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RESTATED AND AMENDED
DECLARATION
OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS AFFECTING
CORMORANT PASSAGE DIVISION II

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RESTATED AND AMENDED
DECLARATION
OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS AFFECTING
CORMORANT PASSAGE DIVISION II

WHEREAS, BenjFran Development, Inc., an Oregon corporation, hereinafter referred to as "Declarant", and the other undersigned owners are owners of certain real property situated in the Town of Steilacoom, in the County of Pierce, State of Washington, known as CORMORANT PASSAGE DIVISION II; and

WHEREAS, CORMORANT PASSAGE DIVISION II is a duly recorded plat; and

WHEREAS, the Declarant has declared of public record the Declaration of certain Protective Covenants, Conditions and Restrictions upon the ownership of said real property under Pierce County Recording Number 8709300556 in Volume 45, pages 1223 through 1235 inclusive; and

WHEREAS, the undersigned are presently the owners of more than seventy-five percent (75%) of the Lots in Cormorant Passage Division II; and

WHEREAS, Declarant desires to restate and amend the Declaration referred to above;

NOW, THEREFORE, the Declarant hereby revokes and removes the Declaration recorded under Pierce County Recording Number 8709300556 and substitutes the following Protective Covenants, Conditions and Restrictions in their place. The provisions of this Restated and Amended Declaration are identical to the original Declaration except for the addition of Section 5 (Owner's Association) which is a new section. These Covenants, Conditions and Restrictions:

A. Shall become and are hereby made a part of all conveyances of the Lots numbered one (1) through thirty-eight (38) inclusive, within the plat of CORMORANT PASSAGE DIVISION II, recorded on the 23rd day of September, 1987, in Volume 448 of Plats at page(s) 3033-3034 of the Records of Pierce County Auditor, Pierce County, State of Washington; and

B. Shall by reference become a part of any such conveyances and shall apply thereto as fully and with the same affect as if set forth at large therein.

SECTION 1 - DEFINITIONS

1.1 "Declarant" shall mean the BenjFran Development, Inc., an Oregon corporation, its successors and assigns.

1.2 "Owner" shall mean the owner of record, whether one or more persons or entities of a fee simple title to any Lot which is a part of CORMORANT PASSAGE DIVISION II, including contract sellers.

1.3 "CORMORANT PASSAGE DIVISION II" shall mean all real property now and hereafter contained in the plat of CORMORANT PASSAGE DIVISION II.

1.4 "Lot" shall mean plots of land designated for residential use within CORMORANT PASSAGE DIVISION II and identified on the plats thereof by Arabic numerals.

1.5 "These Covenants" shall mean the Protective Covenants, Conditions and Restrictions as set forth in this Declaration with respect to CORMORANT PASSAGE DIVISION II, together with the Architectural Control Committee Rules as set forth in Section 4 hereof, as the same may be amended and supplemented from time to time in accordance with the provisions of the Declaration.

SECTION 2 - PROPERTIES SUBJECT TO THESE COVENANTS

2.1 CORMORANT PASSAGE DIVISION II. The Declarant hereby declares that all of the real property described below is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied and improved subject to these Covenants:

The real property identified and contained by that certain plat entitled CORMORANT PASSAGE DIVISION II recorded on the 23rd day of September, 1987, in Volume 448 of Plats at Pages 3033-3034 of the records of Pierce County Auditor, Pierce County, State of Washington.

The above described real property, together with other real property from time to time annexed thereto and made subject to these Covenants pursuant to Section 2.2, shall constitute the real property known as CORMORANT PASSAGE DIVISION II.

2.2 Annexation of Subsequent Developments. The Declarant may from time to time and in its sole discretion annex to CORMORANT PASSAGE DIVISION II any adjacent real property now or hereafter acquired by it, and may also from time to time and in its sole discretion permit owners of adjacent real property to annex adjacent real property owned by them to CORMORANT PASSAGE DIVISION II. The annexation of such adjacent real property shall be accomplished as follows:

2.2.1 The owner or owners of such real property shall record a Declaration which shall be executed by or bear the approval of the Declarant and which shall, among other things, describe the real property to be annexed and declare that such real property is owned and shall be improved subject to these Covenants.

2.2.2 The real property so annexed shall thereby become a part of CORMORANT PASSAGE DIVISION II. The Declaration with respect thereto shall become a part of these Covenants.

