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 PIERCE COUNTY, WASHINGTON

After Recording Return to:
 Bryce H. Dille
 of Campbell, Dille, Barnett, Smith & Wiley, PLLC
 317 South Meridian
 Puyallup, WA 98371

**DECLARATION OF PROTECTIVE COVENANTS,
 CONDITIONS, EASEMENTS & RESTRICTIONS FOR
 HIDDEN HARBOR**

Grantor: Westpac Holding and Development, Inc. a Washington Corporation
 Grantee: Hidden Harbor (Sasaki PUD) Homeowner's Association
 Legal Description (abbreviated): Lots 1 through 140 of the Plat of Hidden Harbor recorded
 under Pierce County Auditor's Recording Number *200512235004*
 Assessor's Tax Parcel Number *0519 314701, 4019, 4700*
Easement rec# 200512271145

The Declarant herein as the owners in fee of the real property legally described in this Declaration, hereby covenant, agree, and declare, that all of the properties and housing units constructed on the properties are and will be held, sold, and conveyed subject to this Declaration which is made for the purpose of enhancing and protecting the value, the desirability and attractiveness of the properties for the benefit of all the properties and their owners. The covenants, restrictions, reservations, and conditions, contained in this Declaration shall run with the land as easements and equitable servitudes, and shall be binding upon the properties and each portion thereof and all persons owning, purchasing, leasing, subleasing or occupying any lot on the properties and upon their respective heirs, successors and assigns.

ARTICLE ONE: DEFINITIONS

For purposes of the Declaration, Articles of Incorporation and Bylaws of the Association, certain words and phrases have particular meanings, which are as follows:

Declaration of Protective Covenants,
 Conditions, Easements & Restrictions
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1. "ACC" shall mean the Architectural Control Committee, as described in this Agreement.
2. "Articles" shall mean the Association's articles of incorporation and any amendments.
3. "Association" shall mean the Hidden Harbor Homeowners Association which shall be formed as a nonprofit corporation for the purpose of administering this Declaration.
4. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
5. "Bylaws" shall mean the Association's Bylaws and any amendments.
6. "Common Areas" shall include but not be limited to Tracts A, B, C, D, E, F, G, H, I, J, K and L, as delineated on the Plat of Hidden Harbor. Common areas shall also mean the property both real and personal in which the Association has been granted an ownership interest, easement, or right of control by any written instrument including this Declaration or by delineation and Declaration of the same on the plat map recorded for the Plat of Hidden Harbor.
7. "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions.
8. "Developer-Declarant" The Developer and Declarant shall mean Westpac Holding and Development, Inc., a Washington Corporation. However Developer shall also include any entity which purchases multiple lots from the Declarant for the purposes of constructing residences thereon. Until such time as the Declarant or any Developer lots has sold all the lots by that party, then such party shall jointly exercise all rights reserved to the Declarant as set forth in this Declaration. At any time as either the Declarant or Developer has sold or conveyed all the lots held by that entity then that party shall no longer be considered a Developer or Declarant.
9. "Development Period" shall mean the period of time from the date of recording of this Declaration until 180 days after the date upon which 100% of the lots have been sold by the Developer or any shorter period, as determined by the Developer. A partial delegation of authority by the Developer of any of the management duties described in this Declaration shall not terminate the development period. In the event any loans with respect to any of the

lots are insured through the Federal Housing Administration (FHA), the Veteran's Administration (VA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation, then in that event, the Development Period shall terminate at such time as 75% of all of the lots have been closed and sold to other than builders.

10. "Housing Unit" shall mean the building occupying a Lot.

11. "Institutional First Mortgagee" or "Mortgagee" shall mean a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company or state or federal agency which holds a first mortgage or deed of trust against a Lot or Housing Unit thereon.

12. "Lot" shall refer to one of the Lots located in the Plat of Hidden Harbor consisting of Lots 1 through 140 of the Plat of Hidden Harbor .

13. "Member" shall mean every person or entity that holds a membership in the Association.

14. "Mortgage" shall mean a mortgage or deed of trust encumbering a Lot or other portion of the Properties.

15. "Owner" shall mean the recorded owner of a Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser shall be deemed the Owner.

16. "Person" shall mean a natural person, a corporation, a partnership, trustee or other legal entity.

17. "Real Property" that is subject to this declaration is legally described as Lots 1 through 140 of the Plat of Hidden Harbor together with all common areas as defined by this Declaration.

18. "Sale" or "Sold" shall mean the date upon which ownership of a Lot is transferred from an Owner to another person or entity by recordation of an instrument of transfer such as a deed or real estate contract.

**ARTICLE TWO: MANAGEMENT OF COMMON AREAS AND
ENFORCEMENT OF DECLARATION**

Section One: Development Period. During the development period the Declarant and any Developer shall appoint the sole director or directors of the Association. The Declarant and any Developer may also appoint members of the Association to other committees or positions in the Association as the Declarant and/or Developer deems appropriate to serve at their discretion and may assign such responsibilities, privileges, and duties to the Members as the Declarant/Declarant determines for such time as the Declarant/Developer determines. Any member appointed by the Declarant/Developer during the development period may be dismissed at the Declarant/Developer's discretion. The Declarant/Developer shall also appoint members to the Architectural Control Committee. At such time as the Declarant/Developer has sold and conveyed all lots, then the Declarant/Developer may resign as a director of the Association and from any other committees for the duration of the development.

At such time as the Declarant/Developer has sold and conveyed all lots then any Developer as defined in this Agreement for the duration of the development period shall be entitled to appoint a director to the Association as well as a Member to the Architectural Control Committee.

Section Two: Purpose of Development Period. The Declarant and Developer's control of the Association during the Development Period is established in order to ensure that the Properties and the Association will be adequately administered in the initial phases of development, ensure an orderly transition of Association operations, and to facilitate the Developers completion of construction of Housing Units.

Section Three: Authority of Association After Development Period. At the expiration of the Declarant and Developer's management authority the Association shall have the authority and obligation to manage and administer the Common Areas and to enforce this Declaration. Such authority shall include all authority provided for in the Association's Articles, Bylaws, rules and regulations and this Declaration. The Association shall also have the authority and obligation to manage and administer the activities of the ACC in its responsibilities as described in this agreement.

Section Four: Delegation of Authority. The Board of Directors, the Declarant or the Developer may delegate any of its managerial duties, powers, or functions to any person, firm, or corporation. The Board, the Declarant and the Developer shall not be liable for any breach of duty, negligence, omission, intentional act or improper exercise by a person who is delegated any duty, power or function by the Board of Directors, Declarant or the Developer.

Section Five: Notice to Owners. Not less than ten nor more than thirty days prior to the termination of the development, the Declarant or any Developers who then constitute the

Board, shall give written notice of termination of the development period to the owner of each lot. Said notice shall specify the date when the development period will terminate and that at such time a meeting of the Members shall be called in accordance with the by-laws which Members shall then elect directors in accordance with the terms and provisions of the Articles of Incorporation and by-laws of this Declaration.

ARTICLE THREE: MEMBERSHIP

Every person or entity who is an Owner of any Lot agrees to be a Member of the Association by acceptance of a deed for such Lot. Membership may not be separated from ownership of any Lot. All Members shall have rights and duties as specified in this Declaration, and in the Articles and Bylaws of the Association.

ARTICLE FOUR: VOTING RIGHTS

Members shall be entitled to one vote for each Lot owned. No more than one vote shall be cast with respect to any Lot. The voting rights of any Member may be suspended as provided in the Declaration, or the Articles or Bylaws of the Association. Members' votes may be solicited and tabulated by mail or facsimile.

ARTICLE FIVE: DEED AND DEDICATION OF COMMON AREAS

Section One: Conveyance of Common Areas: Upon recording of this Declaration, the Declarant does hereby convey and transfer all of its right, title and interest in and to Tracts A, B, C, D, E, F, G, H, I, J, K and L as shown on the Plat of Hidden Harbor, to the Hidden Harbor Homeowners Association; reserving, however, to the Declarant and/or Developer for the benefit of the Declarant and/or Developer, its successors and assigns, those certain rights of use, ingress, egress, and occupation and control indicated elsewhere in this Declaration for the duration of the development, at which time this reservation shall cease and then be of no further force and effect. These tracts and other properties and improvements as described herein are referred to as the "Common Areas" together with any other easements which are defined as being "Common Areas" under the terms of this Declaration.

Section Two: Property Rights in Common Areas: The Association shall have the right and obligation to maintain improvements, vegetation, signage and utilities in and on all common areas subject to any restrictions delineated on the plat of the properties. The Association shall have the exclusive right to use and manage the common areas in a manner consistent with the plat, this Declaration, the Articles and the by-laws of the Association.

ARTICLE SIX: MAINTENANCE AND COMMON EXPENSES

Section One: Standard of Maintenance - Common Areas. The Association shall maintain the Common Areas in a manner consistent with good building and nursery practices, and in compliance with all applicable codes and regulations. The common areas shall include but not be limited as defined below together with all easements which are for the benefit of all lot owners. These common areas include but are not limited to the following:

- A. Tract A is a recreational park. The City of Orting shall be responsible for the maintenance of all of the storm drainage systems within the public rights-of-way and all storm drainage facilities to and from the detention pond facilities such as the inlet and outlet pipes, the emergency overflow/spillways, the control structure/flow restrictors, catch basins and debris barriers. The Association shall be responsible for the maintenance of the other storm water facilities as more particularly set forth herein.
- B. Tract B is a storm water detention/retention pond and is subject to the same maintenance provisions as set forth above for Tract A.
- C. Tract C is a park and storm drainage area which will be maintained by the Association.
- D. Tracts D, E, and F are access paths and landscaped tracts and will be maintained by the Association.
- E. Tract G is a landscape tract and will be maintained by the Association.
- F. Tracts H, J, K and L are alley tracts and will be maintained by the Association.
- G. Tract I is a playground tract and will be maintained by the Association.
- H. Any easements or other areas which have been established for the benefit of all lot owners or the Association, or which may be delineated on the Plat of Hidden Harbor, which easements are reserved for not only the benefit of all lot owners but also those easements which are reserved for the benefit of the Association for the purpose of the installation, maintenance, and repairing of any improvements or any

other installations constructed within said easement areas or on any common areas.

Section Two: Standard of Maintenance - Lots and Planting Strips. Each Lot Owner hereby covenants and agrees to maintain his respective Lot (including as a part of said Lot the Planting Strip located between the street and the sidewalk adjacent to the Owner's respective Lot, if any), and the Housing Unit located thereon in the same condition as a reasonably prudent homeowner would maintain his own home so that the Real Property will reflect a high pride of ownership. Each Lot Owner shall perform at the Lot Owner's expense the maintenance and upkeep of any drainage swales and/or underground drain lines and catch basins installed on their Lot.

Section Three: Remedies for Failure to Maintain. If any Lot Owner shall fail to conduct maintenance on his Lot or the exterior of the Housing Unit located thereon, or fails to maintain the Lot and the exterior of the Housing Unit in the same condition as a reasonably prudent homeowner, or in a manner which preserves the drainage for other Lots, the Association shall notify the Lot Owner in writing of the maintenance required. If the maintenance is not performed within thirty (30) days of the date notice is delivered, the Association shall have the right to provide such maintenance, and to levy an assessment against the non-performing Lot Owner and its Lot for the cost of providing the maintenance. The assessment shall constitute a lien against the Lot owned by the non-performing Lot Owner and may be collected and foreclosed in the same manner as any other delinquent monthly or special assessment. The Association shall have all remedies for collection as provided in this Declaration. In the event that emergency repairs are needed to correct a condition on a Lot which pose a substantial risk of injury or significant property damage to others, the Association may immediately perform such repairs as may be necessary after the Association has attempted to give notice to the Lot Owner of the repairs necessary. Such notice in emergency circumstances shall be sufficient if attempted orally or in writing immediately prior to the Association's undertaking the necessary repairs. Emergency repairs performed by the Association, if not paid for by the Lot Owner, may be collected by the Association in the manner provided for herein notwithstanding the failure of the Association to give the Lot Owner the thirty (30) day notice.

