

This Document serves to amend or otherwise incorporate as the case may be, Covenants originally recorded under Thurston County Auditor File No. 9101080030 and subsequent amendments recorded under Thurston County Auditor File Numbers 9104220129, 9105010058, and 9106250202.

FIRST AMENDED

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS FOR SOUTH COVE**

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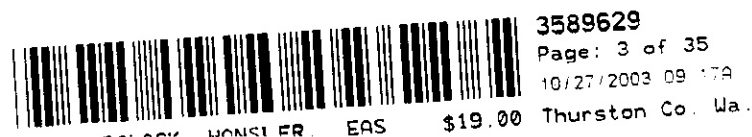
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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND
EASEMENTS FOR SOUTH COVE

THIS DECLARATION is made on this _____ day _____, 2003, by South Cove Homeowners' Association, a Washington Non-profit Corporation ("Declarant"), who is the owner of certain real property situated in the State of Washington, located in Thurston County and known as the Plat of South Cove, which property is more specifically described in Exhibit A, attached hereto and incorporated herein by reference.


DESCRIPTION OF DECLARATION

Declarant desires to maintain the Plat of South Cove as a residential community. Declarant also desires to maintain common areas and facilities for the benefit of South Cove to provide for the preservation of the natural values in the Plat of South Cove.

South Cove Homeowners' Association, a Washington Non-profit Corporation, desires to subject the property described in Exhibit A and as shown on Exhibit B to this Declaration and to each of the covenants, conditions, restrictions and easements set forth herein.

This Declaration establishes a plan for the private ownership of lots and the buildings constructed thereon, for the dedication of certain areas to municipal corporations and Thurston County, and all the remaining land and related easements, hereafter defined and referred to as the Common Areas. The nonprofit corporation is the South Cove ("Association"), to which shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas, administering and enforcing these covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of South Cove, as defined herein and described in Exhibit A hereto, and all improvements now existing or hereafter constructed thereon are subject to and burdened by the following covenants, conditions, restrictions, and easements benefited and all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of South Cove for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in South Cove or any part thereof, and shall inure to the benefit of the Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.

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ARTICLE 1

DEFINITIONS

Section 1.1. "Architectural Control Committee" shall mean and refer to the duly appointed Committee of the Association as further described in Section 2.7 and as sometimes referred to herein as the "Committee."

Section 1.2. "Association" shall mean and refer to the South Cove Association, a Washington nonprofit corporation, its successors and assigns.

Section 1.3. "Association Action" shall mean and refer to a written corporate action of the Association in the form of either a bylaw or resolution duly passed by either the Board or the Owners.

Section 1.4. "Board" shall mean and refer to the board of directors or the Association.

Section 1.5. "Building Setback Line" shall mean and refer to the various lines designed as "BSBL" on the face of the final plat, short plat, or other analogous recorded plan or map, beyond which no structures, filling, grading or other obstructions are permitted as set forth in Section 5.2 hereof.

Section 1.6. "Common Areas" shall mean and refer to all easements, and Tracts and any improvements thereto that are owned by the Association for the benefit of the Owners and subjected to this Declaration by an appropriate recording, or reserved for use by the Association on the face of the final plat, short plat, or other analogous recorded plan or map. The Common Areas in South Cove are listed in Exhibit B, which is attached hereto and incorporated herein by this reference.

Section 1.7. "Declarant" shall mean and refer to South Cove Homeowners' Association, a Washington Non-profit Corporation, its successors and assigns

Section 1.8. "Declaration" shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

Section 1.9. "Eagle Management Agreement" shall mean that certain Bald Eagle Site Management Agreement dated June, 1990 among Declarant, the State of Washington Department of Wildlife, Leonard and Doreen Thomas, Brent Kohler, and Jeanette Iverson, which agreement places restrictions on certain portions of the South Cove Plat. A complete copy of the Eagle Management Agreement may be obtained from the Thurston County Auditor under file number 9011280292.

Section 1.10. "Eagle Management Condition Zone" shall mean and refer to an area within a 450' radius from the alternate eagle nest tree so designated on the final plat, short plat or other analogous recorded plan or map, which is subject to certain restrictions.



Section 1.11. "Governing Documents" shall mean and refer to this Declaration, Supplementary Declarations, and the Articles of Incorporation, Bylaws of the Association, Rules and Regulations of the Association and rules and procedures of the Architectural Control Committee as any of the foregoing may be amended from time to time.

Section 1.12. "Lot" shall mean and refer to any legally segmented and alienable portion of South Cove created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of dedicated rights of way and Tracts designated as Common Areas or reserved for access to a particular Lot or Lots.

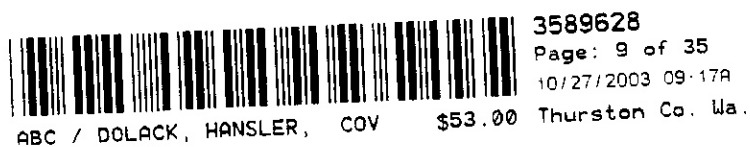
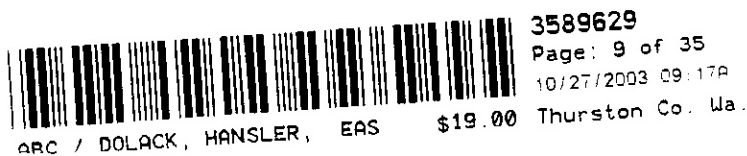
Section 1.13. "Mortgage" shall mean and refer to any recorded mortgage or deed of trust encumbering one or more of the Lots. "First Mortgage" shall mean and refer to a Mortgage with priority over all other Mortgages. "Mortgagee" shall mean and refer to the holder or beneficiary of a Mortgage, and "First Mortgagee" shall mean and refer to the holder or beneficiary of a First Mortgage.

Section 1.14. "Owner" shall mean and refer to the recorded owner (whether one or more persons or entities) or a fee simple interest in any Lot, including the Declarant. Recorded real estate contract sellers, and Participating Builders but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate compacts shall be deemed Owners as against their respective sellers or assignors. Where the chain of title to a Lot involves a holder of fee simple title and more than one real estate contract purchaser, the last real estate contract purchaser in such chain of title, i.e., the one who is not also a contract seller, shall be considered the "Owner" for purposes of this Declaration.