2.2.3 Notwithstanding any provision apparently to the contrary, a Declaration with respect to any annexed real property may:

2.2.3.1 Establish such new land classifications and such protective covenants, conditions and restrictions with respect thereto as the Declarant may deem to be appropriate for the development of the annexed real property.

2.2.3.2 With respect to existing land classification, establish such additional or different protective covenants, conditions and restriction with respect thereto as the Declarant may deem to be appropriate for the development of such annexed real property.

SECTION 3 - GENERAL PROTECTIVE COVENANTS

3.1 Residential Use. All Lots in CORMORANT PASSAGE DIVISION II shall be used only as residential Lots. No structures of any kind shall be erected or permitted to remain on any Lot other than single family residences and structures normally accessory to such residences, excepting the right of any home-builder and the Declarant to use any single family residence as a sales office or model homes for purposes of sales in CORMORANT PASSAGE DIVISION II.

3.2 Business and Commercial Uses. No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot, excepting the right of any homebuilder and the Declarant to construct residences on any Lot, to store construction materials and equipment on said Lots in the normal course of said construction, and to use any single family residence as a sales office or model home for purposes of sales in CORMORANT PASSAGE DIVISION II. No activity shall be engaged in on any Lot which is or may become an annoyance or nuisance to the surrounding Owners, excepting the construction of single family residences on any Lot.

3.3 Temporary and Mobile Structures. No outbuildings erected or placed on any Lot, nor similar structures of a temporary character, nor any mobile home shall at any time be used as a residence, whether temporarily or permanently.

3.4 Rubbish and Trash. No Lot shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings and dirt and other material resulting from landscaping work shall not be dumped onto streets or any Lots.

3.5 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.

3.6 Vehicles in Disrepair. No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot or on any street for a period in excess of forty-eight (48) hours. A vehicle shall be deemed to be in an "extreme state of disrepair" when its presence offends the occupants of the neighborhood.

3.7 Offensive Activities. No noxious or offensive activity shall be carried on within any Lot, nor shall anything be done or placed upon any Lot which interferes with or jeopardizes any Owner's use and enjoyment of his Lot in CORMORANT PASSAGE DIVISION II.

3.8 Animals. No animal or fowl of any kind shall be raised, bred or kept on any Lot. However, cats, dogs, birds or other household pets may be kept if they are not bred or maintained for any commercial purpose. In no event shall any pets

be kept in numbers or under conditions which interfere with or jeopardize any Owner's use and enjoyment of his Lot in CORMORANT PASSAGE DIVISION II.

3.9 Parking. Parking of boats, trailers, motorcycles, trucks, truckcampers and like vehicles and equipment shall not be allowed on any Lot, nor on public ways adjacent thereto, except within the confines of an enclosed garage or screened area.

3.10 Off-Street Parking. Adequate off-street parking for at least four cars shall be provided on each Lot. Each residence shall have a two (2) car garage or carport and space for parking at least two (2) vehicles on the driveway. No vehicle shall be permitted to park on public right-of-way within parking facilities for a period exceeding twenty-four (24) hours.

3.11 Signs. No signs shall be erected or maintained on any Lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner, the Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches in height and thirty-six (36) inches in length, may be temporarily displayed on any Lot.

3.12 Dwelling Size. The ground floor area of a one-story dwelling, exclusive of open porches and garage shall be not less than 1,500 square feet. In the case of a two-story dwelling, the lower or ground floor level shall not be less than 1,000 square feet. In the event of a multi-level dwelling, the area of the one-story portion shall constitute a minimum of 1,300 square feet. A split entry or split foyer-type home and a daylight basement home shall have a main floor area of not less than 1,300 square feet.

3.13 Building Setbacks. No building shall be located on any Lot nearer the front, rear or side Lot lines than as permitted by the Town of Steilacoom Ordinances. In any event, no building shall be located on any Lot nearer than 20 feet to the front line, or nearer than 15 feet to any side street line or nearer than 25 feet to the rear Lot line. For purposes of these Covenants, eaves, steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

If the Town of Steilacoom grants an official variance to the setback requirements for any given Lot, the Architectural Control Committee (Section 4) may take said variance into consideration and grant a similar variance in setbacks if the following findings are made by said Architectural Control Committee.