Section Four: Common Expenses. The Association shall perform such work as is necessary to carry out the duties described in this Declaration, and shall delegate the responsibility for management and supervision of such work to the Board, the ACC or to a manager or agent hired by the Board for the purpose of such management and supervision. Expenses for such work shall be paid by the Association for the benefit of all Lot Owners and shall be referred to as Common Expenses. The Common Expenses shall be paid by the

Association from funds collected from assessments paid by Lot Owners. The Common Expenses shall include, but shall not be limited to, the following:

1. The real property taxes levied upon the Association for the Common Areas;
2. The cost of maintaining all required insurance coverage and fidelity bonds on any Common Areas, and for directors and officers of the Association and the ACC;
3. The cost of maintaining, repairing and replacing, if necessary, the common area tracts and improvements located thereon as more fully set forth in Article Six, Section One, including but not limited to, signs, lights, the exterior of all perimeter fences constructed by Declarant, plantings and landscaping on common areas or on easements or on property located between the public right-of-way and the exterior of any perimeter fencing, and the irrigation of common areas or easement, including portions from the public right-of-way to the exterior of any perimeter fences constructed by Declarant (if not maintained by applicable governmental jurisdictions);
4. The cost of maintaining and replacing streetlights (it not maintained by applicable governmental jurisdictions);
5. Street trees installed as required by applicable governmental jurisdictions shall be maintained and replaced by the Homeowners Association in right-of-ways or in common areas. However, any street tress which have been planted in lots shall be maintained by the lot owner. Any landscaping trees installed in common areas or in easements shall be maintained by the Homeowners Association.
6. The cost of maintaining those portions of the storm drainage and utilities facilities which are the responsibility of the Association, including but not limited to the maintenance of the two storm water pond/lakes such as trash and debris, poisonous vegetation, and noxious weeds, contaminants and pollution, rodent holes, beaver dams, insects, tree growth, and hazard trees, erosion of the side slopes of the ponds, sediment storage in the ponds, settlement and piping of the pond berms, and maintaining the water level in the wet pond. The facilities maintenance is further defined in accordance with the maintenance standards for drainage facilities in the 2001 Storm Water Management Manual

- for Western Washington, the applicable provisions of which are attached hereto as Exhibit "B" and incorporated herein as though fully set forth.
7. The cost of mowing the common areas and side slopes of pond and cutting and controlling vegetation on storm pond berm.
 8. Any other expense which shall be designated as a Common Expense in the Declaration, in its Exhibits, or from time to time by the Association.

Section Five: Maintenance of Storm Drainage Facilities. Easements have been granted for the installation, inspection, and maintenance of storm water drainage facilities as may be delineated on the plat of Hidden Harbor and/or as actually constructed. No encroachment will be placed within the easements which may damage or interfere with the installation, inspection, and maintenance of said utilities and drainage facilities. Maintenance and expense thereof of the utilities and drainage facilities shall be the responsibility of the Homeowners Association in accordance with and shall be considered a common expense as set forth in Section Six above.

Section Six: Extraordinary Use Expenses. In the event that one or more lot owners should by their use of the common areas cause it to be subjected to other than reasonable wear and tear or by their actions damage those common areas or any improvements located thereon or therein, then individual subjecting the common area to such use shall have the obligation to repair such damage upon demand by the Association and to restore such common area to the condition that existed prior to such use or action and all expenses therefore shall be paid by such individual.

Section Seven: Owners' Easements of Enjoyment. Each owner shall have a right in a easement of enjoyment in and to the common areas which shall be appurtenant and to and shall pass with title (or, if applicable, with the equitable title held by real estate contract purchaser) to every lot subject to the following provisions:

- A. The right of the Declarant or the Association to establish use and operation standards for all common areas to be binding upon all Association Members along with enforcement standards.
- B. The right of the Declarant during the development period (including any Developer during the development period) or the Association after the development period to suspend an owner's right to vote and to use any recreational facilities for any period during which assessments against his or her lot remain unpaid for a period not to exceed sixty days, for any, and each separate infraction of its prohibited rules and regulations.

- C. The right of the Declarant (during the development period) or the Association (after the development period) to dedicate or transfer all or any part of the common areas to any public agency, authority or utility for such purposes and subject to such conditions as the Declarant or Members as applicable may deem appropriate. After the development period, no such dedication or transfer shall be effective unless the instrument agreeing to such dedication or transfer is signed by owners of two thirds of the lots has been recorded.
- D. Any owner may delegate their right of enjoyment to the common areas and facilities to the members of their family, their tenants, or their guests, subject to the limitations set forth above.
- E. The right of the Association to limit access to those portions of the common areas in accordance with governmental rules and regulations or which, in the opinion of the Board, are dangerous.
- F. The right of the Association to limit the number of guests of members.
- G. The right of the Association in accordance with this Declaration and Articles and By-Laws to borrow money for the purpose of improving the common areas and facilities and in aid thereof to mortgage said property, but the rights of such mortgage in said property shall be subordinate to the rights of the homeowners hereunder.

Section Eight: Insurance. Nothing shall be done or kept in any common areas which will increase the rate of insurance on the common areas or other lots or improvements without the prior written consent of the board. Nothing shall be kept in any common area which will result in cancellation of insurance on any part of the common areas or which would be in violation of any laws or ordinances.

Section Nine: Alteration of Common Areas and Common Maintenance Areas. Nothing shall be altered or constructed in, or removed from any common maintenance area or common area except upon prior written consent of the board. There shall be no construction of any kind within the common areas except that community improvements may be constructed if two-thirds of the Members of the Association authorize (1) the construction of such improvements, and (2) assessment for such improvements. Also, any such improvements would be subject to the acquisition of all required permits from governmental

agencies. This Section shall not limit or prohibit Declarant (and no Member's consent shall be necessary), during the development period, from constructing or altering any such improvements to any common area or any common maintenance area, which Declarant in Declarant's sole discretion, deems for the benefit and enhancement of said areas in the Association in general.

Section Ten: Dumping in Common Areas, Common Maintenance Areas, or Wetland and Buffer Areas. No trash, construction debris, or waste, plant or grass clippings or other debris of any kind, nor any hazardous waste, (as defined in federal, state or local law regulation) shall be dumped, deposited or placed on any common areas, common maintenance areas or easements. The Declarant (during the Development Period) and the Board thereafter, shall retain the rights for enforcement and initiation of penalties for violations of this policy.

Section Eleven: Section Eleven: Landscaping and Fencing. No permanent structures or landscaping of any kind, including fences, walls or shrubs, may be built or placed within any right of way easements or other easements as delineated on the plat except as deemed appropriate by the board. This prohibition shall not apply to the landscaping and any improvements in the common maintenance areas installed by the Declarant, nor shall this Section prohibit the Association from installing additional improvements or landscaping within the designated common areas or common maintenance areas, nor shall this section prohibit the installation of fences as may be otherwise allowed in this Declaration, nor shall this section prohibit the installation of landscaping on private lot areas encumbered by utility easements not otherwise restricted in this Declaration. Also, this prohibition shall not apply to landscaping of front or side yards of lots extending to the edge of the curb or sidewalk and the public right of way.

Section Twelve: Management. Each owner expressly covenants that the Declarant (during the development period) and the board thereafter, may delegate all or any portion of management authority to a managing agent, manager or officer of the Association and may enter into such management contracts or other service contracts to provide for the maintenance of the common areas and common maintenance areas and any portion thereof. Any management agreement or employment agreement for maintenance or management may be terminable by the Association without cause upon not more than ninety (90) days written notice thereof. (However, this shall not be applicable if the management agreement provides for any other specific termination.) The term of any such agreement shall not exceed one year, renewable by Agreement of the parties for successive periods of up to three years each. Each owner is bound to observe the terms and conditions of any management agreement or employment contract, all of which shall be made available for inspection by any owner upon

request. Any fees or salary applicable to any such management employment or service agreement shall be assessed to each owner.

Section Thirteen: Maintenance of Storm Drainage Facilities. The Association shall be responsible to maintain those portions of the storm water drainage facilities within the plat which are particularly set forth in Section Four, paragraph 6, above, which are not otherwise maintained by appropriate governmental agencies. Said maintenance shall be in accordance with a storm water management plan that has been approved by the City of Orting and State Department of Ecology, and specifically in accordance with the provisions of Exhibit "B" attached hereto. If in the judgment of the appropriate governmental agencies the Association fails to maintain the storm water drainage facilities for which they are responsible within the plat, then the appropriate governmental agencies having jurisdiction of the same shall have the right to initiate enforcement proceedings. In the event said governmental agency determines the lack of maintenance has resulted in a situation of eminent danger to life, limb, or property, said governmental agency will correct the problem as necessary to restore the full design capacity of the drainage system. In this event, the said governmental agency will bill the Association for all costs associated with such work to include engineering, administration, legal fees, construction, equipment, and personnel. Costs or fees incurred by the appropriate governmental agency, including attorney's fees and expert's fees should legal action be required to collect such payments, shall be borne by the Association.

ARTICLE SEVEN: ASSESSMENTS

Section One: Covenants for Maintenance Assessments.

(a) Declarants, for each Lot owned by it, agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to agree to pay to the Association annual or other regular assessments.

(b) The annual or other regular and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Such lien may be foreclosed by the Association in like manner as a Mortgage on real property.

(c) Each assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot assessed at the time the assessment fell due. The personal obligation shall not pass to the

Owner's successors-in-interest unless expressly assumed by them. The new Owner shall be personally liable for assessments which become due on and after the date of sale or transfer.

(d) Unless otherwise provided for in this Declaration, no lot owned by a Declarant shall be subject to any annual or other assessments.

Section Two: Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, including the improvement, repair and maintenance of the Common Areas and the services and facilities related to the use and enjoyment of said areas, for the payment of insurance premiums on the Common Areas, and for the maintenance of other areas as provided for in this Declaration.

Section Three: Board to Fix Annual or Regular Assessment. The Board of Directors shall fix the regular or annual assessment at least thirty (30) days prior to the commencement of the annual or regular assessment period. Written notice of the annual or regular assessment shall be sent to every Owner. In the event the Board fails to fix an annual or regular assessment for any assessment period, then the assessment established for the annually or regular assessment for the prior year shall automatically be continued until such time as the Board acts. The annual or regular assessment established for the prior year shall automatically be continued until such time as the Board acts. The annual or regular assessments shall be sufficient to meet the obligations imposed by the Declaration and any supplementary declarations, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair and replacement of those Common Areas which require such actions on a periodic basis. That in the event there is any increase in the annual or regular assessment of more than five percent (5%) of the annual or regular assessment for the prior assessment period, then it must be approved as provided for in the Bylaws of the Association which are incorporated herein as though fully set forth.

Section Four: Special Assessments for Capital Improvements. In addition to the annually or regular assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of capital improvements upon the Common Area, including the necessary fixtures and personal property related thereto. That any special assessment for capital improvements must be approved in accordance with the provisions of the Bylaws of the Association which are incorporated herein as though fully set forth.

Section Five: Rate of Assessment. Both annually or regular and special assessments shall be fixed at a uniform rate for all lots.

Section Six: Initial Assessment. The initial assessment which shall be paid by any Developer who acquires a lot from the Declarant shall be \$300.00 for each lot so acquired, which amount will be paid directly to Homeowners Association to pay for and defray the expenses of the Association incurred prior to the collection of annual dues as provided for in Section Twelve below.

Section Seven: Reimbursement Assessment. At the time of the closing of the sale of any lot from a Developer to the purchaser thereof, the purchaser shall pay to the Developer a reimbursement amount equal to \$450.00 to reimburse the Developer for the expenses incurred by the Developer in connection with the administration of the Association that has been paid by the Developer, including the initial amount as set forth in Section Six above.

Section Eight: Annual Assessment. The annual assessment shall be \$300.00 per lot commencing on January 1st of each year. Each lot owner purchasing from a Developer shall pay \$300.00 for any sale closed from January to and including September 30th of each year and any sale that closes after September 30th through December 31st shall pay \$150.00. Said annual assessment shall be due on or before January 30th of each year in which the assessment is made. The above referenced annual assessment and all subsequent annual assessments shall be paid to the Homeowners Association who shall then pay for the expenses of the Association as required under the terms of this Declaration. In the event the expenses of the Association are in excess of the assessments collected, then the Developers who subsequently purchase from the Declarant shall pay the difference to the Association on a pro rata basis as determined by the number of lots owned by all such Developers. At such time as there had been sufficient assessments collected by the Association, then said Developer shall be reimbursed. The Declarant shall not be responsible or liable for the payment of any assessment against any lot owned by the Declarant.

Section Nine: Street Repair, Maintenance and Cleaning. All Developers or owners shall use due diligence to avoid placing unnecessary dirt, debris, and any other material washing onto or coming on the road as a result of any construction activities and each Developer or owner shall at all times remain responsible for keeping the road clean of any such debris, dirt and material. In addition, all Developers or owners shall use due diligence to avoid causing any damage to the road or sidewalks and all roads and sidewalks and other improvements constructed by the Declarant as a condition for obtaining plat approval shall remain in the same condition as they were as of the date of final plat approval. Any Developer or owner who violates the provisions of this paragraph shall reimburse the Declarant upon

request for any expenses incurred by Declarant because of the failure of the Developer or owner to abide by the terms and provisions of this Declaration. In the event any Developer or owner does not pay the same upon request, then the Declarant shall have a lien against the property of said Developer or owner to secure payment of said reimbursement. In the event it cannot be determined which Developer or owner was responsible for the violation of the above referenced provisions, in that event the Homeowners Association shall reimburse the Declarant for any expenses incurred by the Declarant. Regardless of any other provision in this Declaration, this paragraph cannot be amended for a period of ten (10) years after recording of this Declaration.