Section 1.15. "Participating Builder" shall mean and refer to a person or entity that acquires a portion of the Plat of South Cove for the purpose of improving such portion for immediate resale to individual Owners.

Section 1.16. "Shoreline Management Area" shall mean and refer to an area which is that portion of the South Cove site which lies within the boundaries of the Shoreline Management Substantial Development Permit Area so designated on the final plat, short plat, or other analogous recorded plan or map, in which the removal of trees and significant natural ground cover, as well as the conduct of other activities, are restricted pursuant to the provisions of Article 5 herein.

Section 1.17. "Single Family" shall mean and refer to a single housekeeping unit with a minimum two car garage (attached or detached and enclosed; no carports) that includes not more than four (4) adults who are legally unrelated.



Section 1.18. "South Cove" or the "Property" shall mean and refer to that certain real property which is legally described on Exhibit A attached hereto, and such additions thereto as may hereafter be brought within the terms and conditions hereof by an appropriate recording.

Section 1.19. "Supplementary Declaration" shall mean and refer to any recorded declaration of covenants, conditions, restrictions and easements, which subjects additional adjacent real property to the terms and conditions of this Declaration.

Section 1.20. "Tract" shall mean and refer to any legally segmented and alienable portion of South Cove created through subdivision or any other legal process for dividing land and subjected to this declaration by an appropriate recording, with the exception of Lots and dedicated rights of way.



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ARTICLE 2

SOUTH COVE HOMEOWNERS' ASSOCIATION

Section 2.1. Description of Association. The Association is a nonprofit corporation organized and existing under the Laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents other than this Declaration, shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 2.2. Association Board. The Board shall be elected from among the Owners, as provided in the Bylaws of the Association. The Board shall elect officers of the Association from among the Board members, which shall include a president who shall preside over meetings of the Board and meetings of the Association.

Section 2.3. Votes Appurtenant to Lots. Every Owner of a Lot or Lots, shall be a Member of the Association; provided, however, that if any Lot is held jointly by two (2) or more persons, the several Owners of such interest shall designate one of their number as the "Member." The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from fee simple title ownership of, or a contract purchaser's interest in, any Lot. Upon transfer of the Owner's fee simple interest to or upon the exertion and delivery of documents constituting a real estate contract sale of any Lot, the membership and certificate of membership in the Association shall ipso facto transfer to the grantee, contract purchaser or new contract purchaser, as the case may be. Ownership, of fee simple title to, or a contract purchaser's interest in, any such Lot or Lots shall be the sole qualification for membership in the Association.

Section 2.4. Number of Votes. There shall be a total of 45 outstanding votes in the Association.

Section 2.5. Owner's Compliance with Governing Documents. By acceptance of a deed to a Lot, recording of a real estate contract conveying title to a Lot, or any other means of acquisition of an ownership interest in a Lot, the Owner thereof covenants and agrees, on behalf of himself and his heirs, successors, and assigns, to observe and comply with all terms of the Governing Documents and all rules and regulations duly promulgated pursuant to Association Action.

Section 2.6. Bylaws, Rules and Regulations. The Board on behalf of the Association shall have the power to adopt, modify, and amend rules and regulations governing the use of South Cove. The rules and regulations shall apply uniformly to all Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including but not limited to suspension of the right to use the Common Areas or portions thereof. Any such rules and regulations shall become effective 30 days after promulgation and shall be



mailed to all Owners prior to their effective date. The secretary of the Association shall retain a copy of the rules and regulations then in force.

Section 2.7. Architectural Control Committee. To assist the Board of Directors with architectural control, the Board may establish/appoint a three (3) member Architectural Control Committee. The committee members, who need not be members of the Association, shall hold office at the pleasure of the Board.

2.7.1. Jurisdiction and Purposes. The committee shall review proposed plans and specifications for construction of all residences and other structures within South Cove, and including any additions, exterior alterations, landscaping, clearing, painting and excavation. The Owner shall submit architectural and landscaping plans and specifications to the Committee for its review, together with a site plan for the Lot showing the location of the sewer disposal drainfield approved by the appropriate governing authorities

2.7.2. Approval Procedures. A preliminary application for approval must be submitted in writing by the Owner to the Committee through the current Board of Directors. Within fifteen (15) days following receipt of a preliminary application, the Committee shall notify the Owner in writing as to whether the application is complete and, if not, of any additional information that may be required before the Committee can review the application. The Committee shall review the application in accordance with the provisions of this Section 2.7 as soon as possible after a complete application has been filed. The decision of a majority of the members of the Committee shall be the decision of the Committee. One copy of approved plans will remain in the committee's files, held by the Secretary of the Board of Directors. All disapproved plans will be returned to the Owner.

2.7.3. Failure of Committee to Take Action. Except as Provided in Section 2.7.0 below, in the event that the Committee fails to respond to an Owner's complete and properly submitted application within thirty (30) days after the Committee has notified the Owner that the application is complete, formal written approval will not be required, and the provision for approval shall be deemed to have been fully complied with.

2.7.4. Committee's Obligation. The Committee, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various Owners for consideration in accordance with the provisions of this Declaration. Further, the determinations of the Committee as to noncompliance shall be in writing, signed by the Committee, and shall set forth in reasonable detail the reason for noncompliance. The Committee shall approve, approve with conditions, or disapprove an application or any part thereof. In all cases the ultimate responsibility for satisfying all local building codes and governmental requirements rests with the Owner. The Committee shall be held harmless from building requirements not complied with.



2.7.5. Exemptions and Variances from Committee Requirements. The Committee may, upon application, grant exemptions and variances from the rules and procedures of the Committee and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the Committee that the improvement or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Requests for an exemption or variance shall be submitted in writing to the Committee and shall contain such information, as the Committee shall from time to time require. The Committee shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the Owner of proper submission. The failure of the Committee to approve an application for an exemption or variance shall constitute disapproval of such application.