3.13.1 The setback variance shall not constitute a grant of special privilege inconsistent with the limitations upon uses of other properties in CORMORANT PASSAGE DIVISION II; and

3.13.2 That the granting of such variance will not be detrimental to the public health, safety, comfort, convenience and general welfare, will not adversely affect the established character of the surrounding neighborhood, and will not be injurious to the property or improvements in CORMORANT PASSAGE DIVISION II; and

3.13.3 That such variance is necessary, because of special circumstances relating to the size, shape, topography, location or surroundings of the subject property, to provide it with use right and privileges permitted to other properties in CORMORANT PASSAGE DIVISION II.

3.14 Building Height Limitations. House heights are limited to 30 feet or less for two-story or 20 feet or less for one-story houses. Heights are measured from the lowest exposed point on the concrete foundation.

3.15 Fences. No fence or screening structure shall be erected on any Lot without the prior approval of the Architectural Control Committee. In no event shall side-yard fences project beyond the front walls of any dwelling or garage. In no event shall any fence exceed six (6) feet in height from the finished Lot grade.

To create consistency, fences constructed on those Lots bordering Cormorant Drive (Lots 1, 5, 6, 10, 11, 25, 26, 32, 33, 34 & 38) shall be constructed in accordance with the plans and specifications on file with the Architectural Control Committee.

3.16 Exterior Finish. 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, existing structures and landscaping within CORMORANT PASSAGE DIVISION II. No plywood siding of any type may be used in construction or reconstruction. All exterior colors shall be of the flat, non-gloss type and shall be limited to subdued tones. Roofs on all residences shall be covered with cedar shingles, cedar shakes, or tile roofing. All exterior finishes must be approved by the Architectural Control Committee in accordance with the provisions of Section 4. 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 structures they adjoin.

3.17 Exterior Lighting. Any exterior lighting which is visible from any street or any other Lot in CORMORANT PASSAGE DIVISION II must be approved prior to installation by the Architectural Control Committee in accordance with the provisions of Section 4.

3.18 Completion of Construction. The construction of any building on any Lot, including painting and all exterior finish, shall be completed within six (6) months of the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Control Committee. The building area shall be kept reasonably clean and in workmanlike order during the construction period. All Lots shall be kept in a neat and orderly condition, free of brush, vines, weeds and debris. Grass thereon shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.

3.19 Landscape Completion. All front yard landscaping must be completed within ninety (90) days of completion of construction or 30 days following occupancy of the residence constructed thereon, whichever is sooner. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval by the Architectural Control Committee.

3.20 Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved over the front five (5) feet and two and one-half (2.5) feet along portions of certain Lots, all of record. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

3.21 Antennae and Service Facilities. Exterior antennae or satellite receiving stations visible from the street in front of a Lot shall not be permitted to be placed upon any Lot or on the roof of any structure. Clothes lines and other service facilities shall be screened so as to not be viewed from the street.

SECTION 4 - ARCHITECTURAL CONTROL COMMITTEE

4.1 Approval of Building Construction. In the case of new construction or substantial reconstruction of a dwelling, the Owner shall prepare and submit to the Architectural Control Committee such plans and specifications for the proposed work as the Committee may require. Material required by the Committee must include, but not necessarily be limited to two complete sets of the following:

4.1.1 A plot plan indicating location of all improvements;

4.1.2 Working drawings and specifications for all construction;

4.1.3 Drawings showing plan view, elevations, exterior material and exterior color scheme of all improvements.

The Architectural Control Committee shall render its decision in writing to the applicant with respect to the construction within fifteen (15) working days after it has received all material required by it with respect thereto.

4.2 Approval of Additions and Remodeling. In the case of minor additions or remodeling, changes in existing color scheme or exterior material, fence construction or any other work not referred to in paragraph 4.1 above, the Owner shall submit to the Architectural Control Committee plans and specifications for the proposed work. As set forth in paragraph 4.1 above, a written decision on the proposed construction shall be rendered to the applicant within fifteen (15) working days after receipt by the Committee of the proposal.

4.3 Effective Period of Consent. The Architectural Control Committee's consent to any proposed work shall be automatically revoked one year after issuance unless construction of the work has been commenced or the Owner has applied for and received written extension of the time from the Architectural Control Committee.

