

After Recording Return to: Sloan Bobrick & Oldfield, Inc. P.S. 7610 - 40th St. W. P.O. Box 65590 University Place, WA 98464

EAGLE POINT AT AMERICAN LAKE AMENDED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

This amendment, effective this ____day of May, 2001 amends that certain Declaration of Protective Covenants, Easements, Conditions and Restrictions described as follows:

Date of Declaration:

September 3, 1999

Date of Recording:

September 3, 1999

Name of Plat:

Eagle Point at American Lake

Recording No.:

9909030296

Real Property Affected:

All of the Plat of Eagle Point at American Lake, recorded September 3, 1999 under Pierce County Auditor's File No. 9909035002, in Lakewood, Pierce County, Washington.

Tax Parcel No. 400180-001-0 through 400180-060-0

WHEREAS, the below-signed Declarant, pursuant to the amendment provisions of the above described Declaration, hereby amends one or more of the provisions of said Declaration, or adds to or deletes from said Declaration, as follows:

BACKGROUND

1. American Lake, L.L.C. is the Declarant of the above referenced Covenants, and executes this Amended Declaration of Covenants, Conditions and Restrictions pursuant to Section 15.6 of such above referenced Covenants.

- 2. American Lake LLC developed a general plan of development for the benefit of all of the property within Eagle Point at American Lake, in the manner described herein, to preserve and enhance the property values, amenities, and opportunities in Eagle Point at American Lake and to provide for the health, safety and welfare of the residents. To this end, Declarant desires to subject the property described on Exhibit "A" to the amended covenants, restrictions, easements, charges and liens set forth in this Declaration, all of which are for the benefit of the property and each owner.
- 3. Kevin M. Byrne and Mary Byrne ("Byrne") purchased numerous lots in the plat of Eagle Point at American Lake and other property in the plat, including the Common Areas, at a Trustee's sale arising from the default of the Declarant in payment of a loan obligation to Byrne secured by Declarant's interest in the plat. Byrne acknowledges that the property purchased by them is subject to these Covenants, Conditions, and Restrictions. Byrne has continued to make certain improvements to the plat, and will convey certain property and easements, and fulfill certain other obligations, as required herein.
- 4. Eagle Point at American Lake Homeowners Association, a Washington non-profit corporation, has been incorporated to provide a mechanism for meeting and carrying out the purposes of this Declaration.

DECLARATION

Declarant hereby declares that the property described in Exhibit "A" is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this Declaration.

Further, Declarant delegates and assign to the Eagle Point at American Lake Homeowners Association the power of owning, maintaining, and administering the Common Area, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges created in this Declaration, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I

Definitions

Section 1.1 "ACC" shall mean the Architectural Control Committee as described in this Declaration.

Section 1.2 "Association" shall mean the Eagle Point at American Lake Homeowners Association, a Washington non-profit corporation, its successor and assigns.

- Section 1.3 "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
- Section 1.4 "Common Areas" shall mean all real property and improvements: (a) owned or leased by the Association, (b) in which the Association has an easement (excepting easements for maintaining Lots) for the use, enjoyment or benefit of the Members, or (c) in which the Members of the Association have an undivided interest. The term includes the property described in Section 3.1 below.
- Section 1.5 "Declarant" shall mean American Lake L.L.C., a Washington limited liability company, and its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations or Declarant under the Declaration unless such rights and obligations are specifically set forth in the instrument of succession or assignment.
- Section 1.6 "Declaration" shall mean the covenants, conditions and restrictions and all other provisions set forth in this Declaration, as they may from time to time be amended.
- Section 1.7 "Development Plan" shall mean the total general plan of intended development approved by the City of Lakewood, as the plan may be amended from time to time.
- Section 1.8 "Federal Mortgage Agencies" shall mean those federal agencies which may have an interest in the properties, such as the Federal Housing Administration, the U.S. Department of Veterans Affairs, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or their successors to their interests.
- Section 1.9 "First Mortgagee" shall mean a lender who holds the first mortgage on a Lot and who has notified the Association in writing of its holdings.
- Section 1.10 "LOT" shall mean any parcel of land depicted with a number followed by a letter (e.g., 1A) upon a recorded subdivision map of the Property, with the exceptions of the Common Areas or other areas set aside for nonresidential use.
- Section 1.11 "Member" shall mean every person or entity who holds membership in the Association.
 - Section 1.12 "Mortgage" shall include a deed of trust or other security instrument.
- Section 1.13 "Notice" shall mean written notice delivered personally or mailed to the last known address of the intended recipient.
- Section 1.14 "Owner" shall mean every person or entity, which is a record Owner of the fee simple title to any Lot, or if any Lot is sold under real estate contract, the vendee of vendees under

that contract; provided, however, that the term "Owner" shall not include those having such interest merely as security for the performance of an obligation.

<u>Section 1.15</u> "Person" shall mean a natural person, corporation, partnership, limited partnership, limited liability company, proprietorship, trust, or any other entity recognized in law as such.

Section 1.16 "Property" shall mean the real property described on Exhibit "A".

ARTICLE II

Property: Development Plan

<u>Section 2.1 The Property</u>. The real Property which is subject to this Declaration is described on Exhibit "A", and represents the residential community of Eagle Point at American Lake, comprised of 53 residential Lots for 56 dwelling units.

Section 2.2 The Development Plan. The Development Plan is the intended design for the development of Eagle Point at American Lake as a planned residential community comprised of single-family homes, with (3) different types of Lots as described below. At the present time, the Development Plan includes 15 detached single-family Lots, 35 Lots with attached single family homes, and 3 duplex Lots (each with 2 dwelling units) all located on approximately 21.42 acres. The Development Plan may be modified and amended as provided in this Declaration, and as provided under City of Lakewood ordinances.

Section 2.3 Lot Types. There are three (3) different Lot types in Eagle Point at American Lake:

Standard Lots. Lots 1D through 27D, and 10C through 15C. - 33

View Corridor Lots. Lots 1C through 9C, 1B and 2B.

Waterfront Lots. Lots 1A through 9A. = 9

Some provisions of the Declaration apply only to certain Lot types, particularly as to maintenance and assessment obligations.

ARTICLE III

Common Areas and Other Special Parcels

Section 3.1 Byrne to Convey. The Common Area consists of: open space areas (Tract C), the gated entry, roadways (Tract G), street lights, a storm water system and sidewalks. Byrne shall

deliver to the Association a deed for the open space (Tract C) and the roadways (Tract G), including all improvements on those properties, and an easement for the storm water system, the community drainfields (Tract E), the clubhouse (Tract B), the dock and boat launch (a portion of Tract A), and landscaping and related improvements (perimeter of plat except along the waterfront, and on Tracts E and F). Byrne may convey by quit claim deed to the Association additional Common Areas shown on the Development Plan, as it may be amended, including all or a portion of Tract A, and Tract B.

- <u>Section 3.2 Owners' Easements of Enjoyment</u>. Each Owner shall have a right and a nonexclusive easement of enjoyment in and to the Common Areas and for ingress and egress over and through the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
 - (a) The right of the Association to adopt reasonable rules governing the use of the Common Areas and the personal conduct of persons authorized to use said areas, and to establish appropriate penalties for the violation of those rules.
 - (b) The right of the Association to dedicate or transfer by deed or easement all or any part of the Common Areas to any public agency, authority, or utility. No such dedication or transfer shall be effective without the approval of two-thirds (2/3) of the Members.
- <u>Section 3.3 Delegation of Use.</u> Any Owner may delegate his/her right of enjoyment to the Common Areas and facilities to the members of his/her family, tenants, or guests, subject to the limitations set forth above.
- Section 3.4 Association to Maintain. The Association shall maintain, repair, replace, and improve the Common Areas and the other improvements described in Section 7.1, as appropriate for a first-class residential community, and shall pay the actual cost of the same from annual or special assessments as appropriate.
- <u>Section 3.5 Other Special Parcels</u>. There are four (4) other parcels in which the Owners have some rights or privileges:
 - Tract A. Tract A is owned by Byrne, and is subject to the provisions of the City of Lakewood's decisions to approve the Development Plan and to the provisions of an Eagle Preservation Agreement, as the Plan and/or Agreement may be modified from time to time. Byrne hereby grants an exclusive easement over the portion of Tract A described in Exhibit "C" to the Owners, their guests and invitees, for waterfront access and recreational use. Byrne reserves the right to construct and maintain a dock on or adjacent to Tract A including those portions of Tract A lying within the easement described in Exhibit "C", and to lease moorage space on such dock to other Owners.