Section Ten: Maintenance of Sewer/Storm Drain System. All Developers or owners shall use due diligence to avoid materials from washing into or being put into the sewer/storm water drain system as a result of construction activities conducted by the Developer or owner which would include any sediment, cement slurry, or any other material washing off of or coming off of any lot upon which a Developer or owner are constructing a residence and flowing into the sewer/storm water drain system. In the event any Developer or owner are in violation of the terms and provisions of this paragraph, this Developer or owner shall agree to pay a maintenance charge to the Developer in an amount to be determined by the Developer but not to exceed \$500.00 for each such violation by a Developer or owner. In addition, each Developer or owner agrees to indemnify the Declarant from any costs or charges which the Declarant may incur in connection with the cleaning and maintenance of the sewer/storm water system as a result of any violation of this paragraph by such Developer or owner and that this liability on the part of the Developer or owner shall be joint and several. Any Developer or owner who violates the provisions of this paragraph shall reimburse the Declarant upon request for any expenses incurred by Declarant because of the failure of the Developer or owner to abide by the terms and provisions of this Declaration. In the event any Developer or owner does not pay the same upon request, then the Declarant shall have a lien against the property of said Developer or owner to secure payment of said reimbursement. In the event it cannot be determined which Developer or owner was responsible for the violation of the above referenced provisions, in that event the Homeowners Association shall reimburse the Declarant for any expenses incurred by the Declarant. Regardless of any other provision in this Declaration, this paragraph cannot be amended for a period of ten (10) years after recording of this Declaration.

Section Eleven: Street Trees. Any street trees installed by the Declarant as a condition of receiving plat approval or a final occupancy permit shall be maintained by the Association if situated in any common area; however, the individual lot owner is responsible to maintain said trees and replace the same if they are removed or taken down for any reason. In the event a lot owner shall fail to comply with the obligation to maintain or to replace said street trees,

then the Homeowners Association shall maintain or replace said street trees and the Association shall then be entitled to reimbursement from the lot owner and said right of reimbursement may be enforced under the same terms and provisions as they relate to the enforcement of the collection of assessments as set forth in this Declaration. If the Homeowners Association shall fail to maintain or replace any trees which are required as a condition of plat approval or final occupancy permit, then the Declarant shall be required to perform such repair or maintenance, then in that event the Declarant shall be reimbursed the cost of replacing said trees by the Association. Regardless of any other provision in this Declaration, this paragraph cannot be amended for a period of ten (10) years following the date of recording of this Declaration.

Section Twelve: Certificate of Payment. The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment on a specified Lot has been paid. A reasonable charge may be made for the issuance of the certificate. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid.

Section Thirteen: Fines Treated as Special Assessments. Any fines levied by the Association pursuant to RCW Chapter 64.38 (or successor statute authorizing the imposition of fines) shall be treated as a special assessment of the Owner fined, and may be collected by the Association in the manner described in this Declaration.

ARTICLE EIGHT: COLLECTION OF ASSESSMENT

Section One: Lien - Personal Obligation. All assessments, together with interest and the cost of collection shall be a continuing lien upon the Lot against which each such assessment is made. The lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment was due. No Owner may waive or otherwise avoid liability for assessments by non-use of the Common Areas or abandonment of the Lot.

Section Two: Delinquency. If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at twelve percent (12%), or, in the event that twelve percent (12%) exceeds the maximum amount of interest that can be charged by law, then the highest permissible rate as provided for the law A late charge of five percent (5%) of the amount overdue shall be charged for any payment more than ten (10) days past due. Each Member hereby expressly grants to the Association, or its agents, the authority to bring all actions against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such

liens, including foreclosure by an actions brought in the name of the Association in a like manner as a mortgage of real property, and such Member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at a foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot obtained by the Association.

Section Three: Suspension of Voting Rights. In the event any Member shall be in arrears in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles and Bylaws of the Association, the rules or regulations adopted by the Association, or the Declaration for a period of thirty (30) days, the Member's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied. In addition, the Association shall have such other remedies against such delinquent Members as may be provided in the Articles, Bylaws or Declaration.

Section Four: Enforcement of Assessments. The Board may take such action as is necessary, including the institution of legal proceedings, to enforce the provisions of this Article. In the event the Board begins an action to enforce any such rights, the prevailing party shall be entitled to its attorney's fees, costs and expenses incurred in the course of such enforcement action as provided in this Declaration.

ARTICLE NINE: ARCHITECTURAL CONTROL

Section One: Development Period. The Declarant hereby reserves the right to exercise any and all powers and controls herein given to the Board of Directors, the ACC or its authorized representative in this Article of the Declaration, during the Development Period. At the expiration of the Development Period, Declarant reserves the right to continue to exercise all powers and controls granted herein to the ACC and to appoint Members of the ACC until such time as the Declarant has sold all lots.

Section Two: Authority of ACC After Relinquishment of Control by Declarant. At such time as all lots have been sold and conveyed by the Declarant, the ACC shall have the authority and obligation to manage and administer the review of building plans, specifications and plot plans and such other submissions as described in this Article and to enforce those covenants, conditions, and restrictions. Such authority shall include all authority provided for the ACC in the Association's Articles, Bylaws, Rules and Regulations as initially adopted or amended, and all authority granted to the ACC by this Declaration.

Section Three: Delegation of Authority of ACC. The ACC or the Declarant may delegate any of its duties, powers, or functions described in this Article to any person, firm, or corporation.

Section Four: Appointment of ACC. The Declarant during the development period reserves the right to act as the ACC or to appoint the Member(s) of the ACC. At such time as all of the lots have been sold by the Declarant, then the Board of the Association shall appoint at least one but not more than three Members of the ACC and if all the Members of the ACC shall resign and no replacements have been appointed by the Board, then the Board shall act as the ACC until the Members of the ACC are appointed by the Board.

Section Five: Approval by ACC Required. Except as to construction, alteration, or improvements performed by the Declarant, no construction activity of any type including clearing and grading, cutting or transplanting of significant natural vegetation may begin on a Lot or Common Area and no building, structure, fence or other improvement shall be erected, placed or altered on any Lot or Common Area until, at a minimum, the building plans, specifications, plot plans, and landscape plan showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvements have been submitted and approved in writing by the ACC or its authorized representative as to harmony of exterior design and location in relation to and its effect upon surrounding structures and topography. Further, no fences, hedges or walls shall be erected or altered and no significant exterior changes shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval shall have been obtained.

Section Six: Time Limits. If the ACC or its authorized representative shall fail to notify the Owner of its action for a period of thirty (30) days following the date of the submission of the required information to the ACC, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the ACC or its authorized representative. The required information shall be considered submitted to the ACC upon personal delivery of a complete set of all required information to the person designated to receive such items by the ACC or by mail three days after deposit in the U.S. Mail, postage prepaid, certified, return receipt requested, to the ACC in care of the Board of Directors of the Association at the address designated in the most recent notice of assessment by the Board, or at such other address as is designated by the Board by written notice to the Members.

Section Seven: Donation of Time. No member of the ACC shall be entitled to any compensation for services performed on behalf of the ACC. ACC members shall have no financial liability resulting from ACC actions.

Section Eight: Address of the ACC. The address of the ACC shall be at the registered office address of the Association.

Section Nine: Voting. ACC decisions shall be determined by a majority vote of the members of the ACC.

Section Ten: Submission of Plans. All plans and specifications required to be submitted to the ACC shall be submitted by mail to the address of the ACC in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and the following information about the proposed structures:

- A. The location of the structure upon the Lot;
- B. The elevation of the structure with reference to the existing and finished Lot grades;
- C. The general design;
- D. The interior layout;
- E. The exterior finish materials and color, including roof materials; and,
- F. Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the ACC in evaluating development proposals.

Section Eleven: Evaluating Development Proposals. The ACC shall have the authority to establish aesthetic standards for evaluating development proposals. In addition to these guidelines, in evaluating development proposals, the ACC shall determine whether the external design, color, building materials, appearance, height, configuration, location on the Lot, and landscaping of the proposed structure (the "design elements") harmonize with (1) the various features of the natural and built environment, (2) the aesthetic character of the other homes in Hidden Harbor, and (3) any other factors which affect the desirability or suitability of a proposed structure or alteration (collectively the "approval factors"). The ACC shall decline to approve any design in which (1) the design elements fail to harmonize with the approval factors described in the previous sentence or which fail to meet any aesthetic standards promulgated by the ACC, (2) impacts adversely on nearby Properties and Common Areas, or (3) is of a temporary or non-permanent nature. ACC determinations may be

amended by a majority vote of ACC members. Any changes subject to review per the terms set forth herein which are undertaken without submission to the Architectural Control ACC shall be deemed to have been disapproved. The ACC has the authority to stop further work as well as the authority to have prior work undone.

Section Twelve: Exclusions. The Declarant and the Declarant-Developer shall have the right to waive the plans and specifications review for any improvements constructed by the Declarant in Hidden Harbor. Any such waiver shall not exempt said Declarant from any of the standards or restrictions articulated in this Declaration and all structures and improvements shall meet all standards and restrictions contained in this Declaration.

Section Thirteen: Approval Procedures. Within thirty (30) days after the receipt of plans and specifications, the ACC shall approve or disapprove the proposed structure. The ACC may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration and criteria or to its aesthetic standards. The ACC shall indicate its approval or disapproval on one of the copies of the plans and specification provided by the applicant and shall return the plans and specification to the address shown on the plans and specifications. In the event that no disapproval of such plans and specification is given within thirty (30) days of submission, then the plans shall be deemed to be approved. In any event, the Association shall hold the ACC members (and the Declarant) harmless from any actions taken (or actions not taken) relative to the approval, disapproval, or non-action on any plans submitted for review. "Non-action" on the part of the ACC shall not exempt the applicant from any of the provision of this Declaration or the restrictions articulated herein. By purchasing a Lot in Hidden Harbor, the Owners agree that, to the extent permitted by law, the Declarant shall have no liability to the Owners or the Association for any actions taken, or actions not taken, while acting as the ACC.

Section Fourteen: Compliance with Codes/Environmental Laws. In all cases, ultimate responsibility for satisfying all local building codes and requirements rests with the Owner and contractor employed by the Owner. The ACC has no responsibility for ensuring that plans and specification which it reviews comply with local building codes and requirements. The Owner shall hold the ACC members (and Declarant) harmless in the event that a structure which the ACC (or Declarant) authorizes fails to comply with relevant building and zoning requirements or these covenants and restrictions contained herein. No person on the ACC or acting on behalf of the ACC, nor the Declarant acting as the ACC, or anyone acting on behalf of the Declarant, shall be held responsible for any defect in any plans or specifications which are approved by the ACC or Declarant nor shall any member of the ACC or any person acting on behalf of the ACC or Declarant be held responsible for any defect in a structure which was built pursuant to plans and specification approved by the ACC or by the Declarant. Neither the

Declarant, the ACC, nor any member of the ACC, nor the Association, nor anyone acting on behalf of the ACC or the Association shall have any responsibility for compliance by the Owner (or any agent, representative, guest, or invitee of Owner) with any environmental laws, regulations, or rules, including, but not limited to, those relating to hazardous waste and placement of underground oil tanks.

Section Fifteen: Variation. The ACC shall have the authority to approve plans and specifications which do not conform to these restrictions in order to (1) overcome practical difficulties or (2) prevent undue hardship from being imposed on an Owner as a result of applying these restrictions. However, such variations may only be approved in the event that the variation will not (1) detrimentally impact on the overall appearance of the development, (2) impair the attractive development of the subdivision or (3) adversely affect the character of nearby Lots. Granting such a variation shall not constitute a waiver of the restrictions articulated in this Declaration. Variations shall only be granted if the ACC determines that the variation would further the purposes and intent of these restrictions. Variations shall only be granted in extraordinary circumstances.

Section Sixteen: Enforcement. The Association (including the Declarant on behalf of the Association), Board, or any Owner shall have the right to bring a suit for judicial enforcement of a determination of the ACC, or, after the Development Period, to seek an order requiring the ACC to exercise its authority, and perform its functions, under this Article Nine. In any judicial action to enforce a determination of the ACC, the losing party shall pay the prevailing party's attorney's fees, expert witness fees, and other costs incurred in connection with such a legal action or appeal.

Section Seventeen: ACC/Declarant Liability. The Association shall hold the ACC Members and the Declarant, if acting as the ACC, harmless from any actions taken (or actions not taken) under any provision of this Declaration, including, but not limited to, actions taken (or not taken) under the Articles of this Declaration. By purchasing a Lot in Hidden Harbor the Owners agree that, to the extent permitted by the law, neither the Declarant (nor any officer, director, or representative of the Declarant), nor the ACC (nor any member of the ACC) shall have any liability to the Owners or to the Association for any actions taken, or actions not taken, while acting as the Declarant or the ACC under this Declaration. "Non-action" on the part of the ACC or the Declarant shall not exempt the applicant from any of the provisions of this Declaration or restrictions contained in this Declaration.

Section Eighteen: Guidelines. The ACC may adopt and amend, subject to approval by the Board, written guidelines to be applied in its review of plans and specifications, in order to further the intent and purpose of this Declaration and any other covenants or restrictions

covering Real Property. If such guidelines are adopted, they shall be available to all interested parties upon request.