4.4 Procedure. In the event the Committee fails to render its approval or disapproval within thirty (30) working days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be rendered and the related covenants shall be deemed to have been fully complied with.

4.5 Membership; Appointment and Removal. The Architectural Control Committee, hereinafter referred to as Committee, shall consist of as many persons, but not less than three, as the Declarant may from time to time appoint. The Declarant may remove any member of the Committee from office at any time and may appoint new or additional members at any time. The Declarant shall keep on file at its principal office a list of names and addresses of the members of the Committee. A member of the Committee shall not be entitled to any compensation for services performed pursuant to these Covenants. The Architectural Control Committee shall exist perpetually or until such time as the members of the Architectural Control Committee dissolve such committee or until such time as the members of the Architectural Control Committee offer to the then recorded Owners of the Lots within CORMORANT PASSAGE DIVISION II positions on the Committee to be vacated by the then present members of the Committee. In any such case as aforesaid, the actions and decisions of the Committee shall be absolute.

4.6 Liability. Neither the Architectural Control Committee nor any member thereof shall be liable to any Owner, occupant, builder or developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member thereof, provided only that the member has, in accordance with the actual knowledge possessed by him, acted in good faith.

4.7 Action. Except as otherwise provided herein, any two members of the Architectural Control Committee shall have power to act on behalf of the Committee, without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

4.8 Nonwaiver. Consent by the Architectural Control Committee to any matter proposed by it and within its jurisdiction under these Covenants shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

SECTION 5 - OWNERS' ASSOCIATION - VOTING - BYLAWS

The Association shall be a nonprofit corporation. The rights and duties of the members and of such corporation shall be governed by the provisions of this Declaration. The Associa-

tion may use the name "CORMORANT PASSAGE DIVISION II Association," or such other names as may be selected by the Board of Directors.

5.1 Membership. Each owner shall automatically become a member of the Association and shall be subject to its Bylaws and such rules and regulations as may from time to time be adopted by the Association. The membership shall be appurtenant to and nonseverable from the ownership of each Lot. The membership shall automatically pass with the conveyance of each Lot.

5.2 Voting.

5.2.1 Number of Votes. For the purposes of determining voting rights under the Act and with respect to the administration of CORMORANT PASSAGE DIVISION II, through the Association, the total voting power of all units shall be 38 votes. Each owner is entitled to one (1) vote. Whenever the approval of a stated percentage of the owners is required in this Declaration or the Bylaws, unless expressly stated otherwise, the percentage shall be determined by reference to the total of 38 votes.

5.2.2 Person Authorized to Vote. There shall be one (1) voting owner of each Lot. The voting owner shall be designated by the owner or owners of each Lot by written notice to the Board of Directors and need not be a Lot owner. The designation may be revoked at any time by the owner or owners by written notice to the Board of Directors, and the death or judicially declared incompetence of the owner shall revoke the designation, provided that such designation shall not be effective until the Board of Directors has been notified thereof. The powers of designation and revocation may be exercised by the guardian, trustee, administrator or executor of an owner or his estate. Where no designation is made, or where a designation has been made but is revoked and no new designations have been made, the voting power of each Lot shall be the group composed of all of its owners; and the Association may recognize the vote of any one or more of such owners present in person or by proxy at any meetings of the Association as the vote of all such owners. If there is more than one such owner and they do not vote unanimously, the Association may divide the vote in accordance with their respective interests if they shall agree thereon or have furnished sufficient written evidence thereof; otherwise their votes may be disregarded.

5.2.3 Ownership of More than One Lot. If a person shall own more than one Lot, he shall be entitled to exercise the votes for the combined total of all Lots owned, and the Declarant, shall be entitled to the same voting privileges as other owners, until all Lots owned by the Declarant are sold.

5.2.4 Quorum. The quorum of owners at any annual or special meeting of the Association shall be the presence, in person or by proxy, of persons holding fifty percent (50%) or more of the total votes, unless otherwise expressly provided herein. If a quorum is present at any such meeting, any action may be taken by an affirmative vote of a majority of the total votes present at the meeting, except as otherwise expressly provided in the Act, this Declaration, or the Bylaws.