The balance of Tract A shall be held by Byrne, except that if the Development Plan and Agreement are so amended, Byrne may develop one single-family residence on Tract A for sale.

Tract B. Tract B is owned by Byrne subject to use rights of the Association as set forth in this paragraph. The Association shall pay all real and personal taxes, insurance premiums and maintenance costs. Tract B's use shall be limited to clubhouse activities, including meetings, social gatherings, classes, dances and the like. Such use shall not include real estate sales office activities or other office use. Use of the clubhouse, and access thereto, shall be managed by the Association, and shall only be in accordance with rules for the use thereof adopted by the Association, including provisions for usage fees, damage deposit, hours of use, occupancy, and similar provisions. Byrne, or its assigns, retains the right to host functions in the clubhouse, on the same terms and conditions as Owners.

<u>Tract E</u>. Tract E is owned by Byrne subject to an easement in favor of the Association for drainfield purposes. When public sanitary sewers are brought and connected to the Property, the easement shall automatically terminate. The property shall be used only for community drainfields, except with the consent of the Association. If Tract E is no longer used for community drainfields, Byrne may develop Tract E for residential lots or nonresidential storage, subject to obtaining all necessary governmental approvals, with the owners of such subsequently developed lots having same rights as all other Owners.

Tract F. Tract F is owned by Byrne for use as a recreational and marine vehicle parking area. During the initial development of Eagle Point at American Lake, all spaces shall be made available on a first refusal basis for the Owners, to be leased to them at prevailing market rates. Once 80% of the Lots are sold, Byrne may lease any vacant space to non-Owners. At any time thereafter that spaces become vacant, Byrne shall make them available on a first refusal basis to Owners at prevailing market rental rates. Byrne may develop Tract F for non-residential storage.

ARTICLE IV

Association

<u>Section 4.1 Form of Association</u>. The Association shall be organized as a nonprofit corporation under the laws of the State of Washington, ch. 24.03 RCW, and shall be known as Eagle Point at American Lake Homeowner's Association.

<u>Section 4.2 Membership.</u> Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership.

Section 4.3 Classes. The Association shall have two (2) classes of voting membership:

- (a) <u>Class "A".</u> Class "A" Members shall be all Owners, with the exception of the Owners of Lots 9A, 1C and 2C, and shall be entitled to one (1) vote for each Lot owned.
- (b) <u>Class "B"</u>. Class "B" Members shall be the Owners of Lots 9A, 1C and 2C, and shall be entitled to two (2) votes for each Lot, because each Lot is or shall be improved with a duplex.
- <u>Section 4.4 Board of Directors</u>. The Association shall be managed by a Board of Directors, elected or appointed in accordance with the Articles of Incorporation and Bylaws of the Association.
- Section 4.5 Delegation to Manager. The Board of Directors may delegate any of its managerial duties, powers, or functions to any person, firm, or corporation, provided that any management agreement for the project shall be terminable by the Association for cause upon thirty (30) days written notice, and without cause upon ninety (90) days written notice. The term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods. The members of the Board of Directors shall not be liable for any omission or improper exercise by the manager of any duty, power, or functions so delegated by written instrument executed by a majority of the Board of Directors.

Section 4.6 Sub Associations. The Lots may be subject to additional covenants and the Owners of Lots may be mandatory members of a Sub Association; however, there shall be no requirement that a Sub Association be created. A Sub Association may be created to serve the unique needs of a class of Lots, as identified in section 2.3. A Sub Association may adopt such covenants, rules and regulations as it deems necessary and appropriate, provided, however, in the event of a conflict, the Association documents shall control.

ARTICLE V

Easements

Section 5.1 Utility and Drainage Easements. In addition to easements reserved on any plat of the Property or shown by any instrument or record, easements for utilities and drainage are reserved for the Declarant or its assigns, over a five (5) foot wide strip along each side of the side Lot lines, and over, under, and on the Common Areas. Within all of the easements, no structure, planting or fill material shall be placed or permitted to remain which may, in the opinion of the ACC, damage or interfere with the installation and maintenance of utilities, 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 within it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, a utility company, or the Association is responsible.

Section 5.2 Access Easements. The Association also has an easement over all lots for::

- (a) The cleaning, maintenance, repair or replacement of any home or Lot in the event an Owner fails to so maintain as required in Section 7.1 (this easement shall also include the reasonable right of entry to the interior of any building, to the extent necessary to perform the work described in that section).
- (b) The maintenance, repair, replacement, or improvement of any Common Area accessible from the Lot.
- (c) The maintenance, repair, replacement, or improvement of any Septic Systems, as required in Section 7.3.
- (d) Emergency repairs necessary to prevent damage to the Common Areas or to another Lot, or the improvements thereon.
- (e) Cleaning, maintenance, repair, or restoration work which the Owner is required to do but has failed or refused to do.

Except in an emergency where advance notice is not possible, these easements shall be exercised only after reasonable notice to the Lot Owner.

- <u>Section 5.3 Easement for Government Personnel.</u> An easement for access by police, fire, rescue and other government personnel is reserved across all Common Areas as necessary or appropriate for the performance of their public duties.
- <u>Section 5.4 Easement for Homeowners Association</u>. The Homeowners Association shall have an easement across all Common Areas for ingress, egress, storage and placement of equipment and materials, and other actions necessary for or related to the development or maintenance of Eagle Point at American Lake.
- Section 5.5 Easements for Tracts A, E and F. Byrne reserves to itself, its successors and assigns, the right to grant an easement for ingress, egress and utilities over, under, and through the Common Areas, when and if Tracts A, E or F are developed with a single family residence.

ARTICLE VI

Assessments

Section 6.1 Covenants for Maintenance Assessments

(a) Byrne and the other persons joining in the execution of this Declaration, for each Lot owned by it or them, agrees, and each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to agree to pay to the Association: (i) annual assessments or charges to fund

Common Expenses for the general benefit of all Lots; (ii) special assessments for capital improvements; and, (iii) specific assessments to provide specific benefits or services to specific Lots.

- (b) The annual, special and specific assessments, together with interest, costs and reasonable attorney's fees shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Such lien may be foreclosed by the Association in like manner as a Mortgage or Deed of Trust on real property.
- (c) Each assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of the Lot assessed at the time the assessment fell due. The personal obligation shall not pass to the Owner's successors-in-interest unless expressly assumed by them. The new Owner shall be personally liable for assessments which become due on and after the date of sale or transfer.

Section 6.2 Purpose of Assessments. The assessment levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, including the repair and maintenance of certain home exteriors as described in Section 7.1, the maintenance and repair of Septic Systems as described in Section 7.3, the maintenance and replacement of landscaping as described in Section 7.4, and the improvement, maintenance and repair of the Common Area described in Section 3.1 including the Other Special Parcels described in Section 3.5, and the services and facilities related to the use and enjoyment of said areas, for the payment of taxes and insurance on the Common Areas described in Section 3.1 and the Other Special Parcels described in Section 3.5, security guard, and management fees.

<u>Section 6.3 Maximum Annual Assessments</u>. The Board of Directors shall establish the maximum annual assessment which may, from time to time, be increased subject to the following conditions and limitations:

- (a) The Board of Directors may fix and increase the maximum annual assessment as necessary to fulfill the purposes set forth above. The initial maximum annual assessment amount shall be \$3600 per year.
- (b) The maximum annual assessment may not be materially increased without an affirmative vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for such purpose pursuant to Section 6.8. A "material increase" shall be an increase which, cumulatively for the Association's fiscal year, increased the annual assessment by four percentage points in excess of the percentage increase in the Consumer Price Index over the twelve (12) month period ending one (1) month before the start of the Association's fiscal year. This provision shall not apply to that portion of the assessments attributable to taxes and insurance which the Association is required to maintain. The Consumer Price Index shall be that applicable to "All Urban Consumers" published by the

Bureau of Labor Statistics for the area which includes Eagle Point at American Lake, or if that index is terminated or superseded, a comparable measure.

Section 6.4 Board to Adopt Budget. The Board of Directors shall adopt the annual budget, including annual and special assessments, at least forty-five (45) days prior to the start of the fiscal year. In the event the Board fails to fix an annual budget for any fiscal year, then the budget established for the prior year shall automatically be continued until such time as the Board acts. The annual budget shall be sufficient to meet the obligations imposed by the Declaration and any supplementary declarations, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair and replacement of those Common Areas which require such actions on a period basis.