Section Nineteen: No Waiver. Approval by the ACC of any plans, drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification or matter submitted for approval.

Section Twenty: Consultation. The ACC may retain and consult persons or entities to assist in the evaluation of plans submitted to the Board for review.

Section Twenty-One: Appeals. After the Development Period, the Board shall serve as an appellate panel to review decisions of the ACC upon request of a party aggrieved by the ACC's decision. The Board shall provide, through rules and regulations, a procedure by which decisions of the ACC may be appealed to the Board. The Board may choose, in its discretion, to limit the scope of such appeal and provide time limitations for appeals to be made to the Board.

ARTICLE TEN: LAND USE RESTRICTIONS

Section One: Use of Lots. All Lots within the Property shall be used solely for private single-family residential purposes, provided, however, that with such single family residences the Owner(s) thereof may, upon formal written application to the Board, request permission to conduct an "in-home business," and that nothing contained herein shall prevent an owner from conducting an "in home business" provided that all of the business activities are carried on within the residences and that there are no employees, clients, customers, tradesmen, suppliers, or similar individuals that come to said residence or are situated therein during the conduction of such business.

Section Two: Building Type. No structures of any kind shall be erected or permitted to be maintained on any lot other than single family residences, or garages, work shops, and structures normally accessory to such residences which have been approved in accordance with the provisions of the Declaration. No carports will be allowed and all garages must have doors. All dwellings must be of a "stick-built" and "craftsman" variety. Mobile and manufactured homes and modular homes are specifically not permitted. A two car or three car garage are permitted and shall be incorporated in or made part of the dwelling house and no detached garages shall be permitted except with the express written approval of the architectural control committee or the Declarant/Developer if the same is erected during the development period.

Section Three. Use of Lots. All Lots with the Property shall be used solely for private single-family residential purposes and not for business purposes, provided, however, that within such single family residences the Owner(s) thereof may, upon formal written application to the Board, request permission to operate a licensed day care business. The Board shall be authorized, but not obligated, to grant such approval and such approval may only be granted, in the sole discretion of the Board IF 1) all applicable governmental zoning and land use classifications lawfully permit such usage AND, 2) the business and Owner(s) are licensed by all applicable governmental authorities to operate such a day care business AND 3) the day care business will be operated only between the hours of 7 a.m. and 6 p.m. and only on Monday through Friday AND, 4) no more than (4) children, in addition to those of the Owner's immediate family, are enrolled in either a part or full-time capacity in such day AND 5) The Owner(s) of such Lot(s) operating such day care facility will fully oversee, restrict and supervise all children enrolled and will limit such activities strictly within the confines of their residence(s) and Lot(s) and not outside the same AND, 6) the owner(s) of said Lot(s) agree to indemnify and hold the Declarant and the Association fully harmless from any and all liability and causes of action of whatever kind arising by virtue of the Owner's operation of such a day care business AND, 7) the Owner(s) of said Lot(s) will provide the Association prior to commencing such business operations, and at all times during such business operations, with verification of liability insurance coverage in an amount not less than \$1,000,000.00 naming the Association and the Declarant and such other parties as the Association may deem appropriate as additional insured AND, 8) such operation does not interfere or otherwise violate any other provisions of this Declaration, including, but not necessarily limited to Vehicle parking and signage restrictions. Should the Board give written authorization for such usage, such authorization may be revoked by at least five (5) days prior written notice delivered to Owner and should the Owner(s) operating such day care business fail to strictly adhere to the provisions contained within the Declaration as well as any additional Rules and Regulations imposed, from time to time, by the Board. No other uses are permitted. Neither the Declarant, the Board and/or the Association shall be deemed to be a partner or joint venturer and/or an interest in such business operation to the extent permission to operate such a day care business is authorized.

Section Four: Use of Lot Not To Interfere With Rights of Others. No Lot shall be used in a fashion which unreasonable interferes with any other Owner's right to use and enjoy the other Owner's Lots. The Board, the ACC designated by it, or the Declarant during the Development Period, shall determine whether any given use of a Lot unreasonable interferes with those rights; such determinations shall be conclusive.

Section Five: No Offensive Activity on Lots. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done or maintained on the Property which may

become an activity or condition which unreasonably interferes with the rights this Declarant gives other Owners to use and enjoy any part of the Property. No activity or condition shall be conducted or maintained on any part of the Property which detracts from the value of the Property as a residential community. No untidy or unsightly condition shall be maintained on any property. Untidy conditions shall include, but are not limited to, publicly visible storage of wood, garbage receptacles, boats, trailers, motor homes, manufactured homes, recreational vehicles, disabled vehicles of any kind whatsoever, except where specifically provided for said purposes by the Declarant or the Board within the community, if at all, and landscaping which is not properly maintained. The Board (or the Declarant during the Development Period) shall make the final determination of any violations of this section. Notwithstanding anything in this Article Ten to the contrary, during the Development Period the Declarant may permit trailers (temporary trailers) or homes(s), which may be used by the Declarant and its authorized representatives, to be placed upon Owner's Lots to facilitate the sale of the Lots and the construction of residences (and residence-associated improvements) upon the Lots.

Section Six: Fences, Fences, Walls. Fences, walls, or shrubs are permitted on side and rear property lines, up to within the greater of (i) twenty feet of the front property line; or (ii) the distance between the front lot line and the front wall (facade) of the primary residence, subject to (i) the approval of the ACC; and (ii) determination of whether such fence, walls or shrubs would interfere with utility easements reflected on the face of the plat and other easements elsewhere recorded. In no event shall any fence be allowed between the front lot line and the front wall facade of the primary residence. In regard to "rear load" lot fences, the back fence shall be no closer than seven (7) feet to the parking lot. In regard to "corner" lots, the fences on the road side must be no more than five (5) feet from the side of the house. No barb wire, chain link, corrugated fiber glass fences shall be erected on any lot, except that chain link fencing for a sports facility enclosure may be considered for approval by the ACC upon request. All fences of any size constructed on the premises and where ever located must be constructed, painted (or stained if applicable) in accordance with the association guidelines for design and color. A copy of the guidelines initially adopted by the Declarant and the Association may be attached to this Declaration. The initial color specified for fences shall be stated in that guideline. Any fence constructed which fails to conform with the guidelines shall be removed by the owner or modified to conform with the guidelines. The Board or the ACC may change these guidelines from time to time, and upon adoption of the change in the fence guidelines, this Article shall be deemed to have been amended to conform with the new guidelines as adopted. In the event that an alternative type of fence (such as a different design or chain link material) is required to comply with the requirements of any governmental jurisdiction, such alternative type of fence shall be exempt from these restrictions, and may be constructed as required by the governmental jurisdiction.

Section Seven: Sign. No signs, billboards, or other advertising structures or device shall be displayed to the public view on any Lot except one (1) sign not to exceed three square feet in area may be placed on a Lot to offer the property for sale or rent and with the exception of any entry monumentation and signage which may be installed by the Declarant. Political yard sign on lots, not more than three (3) square feet in area, of a temporary nature; not to exceed thirty (30) days, will be allowed during campaign periods on Lots. Within five (5) days after the date of the election to which the sign refers, such signs must be removed from Lots. This Section Six (including, but not limited to, the restrictions on the number of signs and the sign size limit) shall not apply to signs approved under this Section Six of Article Ten by the Declarant or any Declarant-Developer during the Development Period. The Declarant may establish, for the duration of the Development Period, signage guidelines and standards for Lot identification signs, Realtor identification signs, "for sale" signs and other signage that may be placed by parties other than the Declarant on any part of the Lots within Hidden Harbor, the Common Areas, or public rights-of-way. The Declarant may also develop an overall theme of signage within the project, including specific requirements for physical sign installations and size requirements which theme will then become a part of the established guidelines and standards for signage in Hidden Harbor during the Development Period. During the Development Period, the Declarant shall have the sole and exclusive right to approve, in the Declarant's sole discretion, any and all signage installations within any part of the real property encompassed within the plat of Hidden Harbor, including the adjacent rights-of-way. Every Owner of a Lot in Hidden Harbor and any Developer or real estate agent on behalf of an Owner, shall submit any proposed signs to the Declarant for approval prior to installation of the signs. Any signs not specifically approved by the Declarant found anywhere within Hidden Harbor, the Common Areas, on any Lot, or on adjacent rights-of-way, may be promptly removed and disposed of by the Declarant. The absolute right of the Declarant to remove unauthorized signs from the Property or adjacent rights-of-way specifically includes, but is not limited to, the Declarant's right to remove any signs placed by real estate agencies or their representatives, including temporary reader board signs and other signage installations. No person, including but not limited to, the person or persons owning any interest in the signs removed, shall be entitled to compensation of any kind for sign(s) removed by Declarant pursuant to this Section.

The Board may cause any sign placed on the Property or any adjacent rights-of-way, in violation of this Article Ten to be removed and destroyed without compensation of any kind to anyone including, but not limited to, any persons having an ownership interest in the sign. This Section shall not apply to signage placed by Declarant.

Additional signage may be installed by Declarant during the Development Period to promote the sale of Lots or houses and to promote Declarant's project and company and

representatives. Notwithstanding anything in this Section Six of Article Ten to the contrary, signs placed by the Declarant shall not be subject to any sign restrictions and specifically shall not be subject to the limitation set forth in this Article Ten on the number of signs and the size of signs. The Declarant shall not be subject to any guidelines or standards established by Declarant for other parties pursuant to this Section Six of Article Ten.

Under no circumstances shall the Declarant be liable for, or be required to pay, for all or any part of the construction, installation or maintenance of any signs which are placed upon any Lot not owned by the Declarant. This Section shall apply even if Declarant requires an Owner to place a sign pursuant to this Section Six of Article Ten.

Section Eight: Animals. No animals, except dogs and cats (not to exceed a total of two in number), caged birds, fish in tanks, and other small household pets, will be permitted on Lots. No animals shall be allowed to run at large or create a disturbance for other Owners in the plat. No animals will be allowed to be leashed, chained or otherwise tied to any portion of the front or sides of a residence. Animals are permitted within the rights-of-ways when they are accompanied by their owners or guests of owners. The person accompanying said animals must exercise the "scooping" of animal waste. All pens and enclosures, with the exception of perimeter fencing and interior fencing approved by the ACC, must be screened from the view of other residences and lots and all such fencing, pens and enclosures must be approved by the ACC prior to construction and shall be kept clean. If the investigation of the Board indicates that animals are kept in violation of this Section, the Declarant-Developer, during the Development Period, or the Board thereafter, will give the Owner ten (10) days written notice of the violation. Such violation must be remedied by the Owner within such ten (10) day period. Failure to comply with the written notice will result in a fine of \$25.00 per day. Any fine imposed by this Section shall be the personal obligation of the fined Owner and a lien on the Lot of the fined Owner. The Association shall be entitled to attorney's fees and costs for any action taken to collect such fines in accordance with the provisions of this Declaration.

Section Nine: Driveways. All driveways shall be concrete surface material, unless otherwise approved by the ACC.

Section Ten: Delegation of Use and Responsibilities. Any Owner may delegate, to members of his family or his tenants, in accordance with the Bylaws of Hidden Harbor Homeowners Association, the Owner's right of enjoyment of Common Areas. In the event an Owner rents or leases his property, a copy of this Declaration, as well as any rules and regulations that may be adopted by the Association, shall be made available by the Owner to the prospective renter at the time of commitment to the rental agreement. Each owner shall also be responsible for informing guests and service personnel of the contents of this

Declaration, as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior. Each Owner personally, and the Owner's Lot, shall be responsible for any damages to any Common Areas (or any other area maintained by the Association) or to any other Association property whether real or personal, caused by an Owner's family, guest, tenant, agent, workman, contractor, or other licensee or invitee. The Association shall have a lien upon the Owner's Lot for the amount of the damages.

Section Eleven: Completion of Construction. The work and construction of all buildings and structures shall be pursued diligently and continuously from the commencement of construction until structures are fully completed and painted. All structures shall be completed as to external appearance, including finish painting, within eight months of the date of commencement of construction unless an extension has been granted by the ACC. The building areas shall be kept in a reasonably clean and workmanlike manner during construction. All lots shall be kept in a neat and orderly condition, free and brush, weeds, vines and debris. The grass thereon shall be cut and mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.

Section Twelve: Landscaping Standards. The entire front landscaping should be installed prior to occupancy, (weather permitting), and said landscaping plan must be approved by the ACC as provided for in this Declaration. If any lot abuts corner, parks, and/or alley, the backyard landscaping or a fence must be installed prior to occupancy. The entire landscaping, including the remaining portions of the side and rear yard shall be installed within twelve (12) months of the receipt of a Certificate of Occupancy. Each Lot Owner shall be responsible for installing and maintaining the landscaping within the adjacent right-of-way. If inclement weather conditions prevent the timely installation of said landscaping improvements for either front or back yard, the Lot Owner must make application to the ACC for an extension of time until weather conditions sufficiently improve.