2.7.6. Failure of Owner to Comply. Failure of the Owner to comply with the rules and procedures of the Committee or the final application as approved by the Committee shall, at the election of the Association's Board exercised after thirty (30) days written notice to such Owner, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Lot, enforceable as provided herein and/or pursue any other remedy at law including, but not limited to, an action for specific performance.

Section 2.8. Notice and Quorum for Any Action Authorized. Written notice of any meeting called for the purpose of taking any action authorized under this Article 2 shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.



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ARTICLE 3

ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

Section 3.1. Owner's Covenants to Pay Assessments. By acquisition of any ownership interest in a Lot, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the Association, in advance, all general and specific assessments levied as provided herein.

Section 3.2. Association Budget. The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles, unless the Association decides to dispense with such principle. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including but not limited to all management and administration costs, operating and maintenance expenses of the Common Areas, and services furnished to or in connection with the Common Areas, including the amount of all taxes and assessments levied against, and the cost of liability and other insurance on, the Common Areas, and including charges for any services furnished by or to the Association; the cost of utilities and other services; and the cost of funding all reserves established by the Association. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Owner as provided hereafter. The Association may revise the operating budget after its preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association. When prepared, the operating budget shall be delivered to each Member, along with a copy of the general assessment against the Property described in Section 3.3, below.

Section 3.3. Levy of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine and levy in advance on every Owner a general assessment. The amount of each Owner's general assessment shall be the amount of the Association's operating budget divided by the sum of the number of Lots. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least 30 days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be open to inspection by any Owner upon reasonable notice to the Association. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that of the next period, shall not be deemed a waiver of modification in any respect of the provisions of this Article or a release by any Owner from obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment levied against the Owners and give notice to each Owner.

Section 3.4. Payment of General Assessment. Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semiannual, or annual basis. Any Owner may prepay one or more installments on any assessment levied by the Association without penalty.

Section 3.5 Nondiscriminatory Assessment. Except as provided in Section 5.1 hereof, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a two-thirds majority vote of the Board if, after notice from the Association of failure to maintain such Lot in a condition comparable to the other Lots has been given, the Association elects to expend funds to bring such Owner's Lot up to such comparable standard.

Section 3.6. Commencement of Assessments. Liability of an Owner for assessments shall commence on the earlier of (1) the first day of the month following the date upon which any instrument of transfer to such Owner becomes operative (such as the date of a deed or the date of a recorded real estate contract for the sale of any Lot) or (2) the first day of the calendar month following Owner's occupancy of such Lot. The Association may in its rules and regulations provide for an administratively convenient date for commencement of assessments that is not more than 90 days after the effective date established above. The due dates of any such assessment payments shall be fixed by the Association action authorizing such special assessment.

Section 3.7. Certificates of Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot are paid and current to the date stated therein. A reasonable charge may be made by the Association for the issuance of such certificate.

Section 3.8. Special Assessments. In addition to the general assessment authorized by this Article, the Association may, by Association Action, levy a special assessment or assessments at any time, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purpose as the Association may consider appropriate; provided, however, that any such special assessment in excess of \$250 per Lot must have the prior favorable vote of two-thirds of the Owners.

Section 3.9. Effect of Nonpayment of Assessment. If any assessment payment is not made in full within 6 months after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate set by the Board, not to exceed the highest rate then permitted by law, compounded monthly. By acceptance of a deed to a Lot, recording or a real estate contract therefore, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, the right and power to bring all actions against such Owner personally for the collection of such assessment as a debt, and to enforce the liens created by this Declaration in



favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and the Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.

Section 3.10. Lien to Secure Payment of Assessments. The Association has the perpetual power to create a lien in favor of the Association against each Lot, to secure to the Association the payment to it of all assessments, interest, costs, and attorneys' fees; and all Lots are subject perpetually to such power of the Association. Such lien shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association, and any such lien when created shall be a security interest in the nature of a mortgage in favor of the Association. Such lien shall become a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot which is charged with the payment of an assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot.

Section 3.11. Suspension for Nonpayment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the governing Documents of the Association for a period of 30 days, said Owner's voting rights shall without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner is relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot.

Section 3.12. Reserves for Replacement. As a common expense, the Association shall establish and maintain a reserve fund for replacement of the Common Areas and any improvements thereon. Such fund shall be deposited with a banking institution. The reserve fund shall be expended only for the purpose of effecting the replacement of the Common Areas and any improvements and community facilities thereon, and to any sidewalks, parking areas, or pathways developed as a part of South Cove, equipment replacement, and for operating contingencies of a nonrecurring nature. The Association may establish such other reserves for such other purposes as it may from time to time consider being necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned, or transferred from the Lot to which it appertains.

Section 3.13. Certain Areas Exempt. The Common Area Track and all dedicated roadways, walkways and the like, shall be exempt from assessments by the Association.



ARTICLE 4

SUBORDINATION OF LIENS

Section 4.1. Intent of Provisions. The provisions of this Article 4 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot.

Section 4.2. Mortgagee's Nonliability. The holder of a Mortgage shall not, by reason of its security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 4.3. Mortgagee's Rights During Foreclosure. During foreclosure of a Mortgage, including any period of redemption, the holder of the Mortgage may upon written notice to the Board exercise any or all of the rights and Privileges of the Owner of the encumbered Lot, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges; provided, however, that the Owner's rights shall prevail so long as the Owner is contesting, by judicial action, the Mortgagee right to foreclose the Mortgage.

Section 4.4. Mortgage as Owner. At Such time as a Mortgagee shall become the recorded Owner of the Lot previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 4.5. Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 4.6. Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any First Mortgage, and the Association will, upon request, execute a written subordination document to confirm such priority. The sale or transfer of any Lot or of any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot for purposes of realizing a security interest, liens shall arise against the Lot for any assessment payments coming due after the date of completion of foreclosure.

ARTICLE 5

USE COVENANTS, CONDITIONS, AND RESTRICTIONS

Section 5.1. Authorized Uses. Lots in South Cove shall be used solely for single residential purposes, and related facilities normally incidental to a residential community. No Lot or Tract shall be further subdivided, except as permitted in this Declaration without prior approval conferred by Association Action.