Section 6.5 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any constructions or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto.

<u>Section 6.6 Specific Assessments.</u> The Board may specifically assess against particular Lots expenses incurred by the Association to provide specific benefits, items, or services made necessary by the conduct of the owner, or its licensees, invitees, or guests, including but not limited to damage to Common Areas. Specific Assessment may be levied by the Board after notice to the Owner and an opportunity for a hearing.

Section 6.7 Rate of Assessment. That portion of annual and special assessments relating to repair and maintenance of Common Areas shall be fixed at a uniform rate for all Lots. However, the overall assessments may vary depending upon Lot Type since the services provided by the Association vary. Further, the assessment may vary depending on the type of drainfield system, as described below.

Section 6.8 Ratification of Budget. Within thirty (30) days after adoption by the Board of Directors of any proposed regular or special budget of the Association pursuant to Section 6.4 or 6.5, the Board shall set a date for a meeting of the Owners to consider ratification of the budget. Written notice of any such meeting shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting and shall include a statement of the purpose for which the meeting is to be held. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 6.9 Commencement of Annual Assessments; Working Capital. The annual assessments shall commence as to each Lot within the Property on the later of (a) the first (1st) day

of the month following the initial conveyance of the Lot from Byrne to a purchaser, or (b) May 1, 2001. The first annual assessment on any Lot shall be adjusted according to the number of months remaining in the calendar year. At the time of each initial sale, Byrne shall collect from each purchaser, and pay to the Association an amount equal to two (2) months assessments for the Association's working capital.

Section 6.10 Certificate. The Association shall upon demand furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid.

Section 6.11 Effect of Nonpayment of Assessments; Remedies of Association. Any assessment which are not paid when due shall be delinquent. A late charge equal to ten percent (10%) of the amount overdue shall be charged for any payment made more than 10 days past the due date. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen percent (18%) but not to exceed the highest allowable rate, per annum, and the Association may bring an action at law against the Owner obligated to pay the assessment, or may foreclose the lien against the Lot, and in either event, interest, costs, and reasonable attorney's fees shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for annual or special assessments by nonuse of the Common Area or by abandonment of his Lot.

Section 6.12 Subordination of Lien to Mortgages. The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage existing as of the date the assessment became due. Sale or transfer of any Lot shall not affect the assessment lien. However, where the mortgagee of a Mortgage of record or other purchaser of a Lot obtains possession of the Lot as the result of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure, such possessor, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Lot which became due prior to such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Owners, including such possessor, his successor and assigns.

<u>Section 6.13 Exempt Property</u>. The following property shall be exempt from the payment of annual and special assessments:

- (a) All portions of the Property dedicated to and accepted by a local public authority.
 - (b) All property owned by the Association, including Tracts C, D, and G.
- (c) Tracts A, B, E, and F. However, if a single-family residence is constructed on Tract A, it shall become responsible for assessments on the same basis as Waterfront Lots. If a

single-family residence is constructed on Tracts E or F, it shall become responsible for assessments on the same basis as Standard Lots.

ARTICLE VII

Maintenance

Section 7.1 Association Obligation The Association shall be obligated to maintain, repair and replace the Common Areas and Other Special Parcels in as good or better of a condition as when it is first installed by the Declarant or Byrne. Without limiting the generality of the foregoing, the Association shall maintain, repair and replace the roadways, gate, gatehouse, entry monuments and associated landscaping, storm drainage system, community drainfields, off-site street trees and landscaping, street lights as shown on the plat map, dock, boat launch, clubhouse, and landscaping on all Common Areas. However, that portion of any dock area on Tract A that is used for boat moorage shall be maintained, repaired and replaced by the Homeowners Association. All expenses incurred in performing this work shall be paid for by the Association and become part of the assessments described above. The expenses associated with community drainfields shall be a specific assessment, charged only against those Lots served by the drainfield, as specified more particularly in Section 7.3(b). However, any work required as the result of the negligent or intentional act or omission of any Owner or his or her guests, family or tenants shall be paid for exclusively by such Owner and shall become part of the specific assessments levied against the Lot owned by such Owner.

Section 7.2 Owners' Obligation. Each Owner shall have the obligation to maintain his/her Lot, any building or improvements located on the Lot and all landscaping to standards appropriate for a first-class residential community. If the Owner of any Lot fails to so maintain the Lot, buildings, and other improvements to those standards, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon the Lot and to clean, repair, maintain, and restore the Lot and the exterior of the buildings and other improvements; provides, however, that any alteration or demolition of constructed improvements may only take place after judicial proceedings are instituted. The cost of such exterior maintenance and all court costs, and attorney's fees incurred in enforcing this provision shall be added to and become part of the assessments for such Lot, fully subject to the remedial provisions set forth in Article VI.

<u>Section 7.3 On-Site Septic Systems.</u> All on-site septic systems, including tanks, pumps, pipes, and drainfields ("Septic Systems"), whether serving an individual Lot or serving more than one Lot or dwelling unit, shall be inspected, monitored, pumped, maintained, repaired and replaced by the Association, for the benefit of the Lot Owners, pursuant to this paragraph.

(a) <u>Individual Systems.</u> Lots 1D through 27D and Lots 10E through 15E each have a separate individual drainfield located either on the Lot or on another Lot where the soils are more suitable, as shown on the as-built described in (d) below. As to those Lots,

the Association shall maintain, repair and replace the septic tanks, pumps, pipes, and drainfields. The costs of such work shall be charged by the Association to the Owners of those Lots collectively as a part of their annual, special, or specific assessments, as appropriate.

- (b) <u>Community Systems</u>. The balance of the Lots are served by three separate community systems, located on Tract E for the benefit of Lots 1A through 8A, on Tract E for the benefit of Lots 1C, 2C, the Club House and Lot 9A, and on Tract E for the benefit of Lots 3C through 9C and Lots 1B and 2B, as shown on the as-built described in (d) below. The Association shall maintain, repair and replace the community septic tanks, pumps, pipes, and drainfields. The cost of such work shall be charged by the Association to the Owners of those Lots served by each community systems, proportionately, as a part of their annual, special, or specific assessments as appropriate.
- (c) Operation and Maintenance Manual and Permit. The Association shall maintain the Septic Systems pursuant to the Operation and Maintenance Manual dated the 4th day of June, 1999, prepared by Dave Ray & Associates, and the most current Operation and Maintenance Permit issued by the Tacoma-Pierce County Health Department. The Manual and the Permit may be revised from time to time as required by state or local laws or regulations; provided, however that the Association shall maintain a valid Permit with the Tacoma-Pierce County Health Department. The Manual, and any amendments, shall be made available for inspections by the Owners, together with all other Association documents.
- (d) Annual Reporting to the Health Department. The Association shall provide the Tacoma-Pierce County Health Department with annual reports on the status of implementing the Manual, any required changes to the Manual, and the amount of funds held in the reserve account, together with any required reporting under the Permit. The first report shall also include a copy of an as-built drawing of the Septic Systems. The as-built drawing shall be made available for inspection by the Owners, together with all other Association documents.
- (e) <u>Contract for Maintenance Work</u>. The Association shall fulfill its inspections and maintenance obligations under this section by entering into a contract with a company or entity that is licensed and bonded to perform such work, and which is approved by the Tacoma-Pierce County Health Department, or such other governmental entity with jurisdiction.
- (f) Reserves. The Association shall maintain a reserve account for the replacement of the Septic System
- (g) <u>Future Public Sewers</u>. If a public entity provides sanitary sewer service in the future, any charges or improvements with respect to individual Lots shall be the responsibility of the individual Lot Owners. Any charges or improvements with respect to

streets, Tract E or any other Common Areas shall be the responsibility of the Association, chargeable to the Lots served as a specific assessment. Nothing in this Declaration should be interpreted to impose or accept any greater responsibility on the Owners or Association than would be charged to any other person served by the public entity.

Section 7.4 Landscaping and Related Improvements. The Association shall maintain and trim all street trees, grass and irrigation system installed by American Lake LLC and/or the Declarant or Byrne, including the installations along both sides of Boundary Street and along the Portland Street right-of-way. The Association shall also maintain the fence installed by the Declarant along the perimeter of the plat, except along the waterfront, and Tracts E and F.

