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03/21/2016 03:16:27 PM \$98.00
AUDITOR, Pierce County, WASHINGTON

WHEN RECORDED, RETURN TO:

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524 Second Ave., Suite 500
Seattle, Washington 98104
Attn: Randall P. Olsen

Document Title	Declaration of Covenants, Conditions, and Restrictions for McCormick Creek
Reference Number of Related Document	N/A
Grantor	McCormick Creek, LLC, a Washington limited liability company
Grantee	McCormick Creek Homeowners Association, a Washington nonprofit corporation
Abbreviated Legal Description	Portion of the West half of Section 31, Township 22 North, Range 2 East of the W.M.
Tax Parcel Numbers	0222312027, 0222312028, 0222312023, 0222312029, 0222313035, 0222313023

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR MCCORMICK CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR MCCORMICK CREEK is made this 8 day of MARCH, 2016 by McCormick Creek, LLC, a Washington limited liability company (the “**Declarant**”), as the owner of certain real property situated in Pierce County, State of Washington, as such property is more specifically described on Exhibit A, which is attached hereto and incorporated herein by this reference (the “**Real Property**”).

RECITALS

Declarant desires to develop the Plat of McCormick Creek (“McCormick Creek”) as a residential community on the Real Property. Declarant also desires to create common areas and facilities for the benefit of the McCormick Creek community and to provide for the preservation of the natural values in McCormick Creek.

This Declaration establishes a plan for the private ownership of lots and the buildings constructed thereon, for the dedication of certain areas to the public, and for the beneficial ownership through a nonprofit corporation of certain other land and related easements, hereafter defined and referred to as the “**Common Areas**.” The nonprofit corporation shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas, administering and enforcing these covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant hereby covenants, agrees, and declares that all of the Real Property, as defined herein, and the buildings and structures hereafter constructed thereon are, will be, held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of McCormick Creek for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in the Real Property or any part thereof, and shall inure to the benefit of the Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.

ARTICLE 1. DEFINITIONS

Section 1.1 “**Association**” shall mean and refer to the McCormick Creek Homeowners Association, a Washington nonprofit corporation, its successors and assigns.

Section 1.2 “**Association Action**” shall mean and refer to a written corporate action of the Association in the form of either a bylaw or resolution duly passed by either the Board or the Owners.

Section 1.3 “**Board**” shall mean and refer to the board of directors of the Association.

Section 1.4 “**Common Areas**” shall mean and refer to all easements and Tracts and any improvements thereto that are owned or maintained by the Association, for the benefit of the Lot Owners, and subjected to this Declaration by an appropriate recording. As of the date of this Declaration, the Common Areas consist of: All Common Areas depicted on the Final Plat, including without limitation,

the roads and sidewalks, and recreational areas, all as identified and/or illustrated on the Final Plat, recorded in the real property records of Pierce County.

Section 1.5 “**Common Expenses**” means the costs incurred by the Association to exercise any of the powers provided for in Chapter 64.38 RCW and this Declaration.

Section 1.6 “**Declarant**” shall mean and refer to the entity described on the first page of this Declaration and its respective successors and assigns. Nothing contained herein shall be deemed or construed by the Association or by any third person, to create the relationship of principal and agent, or a partnership, or a joint venture, or any association between or among any of the signatories hereto.

Section 1.7 “**Declaration**” shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

Section 1.8 “**Development Period**” shall mean and refer to that period of time beginning on the date of this Declaration and ending on the receipt by the Association of written notice from Declarant in which Declarant elects to terminate the Development Period.

Section 1.9 “**Final Plat**” shall mean and refer to the Final Plat of McCormick Creek Plat and PRD Phase 1, recorded under Pierce County Recording No. _____.

Section 1.10 “**Governing Documents**” shall mean and refer to this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association as any of the foregoing may be amended from time to time.

Section 1.11 “**Lot**” shall mean and refer to any legally segmented and alienable portion of the Real Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of dedicated rights of way and Tracts designated as Common Areas.

Section 1.12 “**Mortgage**” shall mean and refer to any recorded mortgage or deed of trust encumbering one or more of the Lots. “**First Mortgage**” shall mean and refer to a Mortgage with priority over the other Mortgages. “**Mortgagee**” shall mean and refer to the holder or beneficiary of any Mortgage and shall not be limited to Institutional Mortgagees. As used herein, the term “**Institutional Mortgagee**” or “**Institutional Holder**” shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, all corporations, and any agency of department of the United States Government or of any state or municipal government.

Section 1.13 “**Owner**” shall mean and refer to the record owner (whether one or more persons or entities) of a fee interest in any Lot, including the Declarant but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors.

Section 1.14 “**Real Property**” shall mean and refer to that certain real property which is legally described on Exhibit A attached hereto, and such additions thereto as may hereafter be brought within the terms and conditions hereof by an appropriate recording.

Section 1.15 “**Reserve Account**” shall have the meaning set forth in Section 3.12 of this Declaration.

Section 1.16 “**Reserve Component**” shall mean a Common Area for which the cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.

Section 1.17 “**Reserve Study Professional**” shall mean an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with Ch. 64.38 RCW.