5.3 Bylaws. The Declarant shall adopt the initial Bylaws of the Association to provide for the administration of the property and the organization of the Association, consistent with this Declaration. The Bylaws shall designate the time and specify the procedures for the holding of annual and special meetings of the Association and may specify other procedures applicable to the organization and administration of the Association. The Bylaws may be amended by the Declarant, at any time prior to the replacement of the Temporary Board of Directors by the Board of Directors pursuant to Section 5.4. Thereafter, the Bylaws may be amended in whole or in part, by an affirmative vote of sixty percent (60%) of the owners at a meeting of the Association duly held for that purpose. Written notice of the time, place and purpose of such meeting shall be delivered in person or mailed to each owner at least ten (10) days prior to the date of such meeting.

5.4 Management of the Association. The Association shall be administered and managed by a Temporary Board of Directors of three (3) persons who shall serve during the interim period described below, and thereafter as established by the Bylaws.

5.4.1 Temporary Board of Directors. The Declarant may at such time as it deems appropriate appoint a Temporary Board of Directors of three (3) persons who need not be owners. The Temporary Board of Directors (and the Declarant until the Temporary Board is appointed) shall exercise the rights, duties and functions of the Board of Directors as set forth in this Declaration until the regular Board of Directors is elected by the Lot owners pursuant to Section 5.4.2.

5.4.2 Board of Directors. The Declarant shall call a special meeting of the Association for the purpose of electing the Board of Directors no later than three (3) years from the date of the first conveyance of the first Lot by the Declarant. Notice of said meeting shall be mailed by regular mail to each Lot owner at the address of the Lot involved or at such other address as the owner shall have furnished in writing to the Declarant. At said special meeting, the owners shall elect a Board of Directors consisting of five (5) persons, who shall serve without compensation.

5.4.3 Term. The term of office of the directors shall be two years, with three (3) directors being elected at each annual meeting during even-numbered years, and two (2) directors being elected at each annual meeting during odd-numbered years. At the special meeting called for the purpose of electing the initial directors who will replace the Temporary Board of Directors, the five (5) directors so elected shall, by Lot, determine which shall have one or two year terms, to stagger the expiration dates of the terms of the appropriate number of directors. Any director may be elected to serve for an additional term or terms.

5.4.4 Removal of Directors - Vacancies. Any director may be removed by a majority of the owners at a special meeting of the Association called for such purpose. Vacancies for any reason in the Board of Directors may be filled by an election held at a special meeting of the Association called for such purpose, and may also be appointed by the remaining directors, in the event the owners do not call such special meeting within a reasonable time. Any director so elected shall serve for the remaining term of the director being replaced. Notwithstanding the foregoing, any temporary directors appointed by the Declarant pursuant to Section 5.4.1 may be removed and replaced solely by the Declarant.

5.4.5 Quorum. Three (3) members of the Board of Directors shall constitute a quorum. The Board of Directors shall act by majority vote of those present at its meetings where a quorum exists. Meetings may be called, held and conducted in accordance with the Bylaws.

5.4.6 Officers. The Board of Directors shall elect a President of the Association from among its members, who shall hold office for one year or until his successor is elected and shall preside over both the Board of Directors' meetings and those of the Association. The Board shall also elect a Secretary and Treasurer who shall hold office for one year or until their successors are elected. Any officer of the Association may be reelected by the Board for any number of successive terms.

5.5 Authority of the Association. The Association, acting by and through the Board of Directors, its officers, manager or other duly authorized agents or representatives, shall have the following powers:

5.5.1 To adopt such reasonable rules and regulations as may be permitted by this Declaration and which the Association may deem necessary or advisable to administer the Association and properly manage and administer all matters relating to

CORMORANT PASSAGE DIVISION II. The rules and regulations shall be adopted and may be amended from time to time in the same manner as the Bylaws, and shall be deemed part of the Bylaws.

5.5.2 To enforce the provisions of this Declaration, the Bylaws and such rules and regulations as may be adopted by the Association, together with any revisions thereof or amendments thereto; provided no assessments shall be due from any owner before the residence built on that owner's lot is ready for occupancy.

5.5.3 To determine the amount of assessments to be collected from the owners for the common expenses of CORMORANT PASSAGE DIVISION II, to establish reserves, to collect the assessments and enforce the collection thereof; provided no assessments shall be due from any owner before the residence built on that owner's lot is ready for occupancy.