ARTICLE VIII

Architectural Control Committee

Section 8.1 Appointment and Membership. There is hereby constituted an Architectural Control Committee (the "ACC"). Byrne shall have the right to select the Members of the ACC until all Lots have a single-family house built on them. Thereafter, the ACC shall be appointed by the Board. Initially, the ACC shall be composed of Kevin Byrne, Thomas Folk, and a third member appointed by Byrne. A majority of the ACC may designate a representative to act for it, which representative shall be known as the Control Architect. Neither the Members of the ACC, nor the Control Architect, shall be entitled to any compensation for services performed pursuant to these covenants.

Section 8.2 Guidelines; Plan Check Fees. The ACC shall have the authority to adopt and amend written guidelines to be applied in its review of plans and specifications, in order to further the intent and purpose of this Declaration and any other covenants or restrictions covering the Property. If such guidelines are adopted, they shall be available to all Members upon request. The ACC shall have the authority to adopt plan check fees to cover the administrative costs associated with reviewing plans.

Section 8.3 Meetings; Compensation. The ACC shall meet as necessary to property perform its duties, and shall keep and maintain a record of all actions taken at the meetings or otherwise. Unless authorized by the Association, the Members of the ACC shall not receive any compensation for their services. All Members shall be entitled to reimbursement for reasonable expenses in connection with the performance of any ACC duties.

<u>Section 8.4</u> <u>No Waiver.</u> Approval by the ACC of any plans, drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter submitted for approval.

<u>Section 8.5</u> <u>Liability.</u> Neither the ACC nor any of its Members shall be liable to the Association or to any Owner for any damage, loss or prejudice resulting from any action taken in good faith on a matter submitted to the ACC for approval or for failure to approve any matter

submitted to the ACC. The ACC or its Members may consult with the Association or any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to the ACC.

ARTICLE IX

Architectural and Landscape Control

- <u>Section 9.1</u> <u>Approval of Plans Required.</u> Except as provided in Section 9.2 below, none of the following actions may be taken until plans and specification for the same have been approved in writing by the ACC:
 - (a) The construction of private roads or driveways.
- (b) The construction or erection of any building, fence, wall or other structure, including the installation, erection, or construction of any solar collections device.
- (c) The remodeling, repainting, reconstruction, or alteration of any road, driveway, building or other structure.
 - (d) The installation of a landscaping plan.
- <u>Section 9.2</u> <u>Approval Not Required.</u> Notwithstanding any provision of this Declaration, the approval of the ACC shall not be required for action taken by Declaration to develop the Property in accordance with the Development Plan.
- Section 9.3 Procedure for Approval. Any person wishing to take any of the actions described above shall submit to the ACC two (2) sets of plans and specification showing.
 - (a) The size, dimension and material of the improvements;
 - (b) The exterior design;
 - (c) The exterior color scheme;
 - (d) The exact location of the improvement on the Lot;
 - (e) The location of driveways and parking areas;
 - (f) The scheme for drainage and grading;

- (g) The proposed landscaping;
- (h) Proposed outdoor lighting; and
- (i) A copy of the septic system design as approved by Pierce County.

Approval of such plans and specifications shall be evidenced by written notation on such plans and specifications, one (1) copy of which shall be delivered to the Owner of the Lot upon which the proposed action is to be taken. The ACC shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications. The ACC shall make its decision within thirty (30) business days from the date the completed plans and specifications are submitted.

Section 9.4 Criteria for Approval. Approval of plans and specifications may be withheld or conditioned if the proposed action is at variance with these covenants, other covenants covering the Property, or design guidelines adopted by the ACC. Approval may also be withheld or conditioned if, in the opinion of the ACC, the proposed action will be detrimental to the community because of the grading and drainage plan, location of the improvement on the Lot, color scheme, finish design, proportions, size of home, shape, height, style, materials, outdoor lighting proposed, or landscaping plan.

Section 9.5 Conformity With Approved Plans. It shall be the responsibility of the ACC to determine that actions have been completed in accordance with the plans as submitted and approved. Such determination must be made within sixty (60) days of the completion of the action. If the ACC shall determine that the action does not comply with the plans and specifications as approved, it shall notify the Owner within that sixty (60) day period, and the Owner, within such time as the ACC shall specify, but not less than thirty (30) days, shall either remove or alter the improvement or take such other steps as the ACC shall designate.

ARTICLE X

Permitted and Prohibited Uses

Section 10.1 General. All Lots shall be used solely and exclusively for private one-family residences, and duplexes, with appurtenant garages as depicted on the Development Plan. A building site shall consist of not less than one (1) Lot as shown on the recorded plan. No Lot shall be divided except that, with the permission of the ACC and the City of Lakewood, the boundary between two Lots may be adjusted. Any building or structure to be erected, constructed or maintained shall be commensurate in quality with the other homes in said subdivision as contemplated by the Development Plan.

Section 10.2 Dwelling Quality and Size. No home or other improvement as described in Section 9.1 shall be permitted on any Lot without the prior approval of the Control Architect or ACC. It is the intention and purpose of these covenants to assure that all homes shall be of a quality of workmanship and material substantially the same or better than that which can be produced on the date these covenants are recorded for the minimum permitted dwelling size. No house or other structure shall exceed two stories in height (except Lots 10-C through 15-C and 1-D through 27-D, which shall be one story only). Homes on Lots 1-A through 9-A shall each have a minimum living space area of 2,500 square feet, not including garage area, in one or two stories. Lots 1-B, 2-B, and 3-C through 9-C shall have a minimum living space area of 2,500 square feet, not including garage area, in one or two stories. Lots 1-C and 2-C shall have a minimum living space area of 1,500 square feet per each duplex side, or 2,500 square feet for a single family residence, not including garage area, in one or two stories. Lots 10-C through 15-C, and 1-D through 27-D shall have a minimum living space area of 1,700 square feet, not including garage area, in one story only. Siding must be lap, cedar board and bat, brick or stucco. Roofing must be 25 year composition, tile, shake or better.

Section 10.3 Garages. Where it is architecturally possible, all garages shall be incorporated in or made a part of the dwelling. On-site parking provisions for no less than two automobiles shall be provided in addition to garage automobile storage. Where a garage is not a part of a dwelling, it shall not be located closer than 20 feet from the front line of the building site (measured at the closest point of each said line).

<u>Section 10.4 Animals</u>. No animals, livestock or poultry of any kind, other than household pets, shall be kept or maintained on any part of said Property. Dogs and cats, not to exceed a total of two, may be kept on any Lot, provided that they are not kept, bred or maintained for any commercial use or purpose. No reptiles shall be kept upon the premises. Any dogs must be kept so as to minimize excessive noise from barking or otherwise shall be considered a nuisance according to the terms of these covenants.

<u>Section 10.5 Temporary Structures</u>. No building or structure shall be moved onto any land embraced in said subdivision. No trailers, mobile homes, or motor homes shall be maintained on any building site prior to the erection of a Lot thereon, except that a garage or other small building or permanent structure may be erected for the storing of tools and other articles but shall not be used for residence purposes. Nothing in this restriction shall prevent the temporary use of a construction shack and/or trailer during the construction of any approved dwelling or during the development of the Property by Byrne.

Section 10.6 Construction. The work of construction of all building and structures shall be prosecuted diligently and continuously from commencement of construction until the structures are fully completed and painted. All structures shall be completed as to external appearance, including finish painting, within six (6) months from the date of commencement of construction. Except with the approval of the Control Architect or the ACC, no persons shall reside upon the premises of any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the Control Architect or ACC have been completed.

Section 10.7 Garbage and Refuse Disposal. No garbage, rubbish or cuttings shall be deposited on or left on the Lot premises, unless placed in an attractive container suitably located and screened from public view. No building material or any kind shall be placed or stored upon any Property in said subdivision until the Owner is ready to commence construction; then such material shall be placed within the Property line of the building site upon which structures are to be erected and shall not be placed in the street.

<u>Section 10.8 Nuisances</u>. No noxious or undesirable thing or noxious or undesirable use of property in said subdivision whatsoever shall be permitted or maintained upon the Property. If the Control Architect or ACC shall determine what trade, business or use is undesirable or noxious, such determination shall be conclusive. The use of illegal fireworks and the use of motorcycles for purposes other than transportation to and from Eagle Point at American Lake shall be considered a nuisance and are prohibited.