Section 5.2. Approval of Building or Clearing Plans Required. No house, garage, building, fence, deck, patio, wall, kennel, or other structure shall be commenced, erected, or maintained upon a Lot or any other portion of South Cove nor shall any exterior addition to or change or alteration therein be made, nor shall a Lot be cleared or excavated for use, nor shall any tree (with the exception of alder) 12 inches or more in diameter on any Lot, measured one foot above ground level, be cut, until after the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee. Any structure so approved must be completed as to external appearance, including finished staining, within six (6) months after the date construction is commenced unless the Committee elects to grant an extension. Although the Architectural Control Committee shall have full authority to approve or disapprove of any specific proposal, including the authority to grant exceptions to and variances from the requirements of this Article 5 pursuant to Subsection 2.7.5, above, the following general restrictions shall apply to South Cove:

5.2.1. Building Setbacks. No structures, filling, grading or obstruction, including but not limited to decks, patios, outbuildings or overhangs, shall be permitted beyond the Building Setback Lines or within any drainage easement area as shown on the face of the final plat or within any Common Area unless otherwise approved by the Committee and by the Thurston County Department of Public Works, Building and Land Development Division, and all other appropriate governing authorities. In addition, construction of fencing shall not be permitted beyond the Building Setback Lines unless otherwise approved by the Committee and by Thurston County Department of Public Works and all other appropriate governing authorities.

5.2.2. Building Materials. Each home constructed on a Lot shall be built of new materials except, with approval of the Architectural Control Committee, decorative items such as used brick, weathered planking, and similar items. All visible masonry shall be native stone, brick or stucco. The use of brick is mandatory on each home; at a minimum two hundred forty (240) square feet should be used on the side of the house facing the street on which the house is addressed. The use and location of the brick on the house is subject to review and approval by the Architectural Control Committee. Roofing and siding materials shall have a minimum of 30-year life expectancy when installed and be of "high quality" and "high grade". Roofing material shall have the appearance of shakes or tiles with significant, three-dimensional profile. Siding materials shall have the appearance



of horizontal lap boards or stucco. Types and colors of exterior paint and stain must be submitted to the Committee for approval.

5.2.3. Landscaping and Fencing. Front, side and rear yards shall be fully landscaped in accordance with the landscaping plans and specifications approved by the Architectural Control Committee, within twelve (12) months after the date construction of the home commences unless extended by the Committee. No fence and/or hedge erected/grown within the South Cove view areas shall be over six (6) feet in height. No barbed wire or corrugated fiberglass fences shall be erected on any Lot. The Association may construct and maintain fencing and landscaping on individual Lots within Tracts A, B, and C and at or near the border of the Eagle Management Protection Area for the alternate nest tree as defined on the Eagle Management Plan, and/or as shown on the face of the final plat, short plat or other analogous recorded plan or map. All fences/hedges, open and solid, are to meet the standards set by the Committee and must be approved by the Committee prior to construction.

5.2.4. Floor Area. Only one Single Family home shall be permitted on each Lot. Two-story or split-level homes shall include no less than 2,200 gross square feet of living space. One-story homes shall include no less than 1,800 gross square feet of living space. "Living space" shall not include porches, decks, balconies, garages, or outbuildings.

5.2.5. Contractor. No home may be constructed on any Lot by other than a contractor licensed as a general contractor under the statutes of the State of Washington without the prior approval of the Architectural Control Committee.

5.2.6. Driveways. All driveways and parking areas shall be paved with material approved by the Architectural Control Committee. All driveways and parking areas on a Lot shall be approved concrete from the residence of such Lot (measured in a radius from the garage door of such residence), extending 18 feet. The remaining distance to the dedicated or private roadways of the South Cove Plat shall be approved asphalt or concrete.

5.2.7. Yard Lamps. Each Owner shall install and maintain, at the sole expense of such Owner, at least one yard-lamp at the driveway entrance to the Lot for the purpose of street and driveway illumination. Said yard lamp shall be four (4) feet in height above the road grade, including lamp with base minimum height of 30 inches and minimum width of 20 inches on all sides, constructed of all brick, and with such lamp fixture as may be approved by the Architectural Control Committee. The yard lamps shall be three (3) feet from the edge of the Lot driveway and three (3) feet from the property line along the dedicated or private roadway. Such lamps shall be kept lighted during all periods of darkness.

5.2.8. Pruning and Vegetation Removal. No tree (with the exception of alder) outside the building footprint which are twelve (12) inches or more in diameter when measured one foot above ground shall be cut without the prior approval of the Committee.



The Owner must remove any tree, which in the opinion of a qualified forester or other qualified professional is a danger in its surroundings. Additionally, any tree which is, or which may grow to unreasonably obstruct the view of a neighbor, may be removed or topped by first requesting permission from, and securing written approval of the Owner, or if the Owner does not agree, with the approval of the Committee after an appropriate hearing, in either event, at the expense of the Owner requesting the removal or topping. The Committee's discretion in this regard shall be exercised with regard to both preservation of view and to retention of attractive trees and plantings. In addition, pruning of such trees by the Owners or Participating Builders within South Cove shall be permitted only upon prior written approval of the Architectural Control Committee. Such approval shall be granted only after the Committee has determined that the proposed pruning will not endanger soil stability, will not adversely affect the tree or trees to be pruned, and will not violate any applicable governmental rules and regulations and permits, or other binding restriction, including without limitation restriction contained on the face of the final plat, the Shoreline Management Act and in the Eagle Management Agreement. All Owners and Participating Builders shall comply fully with all such rules, regulations, agreements or other binding restrictions, and shall not rely on the Association in any way whatsoever for such compliance. Owners and Participating Builders shall take notice that the maintenance or removal of trees and other vegetation within 200 feet of the ordinary high water mark of Pattison Lake and within the Eagle Management Condition Zone is highly restricted. For example, no tree in excess of six (6) inches in diameter measured at breast height may be cut in the Eagle Management Condition Zone without the prior approval of the Department of Wildlife, except to place a house foundation. The Committee shall require that any such pruning be done in a competent and workmanlike manner. Notwithstanding the foregoing, the Association may, in addition, perform maintenance within any drainage easement or Common Area from time to time. Such maintenance may include the right to remove branches from large coniferous trees and to remove midstory growth. The right of the Association to perform such maintenance work may be exercised by or assignable to individual Owners.