Section 1.18 “**Significant Assets**” shall mean that the current replacement value of the major Reserve Components is seventy-five percent (75%) or more of the gross budget of the Association, excluding the Association’s Reserve Account funds.

Section 1.19 “**Single Family**” shall mean and refer to a single housekeeping unit that includes not more than four (4) adults who are legally unrelated.

Section 1.20 “**Structure**” shall include any building, fence, wall, driveway, walkway, patio, garage, storage shed, carport, mailboxes, basketball hoop, play equipment, climbing apparatus, swimming pool, rockery, dog run or the like.

Section 1.21 “**Tract**” shall mean and refer to any legally segmented and alienable portion of the Real Property created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of Lots and dedicated rights of way.

ARTICLE 2. MCCORMICK CREEK HOMEOWNERS ASSOCIATION

Section 2.1 Description of Association. The Association is a nonprofit corporation organized and existing under the laws of the State of Washington charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents of the Association other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The Association shall have a perpetual existence and may not be dissolved for forty years after the date upon which this Declaration is recorded. Upon dissolution or final winding up of the Association entity under the laws of the State of Washington, all of its assets remaining after payment to creditors will be distributed or sold, and the sales proceeds distributed, to the members of the Association entity in accordance with the Articles, Bylaws, and provisions of Ch. 24.03 RCW. The Owners are responsible for providing that the Association continues to be a functioning legal entity.

Section 2.2 Association Board. During the Development Period, the Declarant shall manage the Association and shall have all the powers of the Board set forth herein. Upon termination of the Development Period, a Board shall be elected from among the Owners, as provided in the Bylaws to manage the Association. The Board shall elect officers of the Association from among the Board members, which shall include a president who shall preside over the meetings of the Board and meetings of the Association.

Section 2.3 Votes Appurtenant to Lots. Every Owner shall be a member of the Association and, except as provided in Section 2.4, shall be entitled to cast one (1) vote in the Association for each Lot owned. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot to which it relates. A vote shall not be separated from ownership of the Lot to which it relates; provided, however, that when more than one entity holds the beneficial fee interest in any Lot, the vote therefore shall be cast as the Owners among themselves determine, but, except as provided in Section 2.4, in no event shall more than one vote be cast with respect to any Lot; and if the several Owners of a Lot are unable to agree as to the casting of their vote, such vote shall not be counted. If a Lot is further subdivided as provide in Section 6.1 hereof, the Owner of each additional Lot created shall be entitled to one vote in the Association for each Lot owned.

Section 2.4 Initial Number of Votes. During the Development Period, each Lot owned by Declarant shall be entitled to five (5) votes in the Association and each Lot owned by an Owner other than Declarant shall be entitled to one (1) vote. Upon expiration of the Development Period, the total number of votes in the Association shall be equal to the number of Lots subject to this Declaration and each Lot shall be entitled to one (1) vote.

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

Section 2.6 Bylaws, Rules and Regulations. The Board on behalf of the Association shall have the power to adopt, modify, and amend rules and regulations governing the use of the Real Property, provided that such rules and regulations shall not be inconsistent with this Declaration. The rules and regulations shall apply uniformly to all Owners, except as specifically provided herein. The Board shall have the power to enforce the rules and regulations on behalf of the Association and may prescribe penalties for the violation of such rules and regulations, including, but not limited to, suspension of the right to use the Common Areas or portions thereof. Any such rules and regulations shall become effective thirty (30) days after promulgation and shall be mailed to all Owners prior to their effective date. A copy of the rules and regulations then in force shall be retained by the secretary of the Association. The Declarant, on behalf of the Board, may adopt the initial Bylaws and rules and regulations of the Association.

Section 2.7 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration or the Bylaws or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege.

Section 2.8 Association Property. The Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property.

ARTICLE 3. ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

Section 3.1 Owner's Covenants to Pay Assessments. By acquisition of any ownership interest in a Lot, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the Association, in advance, all general and special assessments levied as provided herein. Notwithstanding the foregoing, the Declarant shall not be obligated to pay any assessments.

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

(a) Adoption of Budget. Within thirty (30) days after adoption by the Board of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. 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.

(b) Budget Summary. As part of the summary of the budget provided to all Owners, the Board shall disclose to the Owners:

(i) The current amount of regular assessments budgeted for contribution to the Reserve Account (defined below), the recommended contribution rate from the Reserve Study, and the funding plan upon which the recommended contribution rate is based;

(ii) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each Owner per month or year, and the purpose of the assessments;

(iii) Based upon the most recent Reserve Study and other information, whether currently projected Reserve Account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of Reserve Components during the next thirty (30) years;

(iv) If Reserve Account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient Reserve Account funds will be available each year during the next thirty (30) years, the approximate dates assessments may be due, and the amount of the assessments per Owner per month or year;

(v) The estimated amount recommended in the Reserve Account at the end of the current fiscal year based on the most recent Reserve Study, the projected Reserve Account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest Reserve Study;

(vi) The estimated amount recommended in the Reserve Account based upon the most recent Reserve Study at the end of each of the next five (5) budget years, the projected Reserve Account cash balance in each of those years, and the projected percent funded for each of those years; and

(vii) If the funding plan approved by the Association is implemented, the projected Reserve Account cash balance in each of the next five (5) budget years and the percent funded for each of those years.