Section 10.9 Signs. No sign of any kind shall be placed on the Property, except:

- (1) signs identifying the Owner and address;
- (2) signs designating a Lot or residence for sale or rent.

No such signs shall be of a size greater than two (2) feet square and shall not be of a nature offensive or obnoxious to persons owning Property within the subdivision. No business signs, advertising signs or signs in any way relating to occupation or profession shall be allowed.

Section 10.10 Oil and Mining Operations. Oil drilling or oil development operations, refining, mining operations of any kind or the operation of quarries, gravel and sand pit, solid removing or topsoil stripping shall not be permitted on any of the building sites of the subdivision described herein. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

Section 10.11 <u>Individual Water Systems</u>. No individual water supply systems shall be permitted on any Lot.

Section 10.12 Clotheslines. No clotheslines shall be located on a Lot premises so as to be visible from the street, a private way, or other residential Lots or public areas.

<u>Section 10.13 Fuel Tanks</u>. No fuel tank shall be maintained above ground on any Lot, unless screened from view in a manner satisfactory to the Control Architect or the ACC.

Section 10.14 Excavation. Except with the permission of the Control Architect or the ACC, or except as may be necessary in connection with the construction of any improvement, no excavation shall be made nor shall any dirt be removed from a Lot herein.

Section 10.15 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the front wall of the house, except that nothing shall prevent the erection of a necessary retaining wall (the top of which does not extend more than one (1) foot above the finished grade). A variance may be granted by the Control Architect or ACC, but only upon a showing by the Owner of extraordinary circumstances. Fences will be erected only after the design of the fence has been approved by the Control Architect or the ACC. On waterfront Lots, no rear yard fences, walls or hedges shall be erected or placed that exceeds four (4) feet in height.

Section 10.16 <u>Cutting of Trees</u>. No cutting of trees shall be permitted without the prior written approval of the Control Architect or the ACC.

Section 10.17 Natural Drainage. Except with the approval of the Control Architect or the ACC, the natural drainage of any Lot shall not be changed.

<u>Section 10.18 Exterior Lighting</u>. Exterior lighting of any sort which is visible from any street or from any other Lot in this subdivision shall not be installed without first obtaining the permission of the Control Architect or the ACC.

Section 10.19 Sight Distance at Intersection. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or, in the case of a rounded Property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection, unless the foliage line is maintained a sufficient height to prevent obstruction of such sign lines.

Section 10.20 Vehicle and Boat Parking. No vehicle may be parked on any building Lot, except on designated and approved driveways or parking areas, which areas shall be hard-surfaced. Any additional parking added after the initial landscaping shall be hard surfaces and constructed only in accordance with the site plan approved by the Control Architect or the ACC. Only the cars of guests and visitors may be parked on the streets. All other vehicles shall be parked in garages or on driveways located entirely on a Lot.

No inoperable vehicles, boats, motorcycles or other motorized apparatus shall be stored on the premises or the streets within the subdivision. No mechanical repairs shall be conducted upon the premises, except minor maintenance and mechanical work by a resident of the subdivision on said resident's private vehicle or boat, provided that any such conduct be in a manner which is not offensive to persons residing in the neighborhood, is not unsightly, does not result in unusual noise or debris being placed upon the premises and is in keeping with the residential development.

If an Owner refuses to remove an illegal vehicle, the Control Architect or the ACC shall have the power to remove the vehicle at the owner's expense. Except with the approval of the Control Architect or the ACC, Owners at no time shall keep or permit to be kept on their premises any house trailer, unattached camper, recreational vehicle (R.V.), mobile home, boat or boat trailer, or utility trainer, unless the same is housed within a garage. Boats are permitted in the water at appropriate moorage. Boats shall be maintained in good condition and no unsightly boats are permitted.

Section 10.21 Utility Lines; Radio and Television Antennas. All electrical service, telephone lines and other outdoor utility lines shall be placed underground. No exposed or exterior radio or television transmission or receiving antennas, including satellite dishes greater than 1 meter in diameter shall be erected, placed, or maintained on any part of the premises; provided, however, that antennas and satellite dishes smaller than 1 meter in diameter may be erected, placed, and maintained on the premises in a location approved by the ACC prior to installation or construction. Any waiver of these restrictions shall not constitute a waiver as to other Lots or lines or antennas.

Section 10.22 Landscaping. All Lot Owners shall install and keep watered street trees as required on the approved Landscaping Plan. On the Waterfront Lots, the Owners shall be responsible for installing and maintaining landscaping in their rear yard according to the Landscaping Plan approved by the City of Lakewood, dated March 12, 1999. The Owners shall use an ACC-approved landscaper to install the plantings, provided, however, that an Owner may seek ACC approval for a landscaper not on the ACC list.

Section 10.21. <u>Irrigation.</u> All Lot Owners shall install and maintain irrigation systems to serve that Owner's Lot. The irrigation system must be approved by the ACC prior to installation.

ARTICLE XI

Insurance Requirements

The Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for a planned unit development project established by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, U.S. Department of Veteran's Affairs, and Government National Mortgage Association, so long as any of them are a mortgagee or Owner of a Lot within Eagle Point at American Lake, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, U.S. Department of Veteran's Affairs, and Government National Mortgage Association.

ARTICLE XII

Damage or Destruction

Section 12.1 Insurance Proceeds Sufficient. In the event of damage or destruction to all or part of the Common Areas and Other Special Parcels, the insurance proceeds, if sufficient, shall be applied to repair, reconstruct or rebuild the Common Area and Other Special Parcels in accordance with the original plans. Such repair, reconstruction or rebuilding shall be arranged for promptly by the Board of Directors.

Section 12.2 Insurance Proceeds Insufficient. If the insurance proceeds are insufficient to pay for the cost to repair the Common Areas and Other Special Parcels, the Board shall promptly, but in no event later than ninety (90) days after the date of damage or destruction, give notice to and conduct a special meeting of the Owners to review the proposed repairs, replacement, and reconstruction, as well as the projected cost of such repairs, replacement or reconstruction. The Owners shall be deemed to have approved the proposed repairs, replacement, and reconstruction as proposed by the Board at that meeting, unless the Owners decide by an affirmative vote of fifty-one percent (51%) of the total votes cast at such meeting (provided a quorum exists), to repair, replace, or reconstruct the Common Areas and Other Special Parcels in accordance with the original plan in a different manner than that proposed by the Board. In any case, however, use of hazard insurance proceeds for other than repair, replacement, or reconstruction of the Common Area in accordance with the original plans shall not be permitted without the prior written approval of at least sixty-seven percent (67%) of the First Mortgagees (based on one (1) vote for each first Mortgage owned) or Owners (if there is no first Mortgage on that Lot) of the Lots.

ARTICLE XIII

Condemnation

- Section 13.1 Partial Condemnation. In the event of a partial condemnation of the Common Areas, the proceeds shall be used to restore the remaining Common Area and any balance remaining shall be distributed to the Association.
- <u>Section 13.2</u> <u>Total Condemnation</u>. In the event that the entire Common Area is take or condemned, or sold, or otherwise disposed of in lieu of or in avoidance there, the condemnation aware shall be distributed to the Association.
- Section 13.3 Mortgagee Protection. No proceeds received by the Association as the result of any condemnation shall be distributed to a Lot Owner or to any other party in derogation of the rights of the First Mortgagee of any Lot.

ARTICLE XIV

Mortgagees' Protection

- <u>Section 14.1</u> <u>Definitions.</u> As used in this Declaration: (1) "mortgagee" includes the beneficiary of a deed of trust, a secured party, or other holder of a security interest; (2) "foreclosure" includes a notice and sale proceeding pursuant to a deed of trust or sale on default under a security agreement; and (3) "institutional holder" means a mortgagee which is a bank or savings and loan association or established Mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.
- <u>Section 14.2 Approval.</u> The prior written approval of at least seventy-five percent (75%) of the First Mortgagees (based on one vote for each first Mortgage owned) of the individual Lot shall be required for any of the following:
- (a) The abandonment or termination of the PDD status of the project, except for abandonment or termination, if any, provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.
- (b) Any act or omission seeking to abandon, partition, subdivide, encumber, sell or transfer the Common Areas, except as specifically allowed herein; provided, however that the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas shall not be deemed a transfer within the meaning of this clause.
- (c) Any act or omission seeking to change, waive or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design or the exterior appearance of buildings and other improvements, the exterior maintenance of buildings and other improvements, the maintenance of common property walks or common fences and driveways, or to the upkeep of lawns and plantings in the Property.
- (d) Any act or omission whereby the Association fails to maintain fire and extended coverage on insurable properties common property on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement costs).
- (e) Use of hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas.
- Section 14.3 Notice. Each First Mortgagee (as well as each Owner) shall be entitled to timely written notice of:
 - (a) Any condemnation of eminent domain proceeding effecting the Common Areas.