Section 5.3. Leasing Restrictions. No Lot may be leased or rented by any party for a period of fewer than 30 days, nor shall less than the whole of any Lot be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease his Lot.

Section 5.4. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept; provided, however that dogs, cats, pond fish or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes. No domestic pet may be kept if it is a source of annoyance or nuisance. The Board shall have the authority to determine whether a particular pet is a source of annoyance or a nuisance, and such determination shall be final and conclusive. Pets shall be registered, licensed, and inoculated from time to time as required by law. Each owner shall be responsible for cleaning up any excrement or unclean or

unsanitary condition caused by that owner's animals. Animal keeping practices shall be consistent with Thurston County Henderson/Eld Inlet Geologically Sensitive Area Standards and Thurston County Ordinance No. 11198.

Section 5.5. Commercial Uses. No commercial enterprise, including itinerant vendors, shall be permitted on any Lot; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the judgment of the Association, cause substantially increased vehicle traffic or other disruption of the South Cove community and if the same is conducted in such a way as to be in no way apparent or disturbing to adjoining Owners; and provided further that no signs or advertising devices of any character shall be permitted.

Section 5.6. Vehicle Storage. No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from the street or from any Lot, except this shall not preclude temporary (less than 72 hours) parking of vehicles on the designated driveway areas adjacent to garages on the Lots. Upon 48 hours notice to the owner of an improperly parked or stored vehicle, boat, or other equipment, the Association has authority to have removed at the Owner's expense any such items visible from the street that are parked on any Lot or within the public right-of-way for more than 72 hours. This section does not preclude personal vehicles (cars, pickups, mini vans, SUV's) from being parked in open view in the driveway, provided the vehicle does not block a sidewalk.

Section 5.7. Garbage. Each Lot and all improvements thereon shall be maintained free of litter, junk or unsightly containers, equipment, appliances, or other materials, trash, refuse, dead or fallen trees, dead or unsightly underbrush, junk or unsightly vehicles, and accumulation of building materials and equipment, with regard both to the appearance presented thereby and danger of fire and other hazards to health created thereby; provided, however, that the reasonable storage of materials and equipment on a building site, during construction and necessary thereto, shall be allowed. All refuse shall be kept in sanitary containers, which shall be concealed from view and regularly emptied. Garbage and rubbish shall be regularly and promptly removed, unless properly composted. With the exception of the yard waste container, such removal shall be handled so that no garbage can or other receptacle will be visible from any place outside the Lot on which the same is located, except after 5:00 p.m. the day before or on days of trash collection. Yard waste containers may be stored in plain view of the street. The Association may establish a location and facility for the temporary storage of recyclable materials.

Section 5.8. Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 5.9. Mining Prohibited. No portion of South Cove shall be used for the purpose of boring, mining, quarrying, or exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

Section 5.10. Signs. Except for entrance, street, directional, traffic control, safety signs, political signs, signs identifying a construction contractor working on a particular home, and such promotional signs as may be maintained or approved by the Association, no signs or advertising devices of any character shall be posted or displayed in South Cove; provided, however, that real estate, for sale, and for rent signs, not exceeding 6 square feet in area may be erected upon any Lot or attached to any residence placed upon the market for sale, rent, or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or residence

Section 5.11. No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon South Cove which may damage or interfere with any drainage easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area unless specifically approved by the Architectural Control Committee

Section 5.12. Antennas. With the exception of small dish antennas, as defined by the Board of Directors or Architectural Control Committee, no external antennae, free-standing antenna towers, or satellite reception disks of any kind shall be permitted in South Cove.

Section 5.13. Water. Water shall not be extracted from any creek or lake, for irrigation or any other purpose. All residences shall be connected to the water system administered by Pattison Water Company, or its successor.

Section 5.14. Septic Systems. All septic systems serving the Lots must be professionally designed and must meet all requirements of Thurston County and the Architectural Control Committee. Lot Owners shall provide the Committee with site plans showing the location of the drainfield on the Lot. No lot clearing or grading shall be commenced until Thurston County and the Committee have granted approval of the septic system.

Section 5.15. Owners' Maintenance Responsibilities. The Maintenance, upkeep, and repair of individual Lots and homes shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers or directors. Owners shall maintain their Lots and homes in good repair and in clean, sightly, and sanitary condition at all times. Without limitation as to the foregoing, each Owner shall be obligated to keep his Lot and home in a clean, sightly and sanitary condition and maintain the landscaping on his Lot in a healthy and attractive state and in a manner comparable to that on the other Lots in South Cove. No storage of firewood shall be permitted in front yards. Every owner of a lot not developed with a building, shall submit a landscape maintenance plan to the Board for approval. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so maintain his home or Lot, and after approval of a two-thirds majority vote by the Board or other Association committee to which such oversight responsibility shall have been delegated, the Association shall have the right, through its agents and employees, to enter upon any Lot which has been found to violate the foregoing standards in order to restore the

home or Lot to such standards. The cost of such work shall be a special assessment on such Owner and his Lot only.

Section 5.16. Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, trays, or any other like weapon, shall be carried on the South Cove common areas or shall be used or discharged within South Cove except by authorized governmental officials. No hunting shall be permitted within South Cove.

Section 5.17. Nuisances Prohibited. No noxious or offensive activity shall be conducted in any portions of South Cove, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington, Thurston County, or any other applicable governmental entity. Nothing shall be done or maintained on any portion of South Cove, which may be or become an annoyance or nuisance to the neighborhood or detract from the value of the South Cove community. The Association shall determine by Association Action whether any given use of a Lot unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots, or of the Common Areas, and such determination shall be final and conclusive.

Section 5.18. Eagle Management Condition Zone. Lots 31, 32, and 33 lie within the Eagle Management Condition Zone. Site plans for these lots are subject to the reviews of the Washington Department of Wildlife. Restrictions on development of lots within the Eagle Management Condition Zone are set forth in the Eagle Management Plan, a copy of which may be obtained from the Thurston County Auditor as recorded under file number 9011280292.