The "front yard" shall be defined by regulations adopted by the ACC. The front yard landscaping may include all of the adjacent private street right-of-way along the Lot frontage and side frontage out to the edge of the curb or sidewalk in the public street. Each lot Owner shall be responsible for installing and maintaining the landscaping within his adjacent right-of-way, except as otherwise provided above.

Section Thirteen: Unsightly Conditions. No unsightly conditions shall be permitted to exist on any Lot. Unsightly conditions shall include, without limitation, laundry hanging or exposed in view for drying, litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; non-decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items; and no awnings, air conditioning units, heat pumps or other

projections shall be placed on the exterior walls of any housing Unit unless prior written approval shall have been obtained from the ACC.

Section Fourteen: Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on the Properties with ACC approval of the location of the satellite dish in the manner described in this Declaration. Except as provided above, no radio or television antenna or transmitting tower or satellite dish shall be installed on the exterior of any home without approval of the ACC obtained pursuant to Section Four, and a showing by the Owner that such installation will be visually shielded from the view of the residents traveling upon streets located on the Properties.

Section Fifteen: Setbacks. No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines adopted by the governmental authority with jurisdiction over the Properties.

Section Seventeen: Roofs. Roofs on all buildings must be 20 year or 3-tab minimum.

Section Eighteen: Antennas, Satellite Reception. Satellite dishes of no more than one meter in diameter or diagonal measurement are permitted on the Properties with ACC approval of the location of the satellite dish in the manner described in Article Nine. Except as provided above, no radio or television antenna or transmitting tower or satellite dish shall be installed on the exterior of any home without approval of the ACC obtained pursuant to Article Nine, and a showing by the Owner that such installation will be visually shielded from the view of the residents traveling upon streets located on the Properties.

Section Nineteen: Setbacks. No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines adopted by the governmental authority with jurisdiction over the Properties.

Section Twenty: Underground Utilities Required and Storm Drainage Facilities. Except for any facilities or equipment provided by the Declarant, Developer, or any utility, all electrical service, telephone lines and other outdoor utility lines shall be placed underground. The Lot Owners shall be responsible for the repair and maintenance of all storm water facilities within the boundaries of said Lot Owners' lots.

Section Twenty-One: Vehicle Parking and Storage. No vehicle may be parked on any building Lot except on designated and approved driveways or parking areas nor shall any vehicle be parked on the sidewalks. Vehicles may only be parked on designated and approved driveways or parking areas which shall be hard-surfaced. Except as expressly provided herein,

Lots shall not be used for the storage and/or overnight parking of any vehicle other than private family automobiles, pickup trucks, motorcycles, and commercial vehicles operated by the person residing on that Lot (provided that such commercial vehicles contain only single axles). Boats, boat trailers, house trailers, campers, trucks with a camper, recreational vehicles, or similar vehicles may not be stored and/or parked overnight on any part of the Lot except as specified herein. No inoperable vehicles of any kind shall be parked, stored, maintained, or constricted on any Lot or street unless stored in a garage. Lot Owners may park/store a commercial vehicle (that exceeds the size restriction described above, boat, boat trailer, house trailer, camper, truck with camper, or recreational vehicle or similar vehicle on the Lot provided that it is screened from view from the street and from another Lot and further provided that the screening constructed by the Lot Owner is approved for construction in conformity with specifications approved by the ACC. Upon 48 hours notice to the Owner of an improperly parked vehicle, the Board has the authority to have the same towed, at the Owner's expense, any such vehicles improperly parked which are visible from the right-of-way or adjacent residence that have been parked thereon for more than 24 hours.

Section Twenty-Two: Easements for Enforcement Purposes: Owners hereby grant to the Association an express easement for the purpose of going upon the Lots of Owners for the purpose of removing vehicles or other similar objects which are parked or stored in violation of the terms of this Declaration.

Section Twenty-Three: Excavation and Fill. Except with the permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation or fill shall be made nor shall any dirt be removed from any Lot herein.

Section Twenty-Four: Drainage. The owner of any lot shall not take any action which would interfere with surface water drainage across that lot either through natural drainage or by drainage easements. Any change of drainage, either through natural drainage areas or through drainage easements must be approved by the ACC. All drainage improvements must be completed prior to occupancy in accordance with the drainage plan submitted to the ACC which has been approved by Pierce County or the appropriate regulatory agency.

Section Twenty-Five: Use During Construction. Except with the approval of the Board, no persons shall reside upon the premises of any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the Board have been completed.

Section Twenty-Six: Garbage and Refuse. No garbage, refuse, rubbish, cuttings or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from public view. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section Twenty-Seven: Tanks, Etc. No elevated tanks of any kind shall be erected, placed, or permitted on any part of such premises. Any tanks for use in connection with any residence constructed on such premises, including tanks for the storage of fuels, must be buried or walled sufficiently to conceal them from the view from neighboring Lots, roads, or streets. All clothes lines, garbage cans, equipment, coolers, wood piles, or storage piles shall be walled in or otherwise suitably screened to conceal them from the view of neighboring Lots, Common Areas, roads or streets. Plans for all enclosures of this nature must be approved by the ACC prior to construction.

Section Twenty-Eight: Auto Repair. No major auto repair shall be permitted except within enclosed garages which are kept closed. The only repairs permitted on the balance of the Property are occasional casual repairs and maintenance activities such as tune-ups or oil changes.

Section Twenty-Nine: Exterior Finish. The exterior finishes on the front of houses must be LAP siding, and shall be approved by the ACC. The entire residence must be painted or stained in colors approved by the ACC. No vinyl siding shall be permitted. All metal fire place chimneys shall be either wood or stone wrap other than direct venting for gas fireplaces.

Section Thirty: Maintenance of Structures and Grounds. Each owner shall maintain his lot and residence thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard.

Section Thirty-One: Firearms. The use of firearms is expressly prohibited.

Section Thirty-Two: Dirt bikes and/or ATV. No unlicensed motor vehicles, including motorcycles, dirt bikes, motor scooters, ATV's etc., shall be permitted on any road within the plat, nor shall dirt bikes or ATV's be permitted to operate on any owner's lot.

Section Thirty-Three: Damage Repair. All owners agree to repair immediately any damage to any utilities adjacent to their lot or lots, in the event any of the utilities are cracked, broken, or otherwise damages as a result of dwelling construction activities, or other activities by owner, by persons acting for owner, or by persons in or around the property at the request or with the consent of the owner.

Section Thirty-Four: Building Materials. All homes constructed on each lot shall be built of new materials, with the exception of "decor" items such as used brick, weathered planking, and similar items. The ACC will determine whether a used material is a "decor" item. In making this determination, the ACC will consider whether the material harmonizes with aesthetic character of Hidden Harbor development and whether the material would add to the attractive development of the subdivision. All siding and trim are to be of the type and color approved by the ACC.

The exterior of all construction on any Lot shall be designed, built and maintained in such a manner as to blend in with the natural surroundings and landscaping. Exterior colors must be approved by the ACC. Exterior trim, fences, doors, railings, decks, eaves, gutters and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structure they adjoin.

The ACC or Board will establish an approval process and color guidelines. Any change of color as to the exterior of any existing home within Hidden Harbor will be subject to the same approval process.

Section Thirty-Five: Sporting Apparatus. It is prohibited and not permitted for any owner, tenant or agent of an owner to place on either a permanent or temporary basis any basketball hoop or similar sporting apparatus on any sidewalk or road within the plat.

Section Thirty-Six: Codes. All construction shall conform to the requirements of the State of Washington's rules and regulations for installing electric wires and equipment, and the uniform codes (building mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

Section Thirty-Seven: Entry for Inspection. Any agent or member of the Declarant or any member of the architectural control committee may at any reasonable predetermined hour upon 24 hours notice during construction or exterior remodeling, enter and inspect the structure to determine if there has been complied with the provisions of this Declaration. The above recited individuals shall not be guilty of trespass for such entry or inspection. There is created an easement over, under, and across, residential lots for the purpose of making and carrying out such inspections.

Section Thirty-Eight: Minimum Size of Residences. Private single-family residences shall consist of not less than one (1) Lot and no Lot shall ever be further subdivided. Each Residence must have a private enclosed car shelter for not less than two (2) cars, provided that

a portion of the interior of said garage may be improved and/or finished for residential use by the Owner thereof provided that the exterior of the garage shall not be removed or otherwise modified so as to eliminate the garage door that previously provided access thereto. No single structure shall be altered to provide for more than one (1) family. The square footage restrictions with respect to all types of residences to be constructed on the lot shall be subject to the approval of the ACC. Minimum square footage for ramblers shall be 1,500 square feet and 2-stories shall be 2,000 square feet.

Section Thirty-Nine: Authority to Adopt Additional Rules and Restrictions. The Association shall have the authority to adopt additional written rules and restrictions governing the use of the Properties, provided such rules and restrictions are consistent with the purposes of the Declaration, and to establish penalties for violation of those rules and restrictions. If rules and restrictions are adopted, they, along with the established penalties, shall be available to all Members upon request.

Section Forty: Enforcement. The Association, or the Declarant-Developer, during the Development Period, may, but is not required to, take any action to enforce the provisions of the Declaration available to it under law, including but not limited to imposition of fines as authorized by RCW Chapter 64.38, specific performance, injunctive relief, and damages. Any Member may also enforce the terms of this Article (although a Member may not impose a fine as authorized by RCW Chapter 64.38) but the Member must first obtain an order from a court of competent jurisdiction entitling the Member to relief. In the event that a Member takes any action to enforce the terms of this Article, the Association shall not be in any way obligated to join in such action, or pay any of the attorney's fees, costs and expenses incurred in such action.

Section Forty-One: Enforcement by City of Orting. The Declarant and/or Developer does hereby grant to the City of Orting for and on behalf of all lot owners the right to enforce any of the terms and provisions of this Declaration as it relates to the violation of any of the terms and provisions of this Declaration and said action shall be maintained against the party who is responsible for that violation be it either a lot owner or the Association. In such an action of enforcement, if the City of Orting institutes suit to enforce the same, the City of Orting shall be entitled to recover, in addition to any other relief, its reasonable attorney's fees and costs of suit.

ARTICLE ELEVEN: EASEMENTS

Section One: Easement for Encroachments. Each Lot is, and the Common Areas are subject to an easement for encroachments created by construction, settlement, and overhangs

as designed or constructed by the Declarant, and a valid easement for encroachments and for maintenance of the same as long as said improvements remain.

Section Two: Easements on Exterior Lot Lines. In addition to easements reserved on any plat of the Properties or shown by instrument of record, easements for utilities and drainage are reserved for the Declarant or its assigns, over a five-foot wide strip along each side of the interior Lot lines, and seven feet over the rear and front of each Lot, and over, under, and on the Common Areas. Within all of the easements, no structure, planting or fill material shall be placed or permitted to remain which may, in the opinion of the Board or ACC, damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels and the easements. The easement area of each Lot and all improvements within it shall be maintained continuously by the Owner of such Lot, except those improvements for which a public authority, utility company or the Association is responsible.

Section Three: Association's Easement of Access. The Association, the ACC, and its agents shall have an easement for access to each Lot and to the exterior of any building located thereon during reasonable hours as may be necessary for the following purposes: (a) cleaning, maintenance, or repair of any home or Lot as provided in this Declaration; (b) repair, replacement or improvement of any Common Area accessible from that Lot; (c) emergency repairs necessary to prevent damage to the Common Areas or to another Lot, or to the improvements thereon; (d) cleaning, maintenance, repair or restoration work which the Owner is required to do but has failed or refused to do; and (e) all acts necessary to enforce these Covenants.

Section Four: Easement for Declarant. Declarant shall have an easement across all Common Areas for ingress, egress, storage and placement of equipment and materials, and other actions necessary or related to the development or maintenance of the Real Property.

ARTICLE TWELVE: MORTGAGEE PROTECTION

Section One: Mortgagees. Notwithstanding and prevailing over any other provisions of the Declaration, the Association's Articles of Incorporation or Bylaws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee ("Mortgagee") which holds a Mortgage given for the purpose of obtaining funds for the construction or purchase of a Housing Unit on any Lot or the improvement of any Lot.

Section Two: Liability Limited. The Mortgagee entitled to the protection hereof shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any covenant, restriction, rule, Association Article of Incorporation or Bylaw, or management agreement, except for those matters which are enforceable by injunctive or other equitable relief, not requiring the payment of money, except as hereinafter provided.

Section Three: Mortgagees' Rights During Foreclosure. During the pendency of any proceeding to foreclose the Mortgage, the Mortgagee or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section Four: Acquisition of Lot by Mortgagee. At such time as the Mortgagee shall become entitled to possession of the Lot, the Mortgagee shall be subject to all of the terms and conditions of the Declaration, and the Articles, Bylaws, rules and regulations of the Association, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner; provided, however, the Mortgagee shall acquire the title to said Lot free and clear of any lien authorized by or arising out of any provisions of the Declaration which secure the payment of any assessment for charges accrued prior to the date the Mortgagee became entitled to possession of the Lot.