(b) Any proposed abandonment or termination of the PDD Status of this project.

Section 14.5 Payment of Taxes on Common Areas. First mortgagees of any Lot may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such reimbursement therefor from the Association.

ARTICLE XV

General Provisions

Section 15.1 Binding Effect. All present and future Owners or occupants of Lots shall be subject to and shall comply with the provisions of this Declaration, and the Bylaws and rules and regulations of the Association, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, and the Bylaws and rules and regulations of the Association, as they may be amended from time to time, are accepted and ratified by such Owner or occupant, and all such provisions shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease there.

<u>Section 15.2</u> <u>Enforcement.</u> The Association and any Owner shall have the right to enforce, by an proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Section 15.3 Failure to Enforce. No delay or omission on the part of Byrne or the Owners of Lots in exercising any rights, power, or remedy provided in this Declaration shall be construed as a waiver of or acquiescence in any breach of the covenants, conditions, reservations or restrictions set forth in the Declaration. No action shall be brought or maintained by anyone whatsoever against Byrne for or on account of its failure to bring any action for any breach of these covenants, conditions, reservations, or restrictions or for imposing restrictions which my be unenforceable.

<u>Section 15.4</u> <u>Severability</u>. Invalidation of any one of these concerns or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 15.5 Interpretation. In interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The singular may also include the plural and the masculine may include the feminine, or visa versa, where the context so admits or requires. This Declaration shall be liberally construed in favor of the party seeing to enforce its provisions to effectuate the purpose of protecting and enhancing the value,

marketability, and desirability of the Property by providing a common plan for the development of Eagle Point at American Lake.

Section 15.6 Amendment by Byrne. Notwithstanding anything in this Declaration to the contrary, Byrne may without the consent of any Owner, at any time prior to the time that Declarant and Byrne have sold and closed original sales of a total of seventy-five percent (75%) of the Lots, amend this Declaration by an instrument signed by Byrne; provided, no amendment shall materially impair the substantial rights of a Lot Owner as established herein unless the impacted Lot Owner(s) consents in writing. Thereafter, this Declaration can be amended only as provided for below.

Section 15.7 Amendment By Lot Owners. After Declarant and Byrne have sold and closed original sales of a total of seventy-five percent (75%) of the Lots, this Declaration can be amended only by an affirmative vote of the Owners of seventy-five percent (75%) of the Lots at a meeting called for such purposes; provided, no amendment shall be passed which materially impairs the substantial rights of a Lot Owner as established herein unless the impacted Lot Owner(s) consents in writing. Any such amendment must be in writing, signed by the President and Secretary of the Association, attesting to the notice, meeting and those votes cast meet the requirements of this Declaration and the Bylaws, together with the approving Lot Owners, and recorded with the Pierce County Auditor. The amendment shall not be effective until recording.

Section 15.8 Amendment by Court Action. The Association and/or any Lot Owner shall have the right to seek amendment by way of civil suit wherein the basis for the amendment is either:
(a) governmental requirements; or, (b) manifest unfairness due to substantially changed circumstances beyond the control of the Lot Owner seeking the amendment. In any such court action, the court may exercise its equitable powers to grant such relief as is deemed appropriate.

Section 15.9 Notice. Any notice required hereunder shall be deemed effective when personally delivered or three (3) days after mailing by certified and regular mail to the Owner of public record at the time of such mailing to such Owner's address as appears on the Pierce County Assessor's tax records and to the street address of the Lot(s) herein. Notices to lenders shall be sent to the last address the lender has given to the Association. The Association is not required to provide notice of any matter to any lender who has not notified the Association in writing of such lender's desire to receive notice, and/or has not given the Association written notice of the lender's address for receipt of notices. The Association shall not undergo investigation outside of its own records into the name or location of any lender or lien holder.

<u>Section 15.10</u> <u>Enforcement By Self Help.</u> Byrne, the Association, or the duly appointed agent of either may enter upon any Lot, which entry shall not be deemed a trespass, and take whatever steps are necessary to correct a violation of the provisions of this Declaration; provided, this provision shall not be construed as permission to breach the peace.

Section 15.11 Condition Precedent to Action. Prior to talking action under section 15.2 or 15.10 above, written notice shall be given to the offending Lot Owner. Such notice shall specify the

nature of the offense and shall also specify the action necessary to cure. Such notice shall also provide a reasonable opportunity to cure which, except in the case of an emergency, shall not be less than thirty (30) days.

<u>Section 15.12</u> Expenses of Action. The expenses of any corrective action or enforcement of this Declaration, if not paid by the offending Owner within thirty (30) days after written notice and billing, may be filed as a lien upon such Lot, enforceable as other liens herein.

Section 15.13 Costs and Attorneys' Fees. In the event of legal action, the prevailing party shall be entitled to recover actual costs and reasonable attorney fees. For the purposes of this Declaration "legal action" shall include arbitration, lawsuit, trial, appeals, and any action, negotiations, demands, counseling or otherwise where the prevailing party has hired an attorney. It is the intent of this provision to reimburse the prevailing party for all reasonable attorney fees and actual costs incurred in defending or enforcing the provisions of this Declaration, or the Owner's right hereunder.

<u>Section 15.14 Certain Rights of Byrne.</u> For such time as Byrne shall own Lots there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any Rules and Regulations adopted by the Association which:

- (a) Discriminate or tend to discriminate against Byrne's rights as an Owner.
- (b) Change Article I ("Definitions") in a manner which alters Byrne's rights or status.
- (c) Alter the character and rights of membership or the rights of Byrne as set forth in Article IV.
- (d) Alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights-of-way.
- (e) Deny the right to convey Common Areas to the Association so long as such Common Areas lie within the land represented in the Development Plan.
- (f) Alter its rights as set forth in Articles VIII and IX relating to architectural controls.
- (g) Alter the basis for assessments.
- (h) Alter the provisions of the use restrictions as set forth in Article X.
- (i) Alter the number or selection of Directors as established in the Bylaws.
- (j) Alter Byrne's rights as they appear under this Article.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed this 12 day of September, 2001.

DECLARANT:

AMERICAN LAKE, L.L.

By:

Kevin M. Byrne, Manager

STATE OF WASHINGTON)

: ss.

COUNTY OF PIERCE

On this 12 day of April, 2001, before me personally appeared Kevin M. Byrne, to me known to be the Manager of American Lake, L.L.C., a Washington limited liability company, the company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day

and year first above written.

Type/Print Name:

NOTARY PUBLIC in and for the State of

Washington, Residing at Perce Coulom
My Appointment Expires: 8-31-03

EXHIBIT "A"

to

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAGLE POINT AT AMERICAN LAKE

[legal description of property, as referred to in Background Recital #1]

PARCEL A:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF PORTLAND AVENUE AND THE SOUTHWESTERLY LINE OF BERKELEY STREET AS BOTH ARE SHOWN ON PLAT OF AMERICAN LAKE, PIERCE COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, AT PAGES 28 AND 29; THENCE ALONG SAID LINE OF PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 420 FEET TO THE NORTHEASTERLY LINE OF BOUNDARY STREET AS LAID OUT BY THE COUNTY COMMISSIONERS; THENCE ON SAID LINE OF BOUNDARY STREET AND AN EXTENSION THEREOF, NORTH 40 ° 55 ' 30 " WEST 620 FEET; THENCE PARALLEL WITH SAID LINE OF ... PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 549.81 FEET TO THE NORTHEASTERLY LINE OF THE STATE MILITARY ENCAMPMENT GROUNDS; THENCE ON SAID LAST NAMED LINE NORTH 40 ° 04 ' 35 " WEST 500 FEET, MORE OR LESS, TO THE SHORE LINE OF AMERICAN LAKE; THENCE ON SAID SHORE LINE NORTHEASTERLY TO AN EXTENSION NORTHWESTERLY OF SAID SOUTHWESTERLY LINE OF BERKELEY STREET: THENCE ON SAID LINE OF BERKELEY STREET SOUTH 40 ° 55 ' 30 " EAST 1.170 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN LAKEWOOD, PIERCE COUNTY, WASHINGTON.