Section 5.19. Shoreline Management Area. The basic setbacks for residential structures shall be one hundred (100) feet from the ordinary high-water mark in the Shoreline Management Area. A buffer of existing ground cover must be maintained in the area between the ordinary high-water mark and twenty (20) feet from the structure. The removal of trees and other vegetation shall be kept to an absolute minimum in constructing a residence in the Shoreline Management Area. This would prohibit cutting out areas for a view, lawn or garden. However, view enhancement by means of trimming and pruning of trees will be allowed, as otherwise set forth herein.

Section 5.20. General View Preservation. Notwithstanding the compliance of plans with all other provisions of this Declaration, the Committee may require the placement of a planned house on a Lot, and its height, to be modified for the purpose of preserving light, air and view afforded structures on surrounding Lots; provided, however, that such altered placement or height not substantially decrease the utility of the Owner's Lot, or substantially increase his expense as a percentage of his overall improvement costs.

Section 5.21. Swimming Pools. All swimming pools and related structures shall be constructed according to accurate plans, therefore having the prior approval of the Committee. In reviewing the same, the Committee shall give consideration to the resulting altered appearance of the area, adequacy of fencing for the security of children, and reasonable preservation of quiet



neighbors. Pools shall be set back at least ten (10) feet from property lines measured from the inner wall of the tank.

Section 5.22. Relief from Certain Provisions. In cases where an Owner has made a factual showing that strict application of the provisions of Sections 5.4, 5.5, 5.6, 5.10, and 5.12 only of this Article (regulating animals, commercial uses, vehicle storage, signs and antennae, respectively) would work a severe hardship upon him, the Board by Association action may grant the Owner relief from any of such provisions; provided, however, that such relief shall be limited by in scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board violate the provisions of Section 5.17 of this Article. The decision of the Board in granting or denying such relief shall be final and conclusive. Nothing in this Section 5.22 shall diminish the authority of the Committee to grant variances and exceptions for matters within its purview as more fully described in Subsection 2.7.5, above.

ARTICLE 6

COMMON AREAS

Section 6.1. Title To Common Areas. Every Common Area shall be subject to an easement of common use and enjoyment in favor of the Association and Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents. Such easement shall be appurtenant to and shall not be separated from ownership of any Lot and shall not be assigned or conveyed in any way except upon the transfer of title to such Lots, and then only to the transferee of such title and shall be deemed so conveyed whether or not it shall be so expressed in the deed or other instrument conveying title. Certain rights of use, ingress, egress, occupation, and management authority in the Common Areas set forth elsewhere in this Declaration shall be reserved to the Association.

Section 6.2. Owners' Common Rights. Owners shall have equal rights to use the Common Areas, unless certain Common Areas are specifically designated as limited Common Areas for the exclusive use of a particular Lot or Lots on the face of a final plat, short plat, or other analogous plan or map, or in an amendment to this Declaration or in a Supplementary Declaration. All easements for ingress, egress, utilities, and use of the facilities, unless other specifically limited, shall exist in favor of all Owners.

Section 6.3. Maintenance of Common Areas. The Association shall maintain, repair, replace, improve, and otherwise manage all of the Common Areas so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association action to promote the recreation, health, safety, and welfare of the Owners. The Association is specifically granted the right to assess the Owners for such costs as provided in sections 3.3 and 3.8 hereof.

Section 6.4. Waterfront Community Area. Subject to rules and regulations duly authorized by the Association, the Waterfront Community Area of South Cove, shall be available for the common use and enjoyment of the Owners; provided, however, that:

*changed
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~~6.4.1. Boats. Canoes, kayaks, rowboats, inflatable rafts, sailboats, sailboards, motorized watercraft up to twenty-two (22) feet in length shall be permitted on the Waterfront Community Area. The Association may adopt rules and regulations to restrict certain types or sizes of watercraft and use of all Community facilities in the Common Areas, including without limitation to any dock to be constructed and attached thereto. Boats not in actual use may not be anchored or stored on the Waterfront Community Area.~~

6.4.2. Fishing: Stocking of Waterfront Community Area. Fishing shall be permitted in the Waterfront Community Area in accordance with state and local laws and relations. The stocking of fish in the Waterfront Community Area shall not be permitted without the prior written approval of the Association, the Fish Management Division of



the Washington State Department of Wildlife, and all other Governmental authorities having jurisdiction.

6.4.3. Maintenance. Owners shall prevent any waste, unsanitary, or hazardous materials from being deposited in the lake waters, storm drains, or community watershed areas, in addition to the Waterfront Community Area in order to preserve the flow and cleanliness of the water.

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ARTICLE 7

INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 7.1. Insurance Coverage. The Association shall obtain and maintain at all times as an Association expense a policy or policies and bonds written by companies licensed to do business in Washington required to provide:

7.1.1. Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of landscaping and improvements located in the Common Areas, with the Association named as insured as trustee for the benefit of Owners and Mortgagees as their interests appear.

7.1.2. General comprehensive liability insurance insuring the Association and the Owners against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.

7.1.3. Worker's compensation insurance to the extent required by applicable laws.

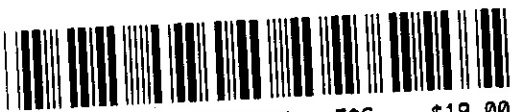
7.1.4. Fidelity coverage naming the Association as an obligee to protect against dishonest acts by the Board, Association officers, committees, managers, and employees or any of them, and all others who are responsible for handling Association funds, in an amount equal to three months general assessments on all Lots, including reserves.

7.1.5. Such other insurance as the Association deems advisable, provided that, notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Governmental National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and Veterans Administration, so long as any of them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived in writing by such agencies.

Section 7.2. Casualty Losses. In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.



Section 7.3. Condemnation. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the holders of all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

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ARTICLE 8

ENFORCEMENT

Section 8.1. Right to Enforce. The Association or any Owner shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. The Board shall have the right to levy fines as set by the Board by resolution from time to time for violations of these covenants. Such fines shall constitute a continuing lien against the property, which may be enforced pursuant to Articles 3 and 5. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.2. Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies proved by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 8.3. Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons, their heirs, executors, administrators, successors, grantees, and assigns who are purchasing, leasing, subleasing, or otherwise occupying any portion of South Cove. All instruments, granting or conveying any interest in any Lot shall be subject to this Declaration.