Section Five: Reallocation of Unpaid Assessment. If it is deemed necessary by the Association, any unpaid assessment against a Housing Unit foreclosed against may be treated as a common expense of other Lots. Any such unpaid assessment shall continue to exist as a personal obligation of the defaulting Owner of the respective Lot to the Association.

Section Six: Subordination. The liens for assessments provided for in this instrument shall be subordinate to the lien of any Mortgage, or other security interest placed upon a Lot or Housing Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

Section Seven: Mortgagee's Rights. Any Mortgagee shall have the right on request therefor to (a) inspect the books and records of the Association during normal business hours; (b) receive an annual audited financial statement of the association within (90) days following the end of any fiscal year; and (c) receive written notice of all meetings of the Association and designate a representative to attend all such meeting.

Section Eight: Limitation on Abandonment of Common Areas. The Association shall not, without the prior written approval of sixty-seven percent (67%) of the Mortgagees, seek to abandon the Common Areas for reasons other than substantial destruction or condemnation of the property.

Section Nine: Notice. If such notice has been requested in writing, Mortgagees shall be entitled to timely written notice of: (a) substantial damage or destruction of any Housing Unit or any part of the Common Areas or facilities; (b) any condemnation or eminent domain proceedings involving any Housing Units or any portion of Common Areas or facilities; (c) any default under this Declaration or the Articles, Bylaws or rules and regulations of the Association by an Owner of any Housing Unit on which it holds the mortgage which is not cured within thirty (30) days; (d) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Housing Unit on which it holds the mortgage; (e) ten (10) days' prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specific percentage of Mortgagees.

ARTICLE THIRTEEN: MANAGEMENT CONTRACTS

Each Member hereby agrees that the Association and the ACC may enter into agreements for the performance of any or all of the functions of the Association and the ACC with such persons or entities as the Association deems appropriate; however, any agreement for professional management of the Properties, or any other contract providing for services by the Declarant must provide for termination by either party without cause after reasonable notice.

ARTICLE FOURTEEN: INSURANCE

Section One: Coverage. The Association may purchase as a Common Area Expense and shall have authority to and may obtain insurance for the Common Areas against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement value in the event of damage or destruction. It may also obtain a comprehensive public liability policy covering the Common Areas. The comprehensive public liability coverage shall be in an amount to be determined by the Association. It may also obtain insurance to cover the Board, the ACC, its agents and employees from any action brought against them arising out of actions taken in furtherance of the Association's duties under this Declaration.

Following the development period, all such insurance coverage shall be written in the name of the Association as trustee for each of the Members of the Association. The

Association shall review the adequacy of the Association's insurance coverage at least annually. All policies shall include a standard mortgagee's clause and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to any and all insured named therein, including Owners and Institutional First Mortgagees that have requested notice.

Section Two: Replacement, Repair After Loss. In the event of the damage or destruction of the Common Areas covered by insurance written in the name of the Association, the Association may, upon receipt of the insurance proceeds, and to the extent of such proceeds contract to rebuild or repair such damaged or destroyed portions of the Common Areas to as good a condition as they were when the loss occurred; provided, however, that the Association's election not to rebuild the Common Areas shall require the approval of two-thirds (2/3) of the Association. The Association may in its sole discretion contract with any contractor for reconstruction or rebuilding of such destroyed portions of the Common Areas.

ARTICLE FIFTEEN: RULES AND REGULATIONS

The Association and/or its Board of Directors is hereby authorized and empowered to adopt rules and regulations governing the use of the Properties and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, in the manner described by RCW Chapter 64.38, the Bylaws and any resolutions passed by the Board. All Lot Owners shall be given written notice of the rules and regulations in the manner required by RCW Chapter 64.38.

ARTICLE SIXTEEN: REMEDIES AND WAIVER

Section One: Remedies Not Limited. The remedies provided herein, including those for collection of any assessment or other charge or claim against any Member, for and on behalf of the Association, the ACC, or Declarant, are in addition to, and not in limitation of, any other remedies provided by law.

Section Two: No Waiver. The failure of the Association, the ACC, the Declarant or of any of their duly authorized agents or any of the Owners to insist upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws or rules or regulations of the Association, or to exercise any right or option contained therein, or to serve any notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws or rules or regulations of the Association shall

continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, rules or regulations of the Association shall be deemed to have been made, either expressly or implied, unless such waiver shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of the Board of Directors.

ARTICLE SEVENTEEN: CONDEMNATION

In the event of a partial condemnation of the Common Areas, the proceeds shall be used to restore the remaining Common Area, and any balance remaining shall be distributed to the Association.

In the event that the entire Common Area is taken or condemned, or sold, or otherwise disposed of in lieu of or in avoidance thereof, the condemnation award shall be distributed to the Association.

No proceeds received by the Association as the result of any condemnation shall be distributed to a Lot Owner or to any other party derogation of the rights of the First Mortgagee of any Lot.

ARTICLE EIGHTEEN: GENERAL PROVISIONS

1. Binding Effect. All present and future Owners or occupants of Lots shall be subject to and shall comply with the provisions of this Declaration, and the Bylaws and rules and regulations of the Association, as they may be amended from time to time, are accepted and ratified by such Owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at the time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof.

2. Enforcement by Court Action. The Association, the Declaration, the ACC, the Homeowner's Association, or any lot owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Should the Association or any Owner employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the Owner found to be in violation of said condition, covenants, reservation, or restriction, or found to be delinquent in the payment of said lien or charge.

3. Enforcement by Self Help. The Declarant, the ACC, the Association, or the duly appointed agent of either, may enter upon any lot, which entry shall not be deemed a trespass, and take whatever steps are necessary to correct a violation of the provisions of this Declaration. Provided, this provision shall not be construed as a permission to breach the peace.

4. Condition Precedent to Action. Prior to taking action either by court or by self help, written notice shall be given to the offending lot owner. Such notice shall specify the nature of the offense and shall also specify the action necessary to cure. Such action shall also provide a reasonable opportunity to cure which, except in the case of an emergency, shall not be less than 30 days.

5. Expenses of Action. The expenses of any corrective action or enforcement of this declaration, if not paid by the offending owner within thirty (30) days after written notice and billing, may be filed as a line upon such lot, enforceable as other liens herein.

6. Owner Objection. Should a lot owner object to the complaints of the Declarant, the Association or ACC in writing within a period of fifteen (15) days after the complaint is made and, further, should the parties not agree on property maintenance or other matters complained of, the matter shall be submitted to arbitration. The arbitration shall be binding upon the parties. If the parties cannot agree upon an arbitrator, each party shall choose one arbitrator and they, in turn, shall choose a third. The arbitration shall be conducted in accordance with the rules of arbitration under the laws of the State of Washington in existence at the time of any such arbitration.

7. Costs and Attorneys Fees. In the event of legal action, the prevailing party shall be entitled to recover actual costs and attorney fees. For the purposes of this declaration "legal action" shall include arbitration, law suit, trial, appeals, and any action, negotiations, demands, counseling or otherwise where the prevailing party has hired an attorney. It is the intent of this provision to reimburse the prevailing party for all reasonable attorney fees and actual costs incurred in defending or enforcing the provisions of this Declaration, or the owner's rights hereunder.

8. Failure to Enforce. No delay or omission on the part of the Declarants or the Owners of other Lots in exercising any rights, power, or remedy provided in this Declaration shall be construed as a waiver or acquiescence in any breach of the covenants, conditions, reservations, or restrictions set forth in the Declaration. No action shall be brought or maintained by anyone whatsoever against the Declarants for or on account of its failure to

bring any action for any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions which may be unenforceable.

9. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

10. Interpretation. In interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, Associations, and personal representatives. The singular may also include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires. This Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Properties by providing a common plan for the development of Cobblestone.

11. Term. This Declaration shall be effective for an initial term of 30 years, and thereafter by automatic extension for successive periods of 10 years each, unless terminated, at the expiration of the initial term or any succeeding 10 year term by a termination agreement executed by the then owners of not less than 75% of the lots then subject to this Declaration. Any termination agreement must be in writing, signed by the approving owners, and must be recorded with the County Auditor.

12. Perpetuities. In the event that any provision of this Declaration violates the rule against perpetuities, such provision shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Association, or twenty-one (21) years after the death of the last survivor of all of the said incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later.

13. Method of Notice. Any notice required by the Declaration or the Articles or Bylaws of the Association or the rules and regulations adopted by the Association shall be deemed properly given when personally delivered, deposited in the United States mail, postage prepaid, or when transmitted by facsimile.

14. Successors and Assigns. This Declaration binds and is for the benefit of the heirs, successors and assigns of Declarant, the Declarant, the Members and the Owners.

ARTICLE NINETEEN: NOTICE TO LOT OWNERS

Section One: Notice of Agricultural Activities. Each Lot Owner is herein notified and advised that this plat is located within a geographic area that is impacted by agricultural activities on adjacent and/or nearby properties including, without limitation, offensive impacts as among other things those resulting from noise, odor and dust.

ARTICLE TWENTY: AMENDMENT AND REVOCATION

Section One: Exclusive Method. This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law.

Section Two: Amendment by Declarant. Notwithstanding any other provision of this Declaration, this Declaration can be amended at any time by the Declarant prior to the time that 75% of the lots have been sold to others than Declarant builders. That all lot owners agree to be bound by such amendment or amendments as made by the Declarant pursuant to this provision. Thereafter this Declaration can be amended only as provided for in this Declaration.

Section Three: Prior Approval by FHA/HUD. Regardless of whether or not 75% of the lots have been sold to others than Declarant builders, in the event any loan with respect to any lot or building constructed thereon is insured through either the Federal Housing Administration or the Department of Veterans Affairs or any programs sponsored by either such agency, then the insuring agency must give written approval before any of the following actions can be approved by either the Declarant or the lot owners:

- a) Annexation of additional properties
- b) Dedication of any properties
- c) Amendment to this declaration

Section Four: Voting. This Declaration may be amended at any annual meeting of the Association, or at a special meeting called for such purpose, if sixty-seven percent (67%) or more of the Owners vote for such amendment, or without such meeting if all Owners are notified in writing of such amendment, and if sixty-seven percent (67%) or more of the Owners vote for such amendment by written ballot. Notice of any proposed amendment shall be given to all Owners not less than ten (10) days prior to the date of the annual meeting or of any special meeting at which the proposed amendment shall be considered. Notwithstanding any of the foregoing, fifty-one percent (51%) of all Institutional First Mortgagees who have requested notification of amendments must give prior written approval to any material amendment to the Declaration or Bylaws, including any of the following:

1. Voting rights;

Declaration of Protective Covenants,
Conditions, Easements & Restrictions
I:\DATA\BHD\W\Riley\Hidden Harbor\Declaration.wpd

2. Assessments, assessment liens and subordination of such liens;
3. Reserves for maintenance, repair and replacement of Common Areas;
4. Insurance or fidelity bonds;
5. Responsibility for maintenance and repair;
6. Contraction of the project or the withdrawal of property from the Properties;
7. The boundaries of any Lot;
8. Leasing of Housing Units other than as set forth herein;
9. Imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot;
10. Any decision by the Association to establish self-management when professional management had been required previously by an Institutional First Mortgagee;
11. Restoration or repair (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.
12. Any action to terminate the legal status of the Properties after substantial destruction or condemnation occurs; or
13. Any provisions which are for the express benefit of Institutional First Mortgagees.

Section Five: Effective Date. Amendments shall take effect only upon recording with the Pierce County Auditor of the county in which this Declaration is recorded.

Section Six. Protection of Declarant. For such time as Declarant shall own Lots located in the Properties there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any Rules and Regulations adopted by the Association which:

1. Discriminate or tend to discriminate against the Declarant's rights.
2. Change Article One ("Definitions") in a manner which alters the Declarants right or status.
3. Alter the character and rights of membership or the rights of the Declarant as set forth in Article Three.
4. Alter its rights as set forth in Article Five relating to architectural controls.
5. Alter the basis for assessments, or the Declarant's exemption from assessments.
6. Alter the number or selection of Directors as established in the Bylaws.
7. Alter the Declarant's rights as they appear under this Article.

Section Seven: Notice. Any notice required hereunder shall be deemed effective when personally delivered or three days after mailing by certified and regular mail to the owner of public record at the time of such mailing to such owner's address as it appears on the Pierce County Assessor's tax records and to the street address of the lot(s) herein. Notices to lenders shall be sent to the last address the lender has given to the Association. The Association is not required to provide notice of any matter to any lender who has not notified the Association in writing of such lender's desire to receive notice, and/or has not given the Association written notice of the lender's address for receipt of notices. The Association shall not undergo investigation outside of its own records into the name or location of any lender or lienholder.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 27 day of Dec, 2005.

**Westpac Holding and Development, Inc., a
Washington Corporation**

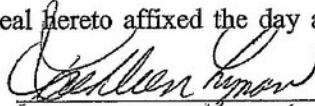
By: _____

James J. Berry
James J. Berry, Pres.