EXCEPT THAT PORTION OF THE WEST HALF OF SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF PORTLAND AVENUE AND THE SOUTHWESTERLY LINE OF BERKELEY STREET AS BOTH ARE SHOWN ON THE PLAT OF AMERICAN LAKE, PIERCE COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, AT PAGES 28 AND 29; THENCE ALONG SAID LINE OF PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 420 FEET TO THE NORTHEASTERLY LINE OF BOUNDARY STREET; THENCE ALONG SAID LINE OF BOUNDARY STREET NORTH 40 ° 55 ' 30 " WEST 200 FEET; THENCE ALONG A LINE PARALLEL TO THE AFOREMENTIONED NORTHWESTERLY LINE OF PORTLAND AVENUE NORTH 49 ° 04 ' 30 " EAST 420 FEET; THENCE SOUTH 40 ° 55 ' 30 " EAST 200 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF LAKEWOOD, A MUNICIPAL CORPORATION, FOR ADDITIONAL RIGHT-OF-WAY FOR BOUNDARY STREET BY DEED RECORDED UNDER RECORDING NUMBER 9807170939.

TOGETHER WITH SECOND CLASS SHORELANDS, AS CONVEYED BY THE STATE OF WASHINGTON, SITUATE IN FRONT OF, ADJACENT TO OR ABUTTING THEREON.

PARCEL B:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF STANLEY STREET WITH THE NORTHERLY LINE OF MILITARY AVENUE AS SHOWN ON THE PLAT OF AMERICAN LAKE, PIERCE COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, AT PAGES 28 AND 29, RUNNING THENCE EAST ALONG THE NORTHERLY LINE OF MILITARY AVENUE 100 FEET; THENCE NORTHERLY PARALLEL TO STANLEY STREET; 160.06 FEET; THENCE WESTERLY PARALLEL WITH MILITARY AVENUE 100 FEET, MORE OR LESS, TO THE EASTERLY LINE OF STANLEY STREET; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF STANLEY STREET TO THE PLACE OF BEGINNING, BEING IN SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, IN LAKEWOOD, PIERCE COUNTY, WASHINGTON.

PARCEL C:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF STANLEY STREET, 160.06 FEET NORTHWESTERLY OF THE INTERSECTION OF THE NORTHERLY LINE OF MILITARY AVENUE AND THE EASTERLY LINE OF STANLEY STREET; THENCE EASTERLY PARALLEL TO THE SAID NORTHERLY LINE OF MILITARY AVENUE 50 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHERLY PARALLEL TO SAID EASTERLY LINE OF SAID STANLEY STREET 150.06 FEET; THENCE EASTERLY PARALLEL TO MILITARY AVENUE 50 FEET; THENCE WESTERLY PARALLEL TO MILITARY AVENUE 50 FEET TO THE POINT OF BEGINNING, IN GOVERNMENT LOT 3, SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, IN LAKEWOOD, PIERCE COUNTY, WASHINGTON.

PARCEL D:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF STANLEY STREET AND THE NORTHERLY LINE OF MILITARY AVENUE; THENCE NORTHWESTERLY 160.06 FEET ALONG THE EASTERLY LINE OF SAID STANLEY STREET TO THE POINT OF BEGINNING; THENCE NORTHEASTERLY 50 FEET PARALLEL TO MILITARY AVENUE; THENCE NORTHERLY 150.06 FEET PARALLEL TO SAID STANLEY STREET; THENCE SOUTHWESTERLY 50 FEET TO THE EASTERLY LINE OF SAID STANLEY STREET; THENCE SOUTHEASTERLY 150.06 FEET TO THE POINT OF BEGINNING, IN GOVERNMENT LOT 3 IN SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, IN LAKEWOOD, PIERCE COUNTY, WASHINGTON.

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PARCEL E:

THOSE PORTIONS OF VACATED STANLEY STREET AND WOODLAWN AVENUE ADJOINING, VACATED BY ORDINANCE NO. 166 OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD, RECORDED UNDER RECORDING NUMBER 9806250397, BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, IN THE CITY OF LAKEWOOD, PIERCE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY MARGIN LINE OF WOODLAWN AVENUE AND THE WESTERLY MARGIN LINE OF STANLEY STREET, AS PER RECORDED PLAT OF AMERICAN LAKE IN VOLUME 9 OF PLATS, PAGE 28, RECORDS OF PIERCE COUNTY AUDITOR; THENCE NORTH 48 ° 06 ' 15 " EAST ALONG SAID NORTHERLY MARGIN LINE OF WOODLAWN AVENUE, A DISTANCE OF 299.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 50.00 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 48 ° 06 ' 15 " WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 78 ° 26 ' 50 ", AN ARC DISTANCE OF 68.46 FEET TO A NORTHWESTERLY EXTENSION OF THE WESTERLY MARGIN LINE OF BOUNDARY STREET, AS ESTABLISHED BY DEED IN VOLUME 469 OF DEEDS, PAGE 581, RECORDS OF PIERCE COUNTY AUDITOR; THENCE SOUTH 41 ° 52 ' 48 " EAST ALONG SAID EXTENSION OF THE WESTERLY MARGIN LINE OF BOUNDARY STREET, A DISTANCE OF 1.01 FEET TO THE SOUTHERLY MARGIN LINE OF SAID WOODLAWN AVENUE; THENCE SOUTH 48 ° 06 ' 15 " WEST ALONG SAID SOUTHERLY MARGIN LINE OF WOODLAWN AVENUE, A DISTANCE OF 279.53 FEET TO THE EASTERLY MARGIN LINE OF STANLEY STREET ADDITIONAL RIGHT-OF-WAY AS ESTABLISHED BY DEED IN VOLUME 445 OF DEEDS, PAGE 137, RECORDS OF PIERCE COUNTY AUDITOR; THENCE SOUTH 41 ° 18 ' 47 " EAST ALONG SAID EASTERLY MARGIN LINE OF STANLEY STREET, A DISTANCE OF 310.02 FEET TO THE NORTHERLY MARGIN LINE OF MILITARY AVENUE AS PER SAID RECORDED PLAT OF AMERICAN LAKE; THENCE SOUTH 48 ° 06 ' 15 " WEST ALONG SAID NORTHERLY MARGIN LINE OF MILITARY AVENUE AS EXTENDED, A DISTANCE OF 60.00 FEET TO THE WESTERLY MARGIN LINE OF SAID STANLEY STREET; THENCE NORTH 41 ° 18 ' 47." WEST ALONG SAID WESTERLY MARGIN LINE OF STANLEY STREET, A DISTANCE OF 360.02 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE CITY OF LAKEWOOD, COUNTY OF PIERCE, STATE OF WASHINGTON.

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EXHIBIT "C"

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAGLE POINT AT AMERICAN LAKE

[insert legal description for portion of Tract A, as referred to in Section 3.5]

PARCEL A:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF PORTLAND AVENUE AND THE SOUTHWESTERLY LINE OF BERKELEY STREET AS BOTH ARE SHOWN ON PLAT OF AMERICAN LAKE, PIERCE COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, AT PAGES 28 AND 29; THENCE ALONG SAID LINE OF PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 420 FEET TO THE NORTHEASTERLY LINE OF BOUNDARY STREET AS LAID OUT BY THE COUNTY COMMISSIONERS; THENCE ON SAID LINE OF BOUNDARY STREET AND AN EXTENSION THEREOF, NORTH 40 ° 55 ' 30 " WEST 620 FEET; THENCE PARALLEL WITH SAID LINE OF PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 549.81 FEET TO THE NORTHEASTERLY ... LINE OF THE STATE MILITARY ENCAMPMENT GROUNDS: THENCE ON SAID LAST NAMED LINE NORTH 40 ° 04 ' 35 " WEST 500 FEET, MORE OR LESS, TO THE SHORE LINE OF AMERICAN LAKE; THENCE ON SAID SHORE LINE NORTHEASTERLY TO AN EXTENSION NORTHWESTERLY OF SAID SOUTHWESTERLY LINE OF BERKELEY STREET: THENCE ON SAID LINE OF BERKELEY STREET SOUTH 40 ° 55 ' 30 " EAST 1,170 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN LAKEWOOD, PIERCE COUNTY, WASHINGTON.