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ARTICLE 9

AMENDMENT AND REVOCATION

Section 9.1. Amendment by Association. This Declaration may be amended at any time by an instrument executed by the Association for and on behalf of the Owners, provided, further, that no such amendments shall be received without the prior approval of a vote of the Owners having 60 percent of the total outstanding votes in the Association. Notwithstanding any of the foregoing, the prior written approval of a majority of all Mortgagees who have requested from the Association notification or amendments, shall be required for any material amendment to the Declaration or the Association's Bylaws of any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; reallocation of interest of the Common Areas, or rights to their use; convertibility of Lots into Common Areas or of Common Areas to Lots; leasing of Lots other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his Lot; any action to terminate the legal status of the South Cove Homeowners' Association after substantial destruction or condemnation occurs; or any provisions, which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages.

Section 9.2. Effective Date. Amendments shall take effect only upon recording with the Thurston County Departments of Records and Elections or any successor recording office.

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mailed to all Owners prior to their effective date. The secretary of the Association shall retain a copy of the rules and regulations then in force.

Section 2.7. Architectural Control Committee. To assist the Board of Directors with architectural control, the Board may establish/appoint a three (3) member Architectural Control Committee. The committee members, who need not be members of the Association, shall hold office at the pleasure of the Board.

2.7.1. Jurisdiction and Purposes. The committee shall review proposed plans and specifications for construction of all residences and other structures within South Cove, and including any additions, exterior alterations, landscaping, clearing, painting and excavation. The Owner shall submit architectural and landscaping plans and specifications to the Committee for its review, together with a site plan for the Lot showing the location of the sewer disposal drainfield approved by the appropriate governing authorities

2.7.2. Approval Procedures. A preliminary application for approval must be submitted in writing by the Owner to the Committee through the current Board of Directors. Within fifteen (15) days following receipt of a preliminary application, the Committee shall notify the Owner in writing as to whether the application is complete and, if not, of any additional information that may be required before the Committee can review the application. The Committee shall review the application in accordance with the provisions of this Section 2.7 as soon as possible after a complete application has been filed. The decision of a majority of the members of the Committee shall be the decision of the Committee. One copy of approved plans will remain in the committee's files, held by the Secretary of the Board of Directors. All disapproved plans will be returned to the Owner.

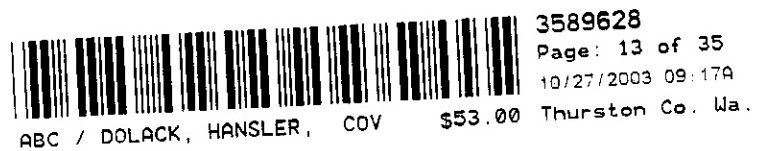
2.7.3. Failure of Committee to Take Action. Except as Provided in Section 2.7.0 below, in the event that the Committee fails to respond to an Owner's complete and properly submitted application within thirty (30) days after the Committee has notified the Owner that the application is complete, formal written approval will not be required, and the provision for approval shall be deemed to have been fully complied with.

2.7.4. Committee's Obligation. The Committee, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various Owners for consideration in accordance with the provisions of this Declaration. Further, the determinations of the Committee as to noncompliance shall be in writing, signed by the Committee, and shall set forth in reasonable detail the reason for noncompliance. The Committee shall approve, approve with conditions, or disapprove an application or any part thereof. In all cases the ultimate responsibility for satisfying all local building codes and governmental requirements rests with the Owner. The Committee shall be held harmless from building requirements not complied with.

2.7.5. Exemptions and Variances from Committee Requirements. The Committee may, upon application, grant exemptions and variances from the rules and procedures of the Committee and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the Committee that the improvement or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Requests for an exemption or variance shall be submitted in writing to the Committee and shall contain such information, as the Committee shall from time to time require. The Committee shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the Owner of proper submission. The failure of the Committee to approve an application for an exemption or variance shall constitute disapproval of such application.

2.7.6. Failure of Owner to Comply. Failure of the Owner to comply with the rules and procedures of the Committee or the final application as approved by the Committee shall, at the election of the Association's Board exercised after thirty (30) days written notice to such Owner, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Lot, enforceable as provided herein and/or pursue any other remedy at law including, but not limited to, an action for specific performance.

Section 2.8. Notice and Quorum for Any Action Authorized. Written notice of any meeting called for the purpose of taking any action authorized under this Article 2 shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.



ARTICLE 10

GENERAL PROVISIONS

Section 10.1. Taxes. Each Owner shall pay without abatement, deduction or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against his Lot, or personal property located on or in the Lot. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

Section 10.2. Transfer of Certain Utilities, Utility Repair Easement. Declarant, with the approval of the Board, may transfer and convey any sewer, water, storm drainage, or other general utility improvement in South Cove to any public or private body for ownership and maintenance, together with any necessary easements relating thereto, and each Lot shall become burdened and benefited thereby.

Section 10.3. Non-Waiver. No waiver of any breach of the Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.

Section 10.4. Attorneys' Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney's fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 10.5. No Abandonment of Obligation. No Owner, through his non-use of any Common Area, or by abandonment of his Lot, may avoid or diminish the burdens or obligations imposed by this Declaration.


Section 10.6. Interpretation. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration.


Section 10.7. Severability. Invalidation of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.

Section 10.8. Notices. All notices, demands, or other communications ("notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested, shall be deemed given three days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices

shall be deemed given on the date of actual receipt. Notice to any Owner may be given at any Lot owned by such Owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one Owner of a Lot, Notice to any one such Owner shall be sufficient. The address of the Association shall be given to each Owner before or at the time he becomes an Owner. If the address of the Association shall be changed, Notice shall be given to all Owners. If this Declaration calls for the approval of a party, including without limitation, the Association, the Architectural Control Committee, or an Owner, it shall not be effective unless set forth in writing and signed by such party.

Section 10.9. Applicable Law. This Declaration shall be construed in all respects under the laws of the State of Washington.