STATE OF WASHINGTON)
)§
COUNTY OF PIERCE)

On this 27 day of December, 2005 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared William Riley to me known to be the President of Westpac Holding and Development, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

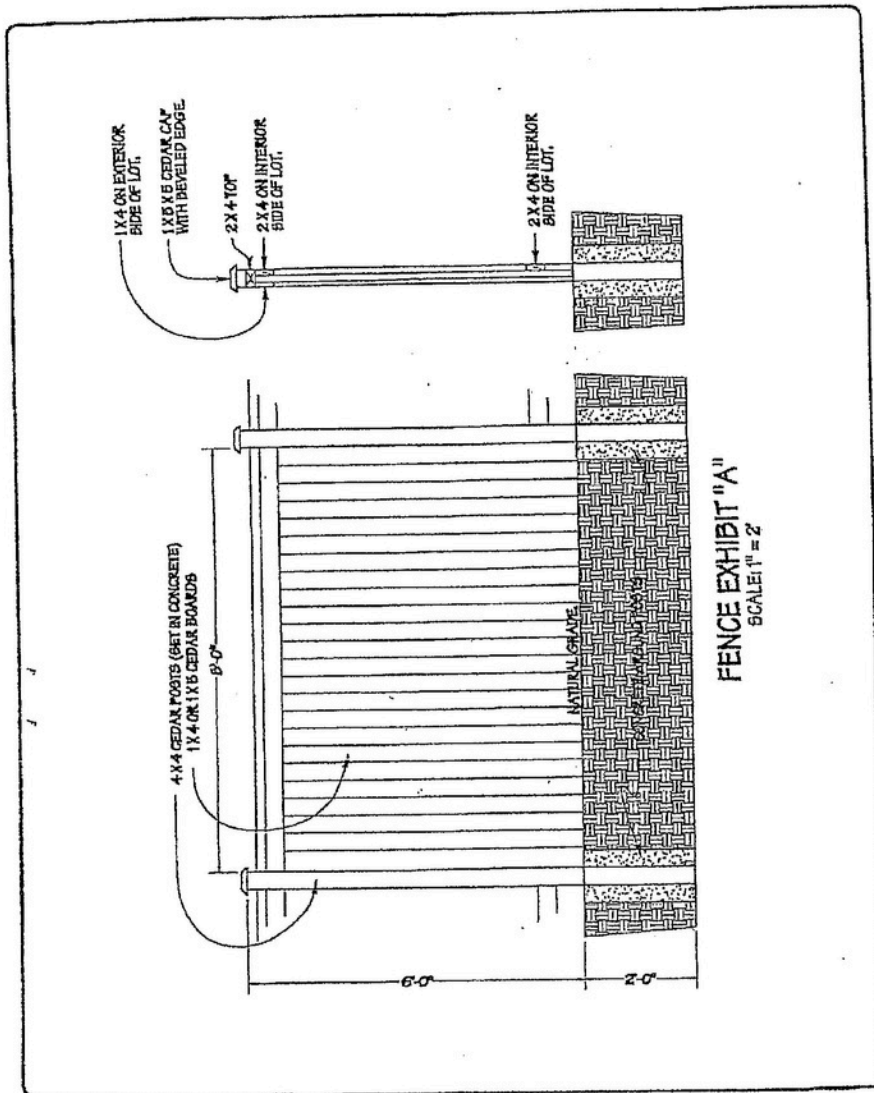


Printed Name: Kathleen Lyman

NOTARY PUBLIC in and for the State of Washington, residing at Granger

My commission expires: 2-1-07





4.6 Maintenance Standards for Drainage Facilities

The facility-specific maintenance standards contained in this section are intended to be conditions for determining if maintenance actions are required as identified through inspection. They are not intended to be measures of the facility's required condition at all times between inspections. In other words, exceedence of these conditions at any time between inspections and/or maintenance does not automatically constitute a violation of these standards. However, based upon inspection observations, the inspection and maintenance schedules shall be adjusted to minimize the length of time that a facility is in a condition that requires a maintenance action.

No. 1 – Detention Ponds

No. 1 – Detention Ponds			
General	Trash & Debris	Any trash and debris which exceed 5 cubic feet per 1,000 square feet (this is about equal to the amount of trash it would take to fill up one standard size garbage can). In general, there should be no visual evidence of dumping. If less than threshold all trash and debris will be removed as part of next scheduled maintenance.	Trash and debris cleared from site.
	Poisonous Vegetation and noxious weeds	Any poisonous or nuisance vegetation which may constitute a hazard to maintenance personnel or the public. Any evidence of noxious weeds as defined by State or local regulations. (Apply requirements of adopted IPM policies for the use of herbicides).	No danger of poisonous vegetation where maintenance personnel or the public might normally be. (Coordinate with local health department) Complete eradication of noxious weeds may not be possible. Compliance with State or local eradication policies required
	Contaminants and Pollution	Any evidence of oil, gasoline, contaminants or other pollutants (Coordinate removal/cleanup with local water quality response agency).	No contaminants or pollutants present.
	Rodent Holes	Any evidence of rodent holes if facility is acting as a dam or berm, or any evidence of water piping through dam or berm via rodent holes.	Rodents destroyed and dam or berm repaired. (Coordinate with local health department; coordinate with Ecology Dam Safety Office if pond exceeds 10 acre-feet.)

No. 1 – Detention Ponds

Problem	Signs	Conditions When Maintenance is Needed	Responsible Party/When to be Maintained
	Beaver Dams	Dam results in change or function of the facility.	Facility is returned to design function. (Coordinate trapping of beavers and removal of dams with appropriate permitting agencies)
	Insects	When insects such as wasps and hornets interfere with maintenance activities.	Insects destroyed or removed from site. Apply insecticides in compliance with adopted IPM policies
	Tree Growth and Hazard Trees	Tree growth does not allow maintenance access or interferes with maintenance activity (i.e., slope mowing, silt removal, vactoring, or equipment movements). If trees are not interfering with access or maintenance, do not remove If dead, diseased, or dying trees are identified (Use a certified Arborist to determine health of tree or removal requirements)	Trees do not hinder maintenance activities. Harvested trees should be recycled into mulch or other beneficial uses (e.g., alders for firewood). Remove hazard Trees
Side Slopes of Pond	Erosion	Eroded damage over 2 inches deep where cause of damage is still present or where there is potential for continued erosion. Any erosion observed on a compacted berm embankment.	Slopes should be stabilized using appropriate erosion control measure(s); e.g., rock reinforcement, planting of grass, compaction. If erosion is occurring on compacted berms a licensed civil engineer should be consulted to resolve source of erosion.
Storage Area	Sediment	Accumulated sediment that exceeds 10% of the designed pond depth unless otherwise specified or affects inletting or outletting condition of the facility.	Sediment cleaned out to designed pond shape and depth; pond reseeded if necessary to control erosion.
	Liner (If Applicable)	Liner is visible and has more than three 1/4-inch holes in it.	Liner repaired or replaced. Liner is fully covered.

No. 1 – Detention Ponds

Problem	Condition	Causes	Remediation
Pond Berms (Dikes)	Settlements	Any part of berm which has settled 4 inches lower than the design elevation. If settlement is apparent, measure berm to determine amount of settlement. Settling can be an indication of more severe problems with the berm or outlet works. A licensed civil engineer should be consulted to determine the source of the settlement.	Dike is built back to the design elevation.
	Piping	Discernable water flow through pond berm. Ongoing erosion with potential for erosion to continue. (Recommend a Geotechnical engineer be called in to inspect and evaluate condition and recommend repair of condition.)	Piping eliminated. Erosion potential resolved.
Emergency Overflow Spillway and Berms over 4 feet in height.	Tree Growth	Tree growth on emergency spillways creates blockage problems and may cause failure of the berm due to uncontrolled overtopping. Tree growth on berms over 4 feet in height may lead to piping through the berm which could lead to failure of the berm.	Trees should be removed. If root system is small (base less than 4 inches) the root system may be left in place. Otherwise the roots should be removed and the berm restored. A licensed civil engineer should be consulted for proper berm/spillway restoration.
	Piping	Discernable water flow through pond berm. Ongoing erosion with potential for erosion to continue. (Recommend a Geotechnical engineer be called in to inspect and evaluate condition and recommend repair of condition.)	Piping eliminated. Erosion potential resolved.
Emergency Overflow Spillway	Emergency Overflow Spillway	Only one layer of rock exists above native soil in area five square feet or larger, or any exposure of native soil at the top of out flow path of spillway. (Rip-rap on inside slopes need not be replaced.)	Rocks and pad depth are restored to design standards.
	Erosion	See "Side Slopes of Pond"	

No. 4 – Control Structure/Flow Restrictor

Inspection Item	Defect	Condition When Maintenance is Needed	Acceptable Condition
General	Trash and Debris (Includes Sediment)	Material exceeds 25% of sump depth or 1 foot below orifice plate.	Control structure orifice is not blocked. All trash and debris removed.
	Structural Damage	Structure is not securely attached to manhole wall.	Structure securely attached to wall and outlet pipe.
		Structure is not in upright position (allow up to 10% from plumb).	Structure in correct position.
		Connections to outlet pipe are not watertight and show signs of rust.	Connections to outlet pipe are water tight; structure repaired or replaced and works as designed.
		Any holes—other than designed holes—in the structure.	Structure has no holes other than designed holes.
Cleanout Gate	Damaged or Missing	Cleanout gate is not watertight or is missing.	Gate is watertight and works as designed.
		Gate cannot be moved up and down by one maintenance person.	Gate moves up and down easily and is watertight.
		Chain/rod leading to gate is missing or damaged.	Chain is in place and works as designed.
		Gate is rusted over 50% of its surface area.	Gate is repaired or replaced to meet design standards.
Orifice Plate	Damaged or Missing	Control device is not working properly due to missing, out of place, or bent orifice plate.	Plate is in place and works as designed.
	Obstructions	Any trash, debris, sediment, or vegetation blocking the plate.	Plate is free of all obstructions and works as designed.
Overflow Pipe	Obstructions	Any trash or debris blocking (or having the potential of blocking) the overflow pipe.	Pipe is free of all obstructions and works as designed.
Manhole	See "Closed Detention Systems" (No. 3).	See "Closed Detention Systems" (No. 3).	See "Closed Detention Systems" (No. 3).
Catch Basin	See "Catch Basins" (No. 5).	See "Catch Basins" (No. 5).	See "Catch Basins" (No. 5).

No. 5 – Catch Basins

Category	Condition	Standard	Acceptance Criteria
	Contamination and Pollution	See "Detention Ponds" (No. 1).	No pollution present.
Catch Basin Cover	Cover Not in Place	Cover is missing or only partially in place. Any open catch basin requires maintenance.	Catch basin cover is closed.
	Locking Mechanism Not Working	Mechanism cannot be opened by one maintenance person with proper tools. Bolts into frame have less than 1/2 inch of thread.	Mechanism opens with proper tools.
	Cover Difficult to Remove	One maintenance person cannot remove lid after applying normal lifting pressure. (Intent is keep cover from sealing off access to maintenance.)	Cover can be removed by one maintenance person.
Ladder	Ladder Rungs Unsafe	Ladder is unsafe due to missing rungs, not securely attached to basin wall, misalignment, rust, cracks, or sharp edges.	Ladder meets design standards and allows maintenance person safe access.
Metal Grates (If Applicable)	Grate opening Unsafe	Grate with opening wider than 7/8 inch.	Grate opening meets design standards.
	Trash and Debris	Trash and debris that is blocking more than 20% of grate surface inletting capacity.	Grate free of trash and debris.
	Damaged or Missing.	Grate missing or broken member(s) of the grate.	Grate is in place and meets design standards.

No. 6 – Debris Barriers (e.g., Trash Racks)

Category	Condition	Standard	Acceptance Criteria
General	Trash and Debris	Trash or debris that is plugging more than 20% of the openings in the barrier.	Barrier cleared to design flow capacity.
Metal	Damaged/ Missing Bars.	Bars are bent out of shape more than 3 inches.	Bars in place with no bends more than 3/4 inch.
		Bars are missing or entire barrier missing.	Bars in place according to design.
		Bars are loose and rust is causing 50% deterioration to any part of barrier.	Barrier replaced or repaired to design standards.
	Inlet/Outlet Pipe	Debris barrier missing or not attached to pipe	Barrier firmly attached to pipe

No. 5 – Catch Basins

Category	Condition	Maintenance	Standard
	Contamination and Pollution	See "Detention Ponds" (No. 1).	No pollution present.
Catch Basin Cover	Cover Not in Place	Cover is missing or only partially in place. Any open catch basin requires maintenance.	Catch basin cover is closed
	Locking Mechanism Not Working	Mechanism cannot be opened by one maintenance person with proper tools. Bolts into frame have less than 1/2 inch of thread.	Mechanism opens with proper tools.
	Cover Difficult to Remove	One maintenance person cannot remove lid after applying normal lifting pressure. (Intent is keep cover from sealing off access to maintenance.)	Cover can be removed by one maintenance person.
Ladder	Ladder Rungs Unsafe	Ladder is unsafe due to missing rungs, not securely attached to basin wall, misalignment, rust, cracks, or sharp edges.	Ladder meets design standards and allows maintenance person safe access.
Metal Grates (If Applicable)	Grate opening Unsafe	Grate with opening wider than 7/8 inch.	Grate opening meets design standards.
	Trash and Debris	Trash and debris that is blocking more than 20% of grate surface inletting capacity.	Grate free of trash and debris.
	Damaged or Missing.	Grate missing or broken member(s) of the grate.	Grate is in place and meets design standards.