5.5.4 To determine the amount of special assessments to be levied against a particular Lot or Lots for expenses incurred in enforcing the provisions of this Declaration or the Bylaws against the residents or owners of that Lot or Lots, and to collect such special assessments and enforce the collection thereof in the manner authorized by laws of the State of Washington.

5.5.5 To pay or provide for the payment of all common expenses out of assessments paid by the owners or by such other means as may be permitted by this Declaration, the Bylaws, or other laws of the State of Washington.

5.5.6 To exercise and perform all other rights and duties which are authorized or required by the Act or are reasonably necessary or incidental to the management and administration of CORMORANT PASSAGE DIVISION II, and in accomplishing the purposes of the Association.

Nothing herein shall be construed to authorize the Association or Board of Directors to conduct an active business for profit on behalf of the owners.

5.6 Availability of Books and Records. The Association shall have current copies of the Declaration, Bylaws and rules and regulations concerning CORMORANT PASSAGE DIVISION II, as well as its own books, records and financial statements available for inspection by owners or by holders, insurers and guarantors of first mortgages that are secured by Lots in CORMORANT PASSAGE DIVISION II. These documents shall be available during normal business hours or at other reasonable times as determined by the Board.

5.7 Consolidation With Lot Owners in Cormorant Passage and
Cormorant Passage - Division 3.

5.7.1 The Association shall be required to consolidate and combine with the Owners' Association for the plat of CORMORANT PASSAGE - DIVISION 3 (described on Exhibit "A" attached hereto) when Declarant has sold all Lots in CORMORANT PASSAGE - DIVISION 3 or three (3) years after the date Declarant conveys the first Lot in CORMORANT PASSAGE - DIVISION 3, whichever occurs first. Thereafter, each owner in CORMORANT PASSAGE DIVISION II and CORMORANT PASSAGE - DIVISION 3 shall automatically be a member of the Association and shall be subject to its Bylaws and such rules and regulations as may from time to time be adopted by the combined Association.

5.7.2 The Association shall be authorized to consolidate and combine with the Owners' Association in the plat of CORMORANT PASSAGE (described on Exhibit "B" attached hereto), at any time upon affirmative vote of sixty-seven percent (67%) of the owners in CORMORANT PASSAGE DIVISION II, in attendance at a regular or special meeting of the Association; provided, notice of such a matter on the agenda shall be given to the owners at least ten (10) days prior to the meeting. The consolidation and combination with CORMORANT PASSAGE shall be on condition that the Board of Directors of the Association approve the Bylaws which will govern and control the combined Association and that the combined Association hold a special election to elect all new members of the Board within ninety (90) days after the date on which the owners in CORMORANT PASSAGE DIVISION II approve the consolidation. After consolidation the Association may upon majority vote of its members increase the number of Directors on the Board to any number up to a total of nine (9).

SECTION 6 - GENERAL PROVISIONS

6.1 Amendment and Repeal. These Covenants or any provision thereof, as are from time to time in effect with respect to all or any part of CORMORANT PASSAGE DIVISION II, may be amended or repealed only by duly recording an instrument which contains an agreement providing for termination and revocation or amendment which is signed by the Owners of not less than seventy-five percent (75%) of the Lots.

6.2 Construction; Severability; Number; Captions. These Covenants shall be liberally construed as an entire document to accomplish the broad purposes thereof. Nevertheless, each provision of these Covenants shall be deemed independent and severable, and the invalidity or partial invalidity of any

provision shall not affect the validity or enforceability of the remaining part of that or any other provision. As used herein, the singular shall include the plural and the singular, and the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Covenants.

6.3 Notices and Other Documents. Any notice or other document permitted or required by these Covenants may be delivered either personally or by mail.

Delivery by mail shall be deemed made twenty-four (24) hours after having been deposited as certified or registered mail in the United States Mail, with postage prepaid, addressed as follows: if to the Declarant or the Architectural Control Committee, P.O. Box 1847, Bellevue, Washington 98009; if to an Owner, at the address given by him at the time of his purchase of a Lot, or at his Lot within CORMORANT PASSAGE DIVISION II. The address of a party may be changed by him at any time by notice in writing delivered as provided herein.

6.4 Enforcement. Enforcement shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages. Failure by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

6.5 Expenses and Attorneys' Fees. In the event any Owner shall bring any suit or action to enforce these Covenants, the successful party to such suit or action shall be entitled to recover all costs and expenses incurred by such party in connection with suit or action, including such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal thereof.