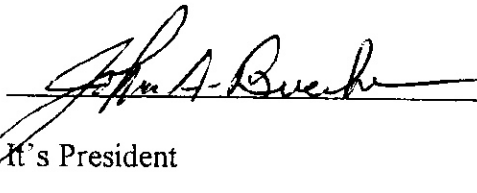
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ABC / DOLACK, HANSLER, COV \$53.00 Thurston Co. Wa.

THE UNDERSIGNED EXECUTES THIS DOCUMENT IN HIS/HER REPRESENTATIVE CAPACITY OF THE ASSOCIATION, PURSUANT TO SECTION 9.1 ABOVE, INDICATING THAT THE AMENDMENTS TO THE ORIGINAL DECLARATION OF COVENANTS EXECUTED ON 01/22/03 HAVE BEEN DULY PASSED BY THE MEMBERSHIP IN COMPLIANCE WITH SECTION 9.1.

IN WITNESS WHEREOF, the undersigned have executed this declaration the day and year first above written.

South Cove Homeowners' Association, A Washington Non-profit Corporation

By  08/06/03
It's President date



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EXHIBIT A
LEGAL DESCRIPTION

That parcel conveyed to K.W. Properties, L.P. by quitclaim deed dated July 10, 1990. And recorded under auditor's file no. 9007180168, records of Thurston County, Washington, more particularly described as follows: that part of section 2, township 17 north, range 1 west, W.M., described as follows:

Beginning at the northeast corner of lot 3 of said section 2 and running thence west 330 feet; thence north $54^{\circ} 47'$ west 397 feet more or less, to the line of ordinary high water of Pattison Lake; thence in a north-easterly direction along the line of ordinary high water of said lake, 298 feet, more or less, to an east and west line through a point 413.85 feet north of the place of beginning; thence east 430 feet, more or less, to a point north of the place of beginning, thence south 413.85 feet to said place of beginning. Together with all shorelands of the second class situate in front of, adjacent to or abutting upon said tract. Except: Beginning at the northeast corner of government lot 3, section 2, township 17 north, range 1 west, W.M., thence west 50.00 feet thence north 313.85 feet; thence west to the line of ordinary high water of Pattison Lake, thence northeasterly along the line of ordinary high water of said lake to an east and west line which is 413.85 feet north of the point of beginning; thence east 430 feet more or less to a point north of the point of beginning thence south 413.85 feet to the point of beginning.

Also:

That part of section 2, township 17 north, range 1 west, W.M., described as follows:

Beginning at a point on the extended north line of government lot 3, north $88^{\circ} 07' 04''$ west 624.40 feet distant of the northeast corner thereof. Thence south $1^{\circ} 37' 15''$ west 1322.79 feet to a point on the south line of said government lot, said point bears north $88^{\circ} 19' 54''$ west 626.78 feet distant of the southeast corner thereof; thence north $88^{\circ} 19' 54''$ west 713.94 feet to the southwest corner of said government lot 3; thence north $1^{\circ} 29' 50''$ east along the west line thereof to the line of ordinary high water of Pattison lake; thence northeasterly along the line of ordinary high water to a point on the extended north line of said government lot 3, said point lying north $88^{\circ} 07' 04''$ west of the point of beginning; thence south $88^{\circ} 07' 04''$ east to the point of beginning; together with any shorelands lying in front thereof.

Also:

That part of section 2, township 17 north, range 1 west, W.M., described as follows: beginning at a point on the north line of government lot 3 of said section 2, said point bearing north $88^{\circ} 07' 04''$ west 292.38 feet distant of the northeast corner thereof; thence north $52^{\circ} 39' 56''$ west 413.2 feet more or less to the line of ordinary high water of Pattison Lake; thence southwesterly along said line of ordinary high water to a point on the extended north line of said government lot 3, said point lying north $88^{\circ} 07' 04''$ west of the point of the beginning; thence south $88^{\circ} 07' 04''$ east along the extended north line of said government lot 3 to the point of beginning. Together with any shoreland lying in front thereof.

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Also:

That portion of government lots 4 and 5 and of the west one-half of the southwest quarter of the southeast quarter and the southeast quarter of the southwest quarter lying north of the Olympia-Yelm Highway and east of the Kelly Beach Road as shown on survey recorded in volume 4, page 152, Thurston County Auditor's file no. 965036, all in section 2, township 17 north, range 1 west, W.M. Except Kelly's Maple Beach according to the plat recorded in volume 11 of plats, page 43 and except that portion of government lot 4, section 2, township 17 north, range 1 west, W.M., described as follows:

Beginning at a concrete monument marking the southeast corner of lot 31 of Kelly's Maple Beach; thence south $53^{\circ} 05' 26''$ east 44.5 feet; thence south $8^{\circ} 29' 34''$ west, 57.3 feet to the south line of the road along the southerly side of Kelly's Maple Beach plat, and the point of true beginning of this description; thence south $8^{\circ} 29' 34''$ west 866 feet to the north line of the road known as the Yelm road; thence along this north line of the Yelm Road, west 50 feet; thence north $8^{\circ} 29' 34''$ east 800 feet; thence north $22^{\circ} 02' 26''$ west 129.2 feet to the southerly line of the road along the southerly side of Kelly's Maple Beach Plat, thence along this south line of Maple Beach Road south $53^{\circ} 05' 26''$ east 132.3 feet to the point of true beginning and except county roads.

Excepting therefrom that portion lying northerly and easterly of the following described line:

Commencing at the east quarter corner of section 2; thence along the east/west centerline of said section north $88^{\circ} 05' 26''$ west 1965.88 feet; thence south $1^{\circ} 40' 44''$ west 515.70 feet to the point of beginning of this described line; thence at right angles to the last described line north $88^{\circ} 19' 16''$ west 254.68 feet; thence north $43^{\circ} 12' 44''$ east 65.33 feet; thence along the tangent curve to the left, having a radius of 215 feet and a central angle of $41^{\circ} 32' 00''$; thence north $1^{\circ} 40' 44''$ east 138.39 feet; thence north $88^{\circ} 19' 16''$ west 30.00 feet; thence north $28^{\circ} 54' 02''$ west 146 feet, more or less, to the line of ordinary high water and the terminus of this described line.

Excepting also the shorelands adjacent to and abutting upon the above described excepted portion.

Situate in Thurston County, State of Washington.



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