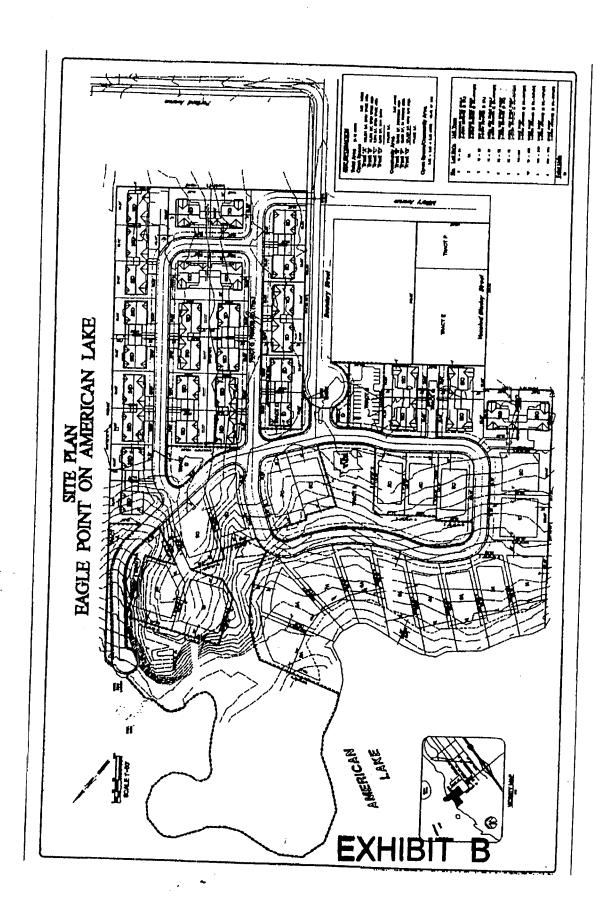
EXCEPT THAT PORTION OF THE WEST HALF OF SECTION 21, TOWNSHIP 19 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

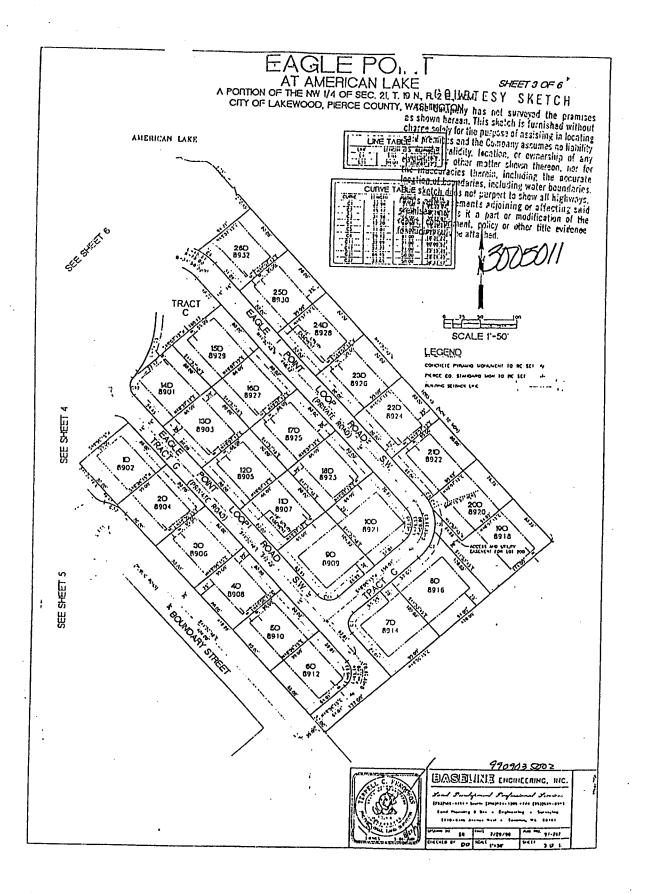
BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF PORTLAND AVENUE AND THE SOUTHWESTERLY LINE OF BERKELEY STREET AS BOTH ARE SHOWN ON THE PLAT OF AMERICAN LAKE, PIERCE COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 9 OF PLATS, AT PAGES 28 AND 29; THENCE ALONG SAID LINE OF PORTLAND AVENUE SOUTH 49 ° 04 ' 30 " WEST 420 FEET TO THE NORTHEASTERLY LINE OF BOUNDARY STREET; THENCE ALONG SAID LINE OF BOUNDARY STREET NORTH 40 ° 55 ' 30 " WEST 200 FEET; THENCE ALONG A LINE PARALLEL TO THE AFOREMENTIONED NORTHWESTERLY LINE OF PORTLAND AVENUE NORTH 49 ° 04 ' 30 " EAST 420 FEET; THENCE SOUTH 40 ° 55 ' 30 " EAST 200 FEET TO THE POINT OF BEGINNING.

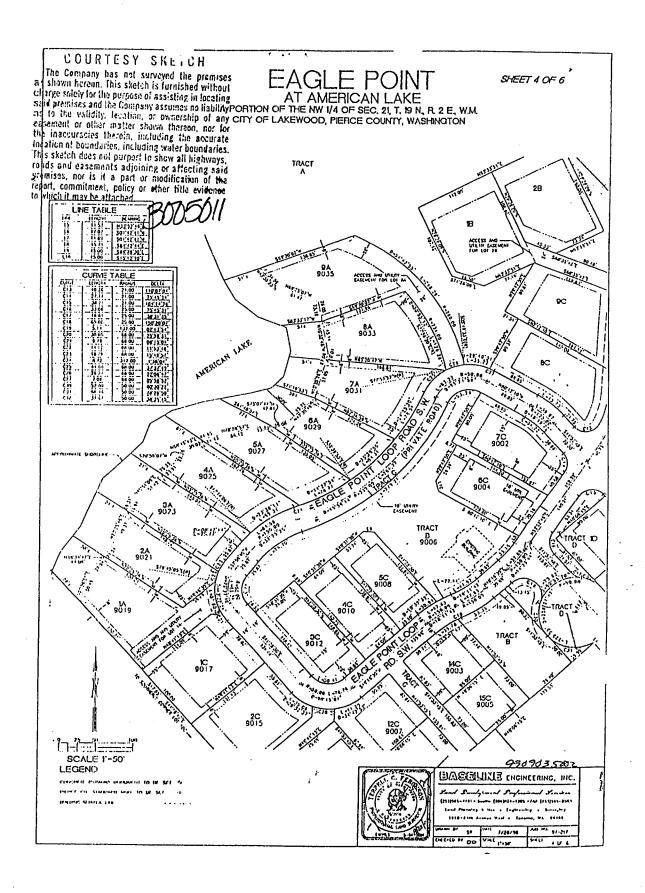
ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF LAKEWOOD, A MUNICIPAL CORPORATION, FOR ADDITIONAL RIGHT-OF-WAY FOR BOUNDARY STREET BY DEED RECORDED UNDER RECORDING NUMBER 9807170939.

TOGETHER WITH SECOND CLASS SHORELANDS, AS CONVEYED BY THE STATE OF WASHINGTON. SITUATE IN FRONT OF, ADJACENT TO OR ABUTTING THEREON.

11004356 v2

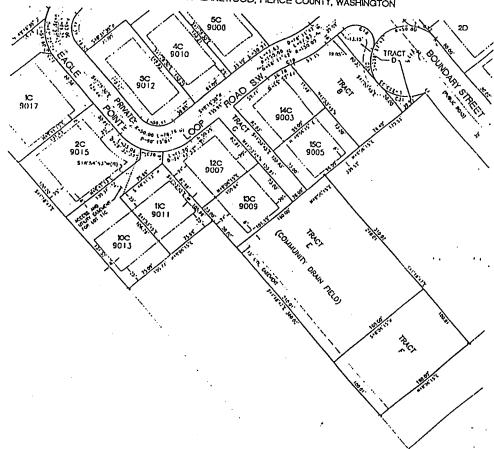




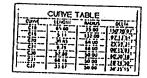


SHEET 5 OF 6

EAGLE POINT
AT AMERICAN LAKE
A PORTION OF THE NW 1/4 OF SEC. 21, T. 19 N, R. 2 E, W.M.
CITY OF LAKEWOOD, PIERCE COUNTY, WASHINGTON







COURTESY SKETCH

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This sketch does not purport to show all highways, roads and easements adjoining or affecting said premises, nor is it a part or modification of the report, commitment, policy or other title evidence to which it may be attached.



LEGEND

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BASBUINE ENGINEERING.

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