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

Section 3.4 Payment of General Assessment. Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semi-annual, or annual basis, as determined by the Board. Unless the Board otherwise provides, one-twelfth of the General Assessment shall be due in advance on the first day of each calendar month. Any Owner may prepay one or more installments on any assessment levied by the Association without penalty.

Section 3.5 Nondiscriminatory Assessment. Except as otherwise specifically provided herein, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a two-thirds (2/3) majority vote of the Board if, after notice from the Association of failure to maintain such Lot in a condition comparable to the other Lots has been given, the Association elects to expend funds to bring such Owner's Lot up to such comparable standard.

Section 3.6 Commencement of Assessments. Liability of an Owner for assessments shall commence on the date upon which any instrument of transfer to such Owner becomes operative (such as the date of a deed or the date of a recorded real estate contract for the sale of any Lot) or, if earlier, the commencement date of Owner's occupancy of such Lot. The Declarant, its successors and assigns shall not be liable for any assessments with respect to any Lot.

Upon the initial closing on any Lot from Declarant, the buyer thereof shall pay a one-time assessment in the amount of Five Hundred Dollars (\$500.00). This amount shall be in addition to any

assessment established by the Association, and shall be paid by all buyers, including builders, but not including Declarant.

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

Section 3.8 Special Assessments. In addition to the general assessments authorized by this Article, the Association may, by Association Action, levy a special assessment or assessments at any time, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purpose as the Association may consider appropriate, including maintenance of a Lot as provided in Section 3.5. The due dates of any special assessment payments shall be fixed by the Association Action authorizing such special assessment.

Section 3.9 Effect of Nonpayment of Assessment. If any assessment payment is not made in full within thirty (30) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate of twelve (12) percent per annum or the highest rate then permitted by law, whichever is less. By acceptance of a deed to a Lot, recording of a real estate contract therefore, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, and to Declarant during the Development Period, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and shall arise in accordance with the terms of this Declaration without the necessity of any further action by the Association. The Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.

Section 3.10 Duration of Lien. Any lien arising pursuant to Section 3.9 shall be a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring pro rata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot which is charged with the payment of an assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot.

Section 3.11 Suspension for Nonpayment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of thirty (30) days, said Owner's voting rights shall without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are

brought current and any other default is remedied. No Owner is relieved of liability for assessments by nonuse of the Common Areas or by abandonment of a Lot.

Section 3.12 Reserve Account for Repair or Replacement. As a Common Expense, the Association may establish and maintain a reserve fund for major maintenance, repair or replacement of the Common Areas and any improvements thereon ("**Reserve Account**"). Such Reserve Account shall be deposited with a banking institution, and in the name of the Association. The Reserve Account shall be expended only for the purpose of affecting the major maintenance, repair or replacement of the Common Areas and any improvements and community facilities thereon, and to any sidewalks, roads, walls or pathways developed as a part of McCormick Creek, equipment replacement, and for operating contingencies of a nonrecurring nature. The Board is responsible for administering the Reserve Account. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned, or transferred from the Lot to which it appertains.

(a) Withdrawals from Reserve Account. In addition to withdrawals for the purposes set forth in Section 3.12 above, the Association may withdraw funds from the Reserve Account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of Reserve Components. The Board shall record any such withdrawal in the Association's minute books, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class U.S. mail to the mailing address of each Owner, and adopt a repayment schedule not to exceed twenty-four (24) months unless the Board determines that repayment within twenty-four (24) months would impose an unreasonable burden on the Owners. Payment for major maintenance, repair, or replacement of the Reserve Components out of cycle with the Reserve Study projections or not included in the Reserve Study may be made from the Reserve Account without meeting the notification or repayment requirements under this Section 3.12(a).

Section 3.13 Reserve Studies. The provisions of this Section 3.13 are intended to summarize the requirements for reserve studies as provided in RCW 64.38.065-.090, and in the event of any conflict with the provisions herein, the statutory provisions shall control.

(a) Board Determination. Unless (a) there are ten (10) or fewer homes in the Association; (b) the Board determines that the Association does not have Significant Assets; (c) the cost of a Reserve Study exceeds five percent (5%) of the Association's annual budget; or (d) the Board determines that doing so would impose an unreasonable hardship, the Board shall, cause the Association to prepare an initial reserve study (a "**Reserve Study**") based upon a visual site inspection conducted by a Reserve Study Professional. The Reserve Study shall comply with the requirements of RCW 64.38.070, and shall be updated annually unless doing so would impose an unreasonable hardship. At least every three (3) years, an updated Reserve Study must be prepared and based upon a visual site inspection conducted by a Reserve Study Professional.