No. 6 – Debris Barriers (e.g., Trash Racks)

Category	Condition	Maintenance	Standard
General	Trash and Debris	Trash or debris that is plugging more than 20% of the openings in the barrier.	Barrier cleared to design flow capacity.
Metal	Damaged/ Missing Bars.	Bars are bent out of shape more than 3 inches.	Bars in place with no bends more than 3/4 inch.
		Bars are missing or entire barrier missing.	Bars in place according to design.
		Bars are loose and rust is causing 50% deterioration to any part of barrier.	Barrier replaced or repaired to design standards.
Inlet/Outlet Pipe	Debris barrier missing or not attached to pipe		Barrier firmly attached to pipe

No. 7 – Energy Dissipaters

External:			
Rock Pad	Missing or Moved Rock	Only one layer of rock exists above native soil in area five square feet or larger, or any exposure of native soil.	Rock pad replaced to design standards.
	Erosion	Soil erosion in or adjacent to rock pad.	Rock pad replaced to design standards.
Dispersion Trench	Pipe Plugged with Sediment	Accumulated sediment that exceeds 20% of the design depth.	Pipe cleaned/flushed so that it matches design.
	Not Discharging Water Properly	Visual evidence of water discharging at concentrated points along trench (normal condition is a "sheet flow" of water along trench). Intent is to prevent erosion damage.	Trench redesigned or rebuilt to standards.
	Perforations Plugged.	Over 1/2 of perforations in pipe are plugged with debris and sediment.	Perforated pipe cleaned or replaced.
	Water Flows Out Top of "Distributor" Catch Basin.	Maintenance person observes or receives credible report of water flowing out during any storm less than the design storm or its causing or appears likely to cause damage.	Facility rebuilt or redesigned to standards.
	Receiving Area Over-Saturated	Water in receiving area is causing or has potential of causing landslide problems.	No danger of landslides.
Internal:			
Manhole/Chamber	Worn or Damaged Out, Baffles, Side of Chamber	Structure dissipating flow deteriorates to 1/2 of original size or any concentrated worn spot exceeding one square foot which would make structure unsound.	Structure replaced to design standards.
	Other Defects	See "Catch Basins" (No. 5).	See "Catch Basins" (No. 5).

No. 11 - Wetponds

General	Water level	First cell is empty, doesn't hold water.	Line the first cell to maintain at least 4 feet of water. Although the second cell may drain, the first cell must remain full to control turbulence of the incoming flow and reduce sediment resuspension.
	Trash and Debris	Accumulation that exceeds 1 CF per 1000-SF of pond area.	Trash and debris removed from pond.
	Inlet/Outlet Pipe	Inlet/Outlet pipe clogged with sediment and/or debris material.	No clogging or blockage in the inlet and outlet piping.
	Sediment Accumulation in Pond Bottom	Sediment accumulations in pond bottom that exceeds the depth of sediment zone plus 6-inches, usually in the first cell.	Sediment removed from pond bottom.
	Oil Sheen on Water	Prevalent and visible oil sheen.	Oil removed from water using oil-absorbent pads or vacator truck. Source of oil located and corrected. If chronic low levels of oil persist, plant wetland plants such as <i>Juncus effusus</i> (soft rush) which can uptake small concentrations of oil.
	Erosion	Erosion of the pond's side slopes and/or scouring of the pond bottom, that exceeds 6-inches, or where continued erosion is prevalent.	Slopes stabilized using proper erosion control measures and repair methods.
	Settlement of Pond Dike/Berm	Any part of these components that has settled 4-inches or lower than the design elevation, or inspector determines dike/berm is unsound.	Dike/berm is repaired to specifications.
	Internal Berm	Berm dividing cells should be level.	Berm surface is leveled so that water flows evenly over entire length of berm.
	Overflow Spillway	Rock is missing and soil is exposed at top of spillway or outside slope.	Rocks replaced to specifications.



CAMPBELL, DILLE, BARNETT, SMITH & WILEY, P.L.L.C.

TALIS ABOLINS
HOLLIS H. BARNETT, PS.
PATRICIA BARNETT
BRYCE H. DILLE, P.S.
HILLARY A. HOLMES
SHANNON R. JONES
DANIEL W. SMITH
BOYD S. WILEY

A PROFESSIONAL LIMITED LIABILITY COMPANY
INCLUDING PROFESSIONAL SERVICE CORPORATIONS
317 SOUTH MERIDIAN
P.O. BOX 488
PUYALLUP, WASHINGTON 98371-0164

TELEPHONE: (253) 848-3513
FAX: (253) 845-4941
SENDER'S E-MAIL: bryced@cdb-law.com
WEBSITE: WWW.CDB-LAW.COM

ESCROW DEPARTMENT
SUSAN BOAT, LPO

ROBERT D. CAMPBELL (1906-2000)
GILBERT PRICE (Retired)

March 30, 2007

William Riley
Gateway Real Estate
850 39th Avenue S.W.
Puyallup, WA 98373

Re: Hidden Harbor

Dear Bill:

Enclosed you will find the original of the First Amendment to Declaration as recorded with the Pierce County Auditor. This should be placed in the corporate minute book previously forwarded to you.

I remain . . .

Very truly yours,

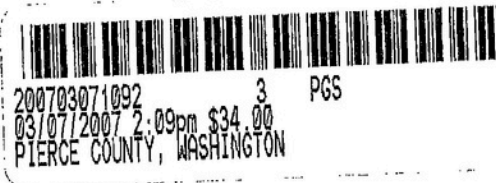
CAMPBELL, DILLE, BARNETT
SMITH & WILEY, P.L.L.C.



Bryce H. Dille

BHD/vh
Enclosure

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After Recording Return to:
Bryce H. Dille
of Campbell, Dille, Barnett, Smith & Wiley, PLLC
317 South Meridian
Puyallup, WA 98371

**FIRST AMENDMENT TO DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS,
EASEMENTS & RESTRICTIONS FOR HIDDEN HARBOR**

Grantor: Westpac Holding and Development, Inc. a Washington Corporation
Grantee: Hidden Harbor (Sasaki PUD) Homeowner's Association
Reference Number of Document Amended: 200512271146
Legal Description (abbreviated): Lots 1 through 140 of the Plat of Hidden Harbor recorded
under Pierce County Auditor's Recording Number 200512235004.
Assessor's Tax Parcel Numbers 0519314701, 0519314019, 0519314700.

**This First Amendment to Declaration of Protective Covenants, Conditions,
Easement & Restrictions for Hidden Harbor is executed the day and year below written.**

RECITALS

1. The undersigned, as Declarant, executed a Declaration of Protective Covenants, Conditions, Easements & Restrictions for Hidden Harbor recorded under Pierce County Auditor's Recording No. 200512271146 on December 27, 2005 (hereinafter referred to as "Declaration").

2. The Declarant, pursuant to the amendment provisions of said Declaration, is desirous of amending certain terms and provisions of said Declaration as set forth herein.

NOW, THEREFORE, the Declaration referred to above is hereby amended as follows:

First Amendment to Declaration of
Protective Covenants, Conditions,
Easements & Restrictions

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Article Ten, Section Six: Fences, Fences, Walls, shall be amended to read as follows:

Section Six: Fences, Fences, Walls. Fences, walls, or shrubs are permitted on side and rear property lines, up to within the greater of (i) twenty feet of the front property line; or (ii) the distance between the front lot line and the front wall (facade) of the primary residence, subject to (i) the approval of the ACC; and (ii) determination of whether such fence, walls or shrubs would interfere with utility easements reflected on the face of the plat and other easements elsewhere recorded. In no event shall any fence be allowed between the front lot line and the front wall facade of the primary residence. In regard to "rear load" lot fences, the back fence shall be no closer than one (1) foot to the parking lot. In regard to "corner" lots, the fences on the road side must be no more than five (5) feet from the side of the house. No barb wire, chain link, corrugated fiber glass fences shall be erected on any lot, except that chain link fencing for a sports facility enclosure may be considered for approval by the ACC upon request. All fences of any size constructed on the premises and where ever located must be constructed, painted (or stained if applicable) in accordance with the association guidelines for design and color. A copy of the guidelines initially adopted by the Declarant and the Association may be attached to this Declaration. The initial color specified for fences shall be stated in that guideline. Any fence constructed which fails to conform with the guidelines shall be removed by the owner or modified to conform with the guidelines. The Board or the ACC may change these guidelines from time to time, and upon adoption of the change in the fence guidelines, this Article shall be deemed to have been amended to conform with the new guidelines as adopted. In the event that an alternative type of fence (such as a different design or chain link material) is required to comply with the requirements of any governmental jurisdiction, such alternative type of fence shall be exempt from these restrictions, and may be constructed as required by the governmental jurisdiction.

All the remaining terms and provisions of the above referenced Declaration shall remain in full force and effect, except as expressly modified and amended herein.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 3rd day of March 2007.

**Westpac Holding and Development, Inc., a
Washington Corporation**

By: 

James J. Berry, President

First Amendment to Declaration of
Protective Covenants, Conditions,
Easements & Restrictions

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STATE OF WASHINGTON)
)§
COUNTY OF PIERCE)

On this 5th day of March, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared James J. Berry, to me known to be the President of Westpac Holding and Development, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESSETH that I, M. J. Seward, and official seal hereto affixed the day and year first above written.



M. J. Seward
Printed Name: M. J. Seward
NOTARY PUBLIC in and for the State of
Washington, residing at 1000 1st St
My commission expires: 10/16/08

First Amendment to Declaration of
Protective Covenants, Conditions,
Easements & Restrictions

CONSENT TO ACTION OF BOARD OF DIRECTORS IN LIEU OF ORGANIZATIONAL MEETING OF HIDDEN HARBOR HOMEOWNERS ASSOCIATION

Pursuant to Section 24.03.155 and 24.03.465 of the Revised Code of Washington, the undersigned, being all the directors of Hidden Harbor Homeowners Association, a Washington non-profit corporation ("Corporation"), do hereby consent to and take the following actions without a meeting:

ARTICLES OF INCORPORATION

The Articles of Incorporation were filed in the Office of the Secretary of State of the state of Washington. A copy of the Articles with evidence of their filing has been inserted in the Minute Book of the Corporation.

ADOPTION OF BYLAWS

RESOLVED, that the Bylaws in the form attached to this Consent are adopted as the Bylaws of the Corporation. The Secretary is directed to insert them in the Minute Book.

ELECTION OF OFFICERS

RESOLVED, that the following persons are elected to fill the offices set opposite their respective names:

President	William J. Riley
Vice-President	Althea Riley
Secretary	William J. Riley
Treasurer	Althea Riley

BANK ACCOUNTS

RESOLVED, that the Treasurer is hereby authorized:

(a) To designate one or more banks, trust companies, or other similar institutions as depositories of the funds, including without limitation, cash and cash equivalents, of this corporation;

(b) To open, keep and close general and special bank accounts, including general deposit accounts, payroll accounts, and working fund accounts, with any such depository;

(c) To cause to be deposited in such accounts with any such depository, from time to time, such funds of this corporation as such officer deems necessary or advisable, and to

designate or change the designation of the officer or officers and agent or agents of this corporation who will be authorized to make such deposits and to endorse checks, drafts or other instruments for such deposits;

(d) From time to time, to designate or change the designation of the officer or officers and agent or agents of this corporation who will be authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of this corporation against any funds deposited in any of such accounts, and to revoke any such designation; and

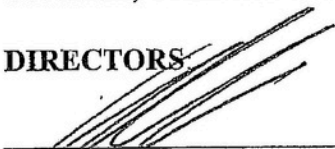
(e) To complete, execute and/or certify any customary printed blank signature card forms in order conveniently to exercise the authority granted by this resolution and ally resolution printed thereon shall be deemed adopted as a part hereof.

RESOLVED FURTHER, that all form resolutions required by any such depository are hereby adopted in such form utilized by the depository, and the Secretary of this corporation is hereby authorized to certify such resolutions as having been adopted at this meeting.

ASSESSMENT OF MONTHLY MAINTENANCE ASSESSMENT

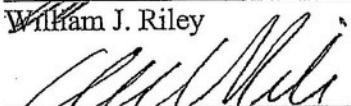
RESOLVED, that each Member pay an annual assessment to the corporation in the sum of \$300.00 per year, which assessment shall be used for the business of the corporation pursuant to any budget adopted from time to time by the Board of Directors, and for the purposes set forth in the Covenants, Conditions and Restrictions for the plat of Hidden Harbor.

DIRECTORS



William J. Riley

Date: 1-31-06



Althea Riley

Date: 1-31-06