IN WITNESS WHEREOF, the Declarant has executed this Declaration dated the _____ day of _____, 19____.

SUNCREST CONSTRUCTION, INC.

Owner(s) of Lots 3 and 36

By: *Douglas J. Tullin*
Its: President

M. K. WEST, INC.

Owner(s) of Lots 8 and 38

By: Michael B. West
Its: PRESIDENT

NORTH BAY DEVELOPMENT CORPORATION

Owner(s) of Lot 22

By: [Signature]
Its: pres

CIEPLIK BROTHERS CONSTRUCTION, INC.

Owner(s) of Lot 23

By: Ava [Signature]
Its: pres

M & D CONSTRUCTION, INC.

Owner(s) of Lot 37

By: Michael J. Callan
Its: PRES

BENJFRAN DEVELOPMENT, INC.

Owner(s) of Lots
1,2,6,7,9,10,11,
12,14,15,16,19,
20,21,24,25,28,
29,39,31,33,34

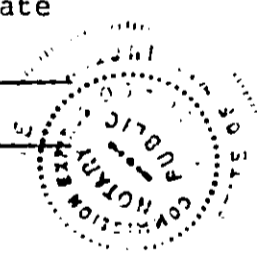
By: Richard L. Lowell
Its: Vice President

STATE OF WASHINGTON)
)
) SS.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 21 day of July, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Bryce S. Phillips personally known or having presented satisfactory evidence to be the President of Suncrest Construction, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

Brenda K. Osborne
NOTARY PUBLIC in and for the State
of Washington, residing at
Belleme
Expiration Date: 9-30-90

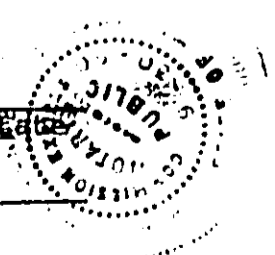


STATE OF WASHINGTON)
)
) SS.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 22nd day of July, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Michael B. Kerschner personally known or having presented satisfactory evidence to be the President of M. K. West, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

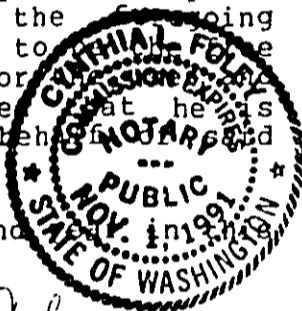
WITNESS MY HAND and official seal the day and year in this certificate first above written.

Brenda K. Osborne
NOTARY PUBLIC in and for the State
of Washington, residing at
Belleme
Expiration Date: 9-30-90



STATE OF WASHINGTON)
 PIERCE) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 25th day of July, 1989, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came John Miller, personally known or having presented satisfactory evidence to be the President of North Bay Development Corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.



WITNESS MY HAND and official seal the day and date first above written.

Cathal Foley
NOTARY PUBLIC in and for the State of Washington, residing at Salmon

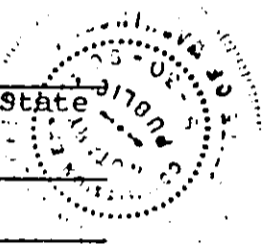
Expiration Date: 11-1-91

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 15th day of July, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Andrew Cieplik, personally known or having presented satisfactory evidence to be the President of Cieplik Brothers Construction, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

Brenda K. Osborne
NOTARY PUBLIC in and for the State
of Washington, residing at
Belleme
Expiration Date: 9-30-90

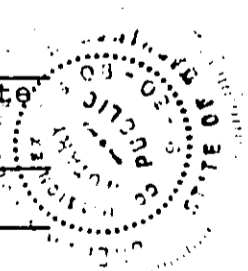


STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 21st day of July, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Richard J. Colburn personally known or having presented satisfactory evidence to be the President of M & D Construction, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

Brenda K. Osborne
NOTARY PUBLIC in and for the State
of Washington, residing at
Belleme
Expiration Date: 9-30-90



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 15th day of July, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, came Richard A. Lowell personally known or having presented satisfactory evidence to be the Vice-President of BenjFran Development, Inc.,

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

Brenda K. Osborne
NOTARY PUBLIC in and for the State
of Washington, residing at
Bellevue
Expiration Date: 9-30-90



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