(b) Owner Demand. When more than three (3) years have passed since the date of the last Reserve Study prepared by a Reserve Study Professional, the Owners to which at least thirty-five percent (35%) of the votes are allocated may demand, in writing, to the Association that the cost of a Reserve Study be included in the next budget and that the Reserve Study be prepared by the end of that budget year. The written demand must refer to RCW 64.38.080. The Board shall, upon receipt of the written demand, provide the Owners who make the demand reasonable assurance that the Board will include a Reserve Study in the next budget and, if the budget is not rejected by a majority of the Owners, will arrange for the completion of a Reserve Study.

Section 3.14 Limitations on Liability related to Reserve Account and Reserve Studies.

Monetary damages or any other liability may not be awarded against or imposed upon the Association, its officers, the Board, or those persons who may have provided advice or assistance to the Association, its officers, or the Board, for failure to: (a) establish a Reserve Account; (b) have a current Reserve Study prepared or updated in accordance with the requirements of Chapter 64.38 RCW and this Declaration; or (c) make the required disclosures in accordance with Section 3.2(b) and Chapter 64.38 RCW.

Section 3.15 Failure to Comply Does Not Relieve Owners. An Owner's duty to pay for Common Expenses is not excused, and a budget ratified by the Owners is not invalidated, because of the Association's failure to comply with the Reserve Study or Reserve Account requirements.

Section 3.16 Certain Areas Exempt. The Tracts and all portions of McCormick Creek dedicated to and accepted by a public authority shall be exempt from assessments by the Association.

ARTICLE 4. ARCHITECTURAL CONTROL COMMITTEE

Section 4.1 Architectural Control Committee. An Architectural Control Committee ("Committee") consisting of at least three (3) members, but in any event always an odd number of members, is hereby created with the rights and powers set forth in this Declaration. The initial members of the Committee shall be representatives appointed by Declarant. Committee members shall not be entitled to compensation for their services hereunder, except as may be determined by the Board of Directors. Declarant shall have the right and power at all times to appoint or renew the appointment of the members of the Committee or to fill any vacancy until the expiration of the Development Period. After the expiration of the Development Period, the Board shall have the power to appoint and remove the members of the Committee.

Section 4.2 Jurisdiction and Purpose. The Committee shall review proposed plans and specifications for construction of all residences and other Structures within McCormick Creek, including any additions, exterior alterations, fences, major landscaping, clearing, painting, paving and excavation. During the Development Period, a prospective Owner shall submit architectural and landscaping plans and specifications to the Committee for its review prior to closing the purchase of a Lot. Prior to submittal to the Committee, the Owner shall verify all improvements meet all local municipal codes. The Committee assumes no liability and holds no authority to approve, permit, or allow any construction on behalf of the local governing authorities. The Committee shall adopt and publish rules and procedures for the review of such plans and specifications. It shall be the obligation of each Owner or prospective Owner to be familiar with the rules and procedures of the Committee. As conditions precedent to approval of any matter submitted to it, the Committee shall find:

(a) Consistent with Declaration. The approval of the plan is in the best interest of the Owner and consistent with this Declaration.

(b) General Considerations. General architectural considerations, including relationship and layout of Structures to natural features and adjacent homes, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, and similar elements have been designed to be compatible with the overall design of McCormick Creek.

(c) Site Considerations. General site considerations, including site layout, relationship of site to vegetation, natural features, open space and topography, orientation and locations of

buildings, vehicular access and driveway lighting, circulation and parking, setbacks, height, walls, fences and similar elements have been designed to be compatible with the overall design of McCormick Creek.

(d) Landscape Considerations. General landscape considerations, including the location, type, size, color, texture and coverage of plant materials, provisions for irrigation, maintenance and protection of existing landscaped areas and similar elements have been considered to ensure visual relief, to complement buildings and Structures, and to provide an attractive environment for the enjoyment of the Owners in general and the enhancement of the property values in McCormick Creek.

(e) Siding. Without limiting the foregoing, each residence, improvement or Structure constructed on a Lot shall be built of new materials except, with approval of the Architectural Control Committee, decorative items such as used brick, weathered planking, and similar items may be incorporated. All siding materials shall be of masonry (including stucco, dryvit, cultured stone, brick, stone, or similar material), and/or wood or wood-type siding material. All paints or natural finishes shall be those colors commonly known as earth tones.

(f) Roofing. The roof shall be a composition roof with a 30-year life or a type of roof otherwise approved by the Committee.

(g) Entry Walks, Porches and Decks. Unless otherwise approved by the Committee, all front entry walks shall be concrete, and decks and porches shall be constructed of cedar or pressure-treated materials, or visually similar composite decking materials.

(h) Driveways. All driveways shall be constructed of concrete paving.

(i) Local Codes. All buildings or Structures shall be constructed in accordance with all applicable codes and regulations. In the event of a conflict between any applicable codes and this Declaration, the codes shall govern.

Section 4.3 Approval Procedures. Two copies of a preliminary application for approval must be submitted in writing to the Committee at the registered office of the Association. Within fifteen (15) days following receipt of a preliminary application, the Committee shall notify the applicant in writing as to whether the application is complete and, if not, of any additional information that may be required before the Committee can review the application. The Committee's rules and procedures may specify the payment of a reasonable nonrefundable fee, to be set forth in the Committee rules, for the purpose of defraying the costs associated with the Committee's review of the preliminary application. This fee may be adjusted from time to time by the Committee in accordance with its rules and procedures. The Committee shall review the application in accordance with the provisions of this Section as soon as possible after a complete application has been filed. The decision of a majority of the members of the committee shall be the decision of the Committee. One copy of approved plans will remain in the Committee's files. All disapproved plans will be returned to the applicant.

