 15 and 17, have been developed and recorded by Island County and are on the market. Division 15 contains 4 lots and Division 17 contains 8 lots. Additionally, we have the potential for developing approximately 40 lots between Fairways 15 and 17 and along Fairway 12. Total lots to be developed will not exceed 55, including Divisions 15 and 17, assuming future land use laws do not encourage condominium development on any part of the remaining land.

Our Island County approved commercial development, "The Village Square", adjacent to our Office will contain eight buildings and have condominiums or apartments on the top floors. We are not requesting that these residents have Clubhouse or Colony privileges.

In summary, we request that the joint agreement be modified to allow use of the Clubhouse by owners of platted lots or condominium units created on the land available for development within the boundaries shown on this map, including Division 15 and 17. It may be a number of years, say 3-5, before the bulk of the remaining unplatted land will be developed. Thank you!

Sincerely,

Robert B. Olson

William H. Stevers