Section 4.4 Failure of Committee to Take Action. Except as provided in Section 4.6 below, in the event that the Committee fails to respond to an applicant's complete and properly submitted application within thirty (30) days after the Committee has notified the applicant that the application is complete, formal written approval will not be required, and the applicant shall be deemed to have fully complied with the provisions for approval; provided, however, if the Committee delivers notice of the need for one (1) thirty (30) day extension prior to expiration of the above-referenced thirty (30) day period, the Committee shall have thirty (30) additional days to make its decision.

Section 4.5 Committee's Obligation. The Committee, in its deliberations and in the discharge of its obligations hereunder, shall act objectively and fairly in making decisions concerning various plans, specifications, plot plans and landscape plans submitted to it by various applicants for consideration in accordance with the provisions of this Declaration. Further, the determinations of the Committee as to noncompliance shall be in writing, signed by the Committee, and shall set forth in reasonable detail the reason for noncompliance. The Committee may approve, approve with conditions, or disapprove an application or any part thereof. In all cases, the sole responsibility for satisfying the provisions of this Declaration and all local building codes and governmental requirements rests with the applicant. In consideration of the Committee's review of an applicant's application, the applicant shall indemnify and hold the Committee harmless from any claim or damages resulting from applicant's failure to comply with applicable building codes or other governmental requirements.

Section 4.6 Exemptions and Variances From Committee Requirements. The Committee may, upon request, grant exemptions and variances from the rules and procedures of the Committee and the requirements of this Declaration when the party requesting such exemption or variance establishes to the satisfaction of the Committee that the improvements or other matters which are desired by the applicant are aesthetically as appealing, suited to climatic conditions, and compatible with the overall character of the development as are similar improvements or matters which conform to the requirements of this Declaration. Request for an exemption or variance shall be submitted in writing to the Committee and shall contain such information as the Committee shall from time to time require. The Committee shall consider applications for exemption or variance and shall render its decisions within thirty (30) days after notice to the applicant of proper submission. The failure of the Committee to approve an application for an exemption or variance shall constitute disapproval of such application.

Section 4.7 Construction Deposit. For purposes of protecting the Common Areas and Common Area improvements against damage during construction by an Owner, his contractors and agents, the Committee has authority, but is not mandated, to require a cash deposit from each Owner to whom approval of plans is given of an amount deemed appropriate by the Committee for such purposes ("**Construction Deposit**"), if the Committee finds that potential damage can be done to the Common Area(s) caused by Owner's proposed construction. The Construction Deposit, however, shall not exceed Two Thousand Dollars (\$2,000.00). In the event an Owner, his contractor, agents or employees causes any damage or destruction to any portion of the Common Areas or Common Area Improvements, the Committee shall notify such Owner and request the replacement or repair of the item or area damaged or destroyed. The Owner shall have a period of two (2) business days after the date or receipt of such notice to advise the Committee of its intended course of action and its schedule for correction of the damage, and to commence such correction. The Committee shall in its sole discretion approve or disapprove such course and schedule, and the Owner agrees to make such changes thereto as are necessary to obtain the Committee's approval. If the Owner fails to correct the damage in the manner or within the time approved by the Committee, the Committee may, at its option, perform such work as is necessary to remedy the situation on behalf and at the expense of the Owner and apply the Construction Deposit against the cost thereof. If the cost of such work exceeds the total amount of the Construction Deposit, the Owner shall pay the Association that excess cost within ten (10) days of demand by the Committee. Upon completion of construction of the Improvements on the Lot, and following a joint inspection of the Improvements and Lot by the Owner and the Committee to verify that no damage to the Common Areas and/or Common Area Improvements has occurred, the Committee shall make a final determination of compliance and return the remaining balance, if any, of the Construction Deposit to the Owner, without interest within ten (10) days of such final determination

Section 4.8 Failure of Applicant to Comply. Failure of the applicant to comply with the rules and procedures of the Committee or the final application as approved by the Committee shall, at the election of the Association's Board exercised after thirty (30) days' written notice to such applicant, constitute a violation of this Declaration. In that event, the Board shall be empowered to assess a penalty commensurate with the violation, which shall constitute a lien against such Lot, enforceable as provided herein and/or pursue any other remedy, including, but not limited to, an action for injunctive relief or specific performance.

ARTICLE 5. SUBORDINATION OF LIENS

Section 5.1 Intent of Provisions. The provisions of this Article 5 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot.

Section 5.2 Mortgagee's Nonliability. The holder of a Mortgage shall not, by reason of its security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 5.3 Mortgagee's Rights During Foreclosure. During foreclosure of a Mortgage, including any period of redemption, the holder of the Mortgage may exercise any or all of the rights and privileges of the Owner of the encumbered Lot, including but not limited to the right to vote in the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section 5.4 Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 5.5 Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 5.6 Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage or other security interest placed upon a Lot as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm such priority. The sale or transfer of any Lot or of any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot for purposes of realizing a security interest, liens shall arise against the Lot for any assessment payments coming due after the date of completion of foreclosure.

ARTICLE 6. USE COVENANTS, CONDITIONS AND RESTRICTIONS

Section 6.1 Authorized Uses. McCormick Creek shall be used solely for residential purposes and related facilities normally incidental to a residential community. After the Development Period no Lot shall be further subdivided, except as permitted in this Declaration without prior approval conferred by Association Action.

Section 6.2 Leasing Restrictions. No residence on any Lot may be leased or rented by any party for a period of fewer than thirty (30) days, nor shall less than the whole of any Lot be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease his Lot or residence.

Section 6.3 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in McCormick Creek except as specifically provided herein. Domesticated dogs, cats, or other conventional household pets may be kept if they are not kept, bred, or maintained for any commercial purposes, and all animals must be in compliance with applicable codes and regulations. "Other conventional household pets" shall include only traditionally domesticated pets and shall not include any form of poultry (i.e., domestic fowl, including but not limited to chickens, turkeys, ducks, and geese) or any exotic pets such as large or potentially dangerous reptiles, potentially harmful insects, bees, large birds, wild animals, and animals not normally domesticated, all of which are strictly prohibited in McCormick Creek. No domestic pet may be kept if its presence or actions constitute a public or private nuisance. Pets shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Owner's Lot, pets within McCormick Creek shall be leashed and accompanied by a person who shall be responsible for cleaning up any animal waste. No pets shall be tethered to any rope, cord, chain, etc., while outdoors on a Lot within McCormick Creek for longer than two hours at a time.

Section 6.4 Commercial Uses. No commercial enterprise, including itinerant vendors, shall be permitted on any Lot; provided, however, that the Association may, by adopting rules and regulations, permit specified home occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of the McCormick Creek community; and provided further that no signs or advertising devices of any character shall be permitted.

Section 6.5 Vehicle Storage. No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles or other equipment or device shall be permitted in open view from any Lot, except this shall not exclude temporary (less than forty-eight (48) hours) parking of vehicles on the designated driveway areas adjacent to garages on the Lots. Upon forty-eight (48) hours' notice to the Owner of an improperly parked or stored vehicle, boat, or other equipment, the Association has authority, but shall not be obligated, to have removed at the Owner's expense any such vehicle visible from the street that is parked on any Lot, street, or within a Common Area for more than forty-eight (48) hours.

Section 6.6 Garbage. All trash shall be placed in sanitary containers that are screened so as not to be visible from adjoining Structures or streets or roadways. No Lot or any portion thereof shall be used as a dumping ground for trash or rubbish of any kind. Yard rakings, dirt and debris resulting from landscaping work or Construction shall not be dumped onto adjoining lots or streets or roadways.

Section 6.7 Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power, or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 6.8 Signs. Except for entrance, street, directional, traffic control, and safety signs, no promotional signs or advertising devices of any character shall be posted or displayed in McCormick Creek; provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot or attached to any residence placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or residence.

Section 6.9 No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon the Real Property which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels. No decorative planting, structure or fence may be maintained within an easement area.

Section 6.10 Antennas and Clotheslines. No external aerial antenna, free-standing antenna towers, satellite reception dishes of any kind or clotheslines shall be permitted in McCormick Creek; provided, however, satellite dishes of less than twenty-four (24) inches in diameter are permitted provided they are located on the rear of the residence or in such location allowed through written consent of the Architectural Control Committee. Satellite dishes greater than twenty-four (24) inches in diameter may be allowed through written consent of the Architectural Control Committee.

Section 6.11 Owners' Maintenance Responsibilities. The maintenance, upkeep, and repair of individual Lots and homes shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, officers or directors. Owners shall maintain their Lots and homes in good repair and in a clean, sightly, and sanitary condition at all times. Without limitation as to the foregoing, each Owner shall be obligated to keep his Lot and home in a clean, sightly and sanitary condition and maintain the landscaping on his Lot in a healthy and attractive state and in a manner comparable to that on the other Lots in McCormick Creek. No storage of firewood shall be permitted in front yards. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so maintain his home or Lot, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, to enter upon any Lot which has been found to violate the foregoing standards in order to restore the home or Lot to such standards. The cost of such work shall be a special assessment on such Owner and his Lot only.

Section 6.12 Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, BB guns, slings, traps, or any other like weapon, shall be used or discharged within McCormick Creek except by authorized governmental officials.

Section 6.13 Nuisances Prohibited. No noxious or offensive activity shall be conducted in any portion of McCormick Creek, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Washington or any other applicable governmental entity. Nothing shall be done or maintained on any portion of McCormick Creek which may be or become an annoyance or nuisance to the neighborhood or detract from the value of the McCormick Creek community. The Association shall determine by Association Action whether any given use of a Lot unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots or of the Common Areas, and such determination shall be final and conclusive.

Section 6.14 Preservation of Landscaping. No party subject to the terms of this Declaration or his/her/their agents, employees or guests shall destroy or otherwise materially adversely impact

landscaping on Common Areas and/or dedicated Tracts, or as otherwise governed by applicable laws, codes and regulations.

Section 6.15 Temporary Structures. No Structure or improvement of a temporary character, including without limitation a trailer, tent, shack, garage, barn, or other outbuilding shall be installed, placed or used on any Lot as a dwelling or residence, either temporarily or permanently.

Section 6.16 Window Coverings. Curtains, drapes, blinds or valances shall be installed on all windows within ninety (90) days of occupancy of a residence on a Lot. No newspapers, bed sheets or other makeshift window coverings shall be visible from the exterior of the residence.

Section 6.17 Fences. All fences not installed by Declarant shall conform to the fence detail attached as **Exhibit B**, as may be modified by the Architectural Control Committee from time to time, unless otherwise authorized by the Board. Any fences that are stained must be stained with Sherwin Williams Deckscapes® Exterior Oil Based Cedar Tone Stain (Product #A18Y50500) unless otherwise approved by the Architectural Control Committee. Unless otherwise authorized by the Board, no fence, wall hedge or mass planting over three feet in height, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line; however, nothing shall prevent erection of a necessary retaining wall, the top of which does not extend more than two feet above the finished grade at the back of said retaining wall.

Section 6.18 Lot Size Restriction. No Lot or portion of a Lot in the Plat shall be divided and sold or resold or ownership changed or transferred, whereby the ownership of any portion of McCormick Creek shall be less than the area required for the use district in which located.

Section 6.19 Vehicular Access Restriction. Lots shall take access from roadways internal to the Final Plat.

Section 6.20 Damage. Any damage to streets, Plat improvements, entry structure, fences, landscaping, mailboxes, lights and lighting standards by Lot Owners, their children, contractors, agents, visitors, friends, relatives or service personnel shall be repaired and restored to like new condition by such Owner within twelve (12) days from the occurrence of such damage. After thirty (30) days' written notice to an Owner from the Association of such Owner's failure to so repair, and after approval by a two-thirds (2/3) majority vote by the Board, the Association shall have the right, through its agents and employees, to make such repairs on behalf of such Owner. The cost of such work shall be a special assessment on such Owner and his Lot only.

Section 6.21 Unsightly Conditions. No unsightly conditions shall be permitted to exist on any Lot. Unsightly conditions shall include, without limitation, improperly maintained landscaping; publicly visible storage of firewood; publicly visible storage of boats, trailers or motor homes, manufactured homes, recreational vehicles, or disabled vehicles of any kind whatsoever; laundry hanging or exposed in view for drying; litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; non-decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items; and no awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any housing unit unless prior written approval shall have been obtained from the Architectural Control Committee. This Section 6.21 shall not apply to Lots owned by Declarant during the Development Period.

Section 6.22 Structure Height Limitation. No building on the Lots shall exceed the maximum building height of thirty-five (35) feet, as provided on the Final Plat.

ARTICLE 7. COMMON AREAS

Section 7.1 Title to Common Areas. All Common Areas were dedicated in accordance with the terms of the Final Plat upon recording of the Final Plat. Every Common Area shall be subject to an easement of common use and enjoyment in favor of the Association and every Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents and the Final Plat.

Section 7.2 Maintenance of Common Areas. The Association shall maintain, repair, replace, improve, and otherwise manage all of the Common Areas so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action. The Association shall take any action necessary or appropriate to the maintenance and upkeep of the Common Areas and improvements thereon.

Section 7.3 Monument and Landscaping Maintenance and Easements. The Association shall be responsible for maintaining any McCormick Creek monument signage and shall be responsible for maintaining any landscaping in Common Areas, including but not limited to planter strips, in accordance with the terms of the Final Plat and all applicable laws, codes and regulations.

ARTICLE 8. CERTAIN GRANTS, EASEMENTS, COVENANTS AND RESTRICTIONS

Section 8.1 Tracts.

(a) Tract A. Tract A is a private storm tract. Upon recording of the Final Plat, Tract A was dedicated to Association for ownership and maintenance purposes.

(b) Tracts B, C, F, H and X. Tracts B, C, F, H and X are landscape tracts (perimeter buffer). Upon recording of the Final Plat, an equal and undivided ownership interest in Tracts B, C, F, H and X was granted and conveyed to all Lot Owners. The Association shall maintain said Tracts as Common Areas.

(c) Tract D. Tract D is a park/open space tract. Upon recording of the Final Plat, an equal and undivided interest in Tract D was granted and conveyed to all Lot Owners. The Association shall maintain Tract D as a Common Area.

(d) Tracts S, T, U, V, and W. Tracts S, T, U, V, and W are future development tracts. Upon recording of the Final Plat, Tracts S, T, U, V, and W were reserved by Declarant for future development.

Section 8.2. Private Stormwater Easements. Upon recording of the Final Plat, private stormwater easements (PSE) were granted as shown thereon for the installation, inspection, and maintenance of utilities and drainage facilities. No encroachments shall be placed within the easements that may damage or interfere with the installation, inspection, and maintenance of utilities. Maintenance of the facilities within the private stormwater easements shall be the responsibility of the Owner of the underlying property.

Section 8.3 Irrigation and Landscaping. Each Lot Owner shall maintain the Irrigation and landscaping within the right of way abutting each Owner's Lot frontage. Irrigation and maintenance of landscaping within the public right of way which abuts Tracts shall be the responsibility of the Association.

Section 8.4 McCormick Creek Drive. McCormick Creek Drive is intended and has been designed to provide a public right of way vehicular connection between Harbor Hill Drive and Burnham Drive.

ARTICLE 9. INSURANCE; CASUALTY LOSSES; CONDEMNATION

Section 9.1 Insurance Coverage. The Association shall, subject to change by Association Actions, maintain at all times as an Association expense a policy or policies and bonds written by companies licensed to do business in Washington providing:

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

(b) General comprehensive liability insurance with a combined single limit of \$1,000,000 insuring the Association, the Owners, and Declarant against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.

(c) Worker's compensation insurance to the extent required by applicable laws.

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

Section 9.2 Casualty Losses. In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.

Section 9.3 Condemnation. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the holders of all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds therefrom, shall be payable to the Association.

ARTICLE 10. ENFORCEMENT

Section 10.1 Right to Enforce. The Association, Declarant, or any Owner shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration.

Section 10.2 Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 10.3 Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, or otherwise occupying any portion of the Real Property, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot shall be subject to this Declaration.

ARTICLE 11. AMENDMENT AND REVOCATION

Section 11.1 Amendment by Declarant or Association. Declarant may, on its sole signature, during the Development Period, amend this Declaration. This Declaration may also be amended at any time by an instrument executed by the Association for and on behalf of the Owners, provided, however, that such amendments shall have received the prior approval of a vote of the Owners having sixty percent (60%) of the total outstanding votes in the Association; and provided, further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant. Notwithstanding any of the foregoing, the prior written approval of fifty-one percent (51%) of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's Bylaws of any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; reallocation of interest in the Common Areas; leasing of Lots other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his Lot; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Association after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or guarantors of First Mortgages.

Section 11.2 Effective Date. Amendments shall take effect only upon recording in the official real property records of Pierce County, Washington.

ARTICLE 12. PHASED DEVELOPMENT; DEVELOPMENT RIGHTS

Section 12.1 Subsequent Development. Declarant reserves as a Development Right for itself, its successors or assigns, the right, in one or more phases, to subject additional properties to this Declaration, to withdraw undeveloped property from it, to further subdivide Tracts S, T, U, V, and W, to complete improvements on the Lots, and to designate portions of the Real Property subject to future development as Common Areas. Improvements in all phases shall be consistent with one another in

quality of construction. Declarant shall adopt amendments to this Declaration and the Final Plat (or record subsequent plats) on Declarant's signature alone as necessary in Declarant's sole discretion in exercising Declarant's reserved Development Rights. Each Lot Owner appoints the Declarant as his or her attorney-in-fact to adopt and file amendments to this Declaration necessary to add or subtract such properties, or to designate portions of the Real Property subject to future development as Common Areas. If the Declarant elects to subject additional property to this Declaration, Declarant shall grant to the Lot Owners of such additional properties (and Declarant, if applicable) all of the rights and benefits to which Members of the Association are entitled. Upon the addition of Lots and Common Areas, the Board shall establish a new budget suitable to the expanded number of Lots and Common Areas, and shall thereafter impose monthly assessments based on that revised budget.

Section 12.2 Consent to Adding or Subtracting Properties. Declarant reserves as a Development Right the right to subject additional properties to this Declaration at any time prior to termination of the Development Period. Declarant may also withdraw any undeveloped properties from this Declaration at any time prior to termination of the Development Period. Each Lot Owner appoints the Declarant as his or her attorney-in-fact to adopt and file amendments to this Declaration necessary to add or subtract such properties, or to designate portions of the Real Property subject to future development as Common Areas. The Lot Owners shall be benefitted by any Common Areas the Declarant elects to add or designate to McCormick Creek, either through Association ownership and control of said Common Areas or by easements of use and enjoyment in favor of said Lot Owners on said Common Areas. The Lot Owners of any property added by Declaration to McCormick Creek shall have an easement for use and enjoyment of the existing Common Areas and shall have all the obligations to pay the cost of maintaining the Common Areas as provided herein. The Declarant shall also have as a Development Right the right to extend existing easements and may create new easements over the Lots still within Declarant's control so as to provide access to and service additional properties and future development within the Real Property. Neither the Association nor any Lot Owners shall have any right in any additional property nor shall this Declaration have any effect on such additional property until it is subjected to this Declaration by adoption of an amendment to this Declaration specifically describing such additional property. The rights reserved by Declarant in this Section shall be exercised by Declarant at Declarant's sole discretion.

Section 12.3 Sales Facilities. In addition to any other Development Rights set forth in this Declaration, until termination of the Development Period, the Declarant hereby reserves for itself, its successors or assigns, the right to establish, maintain or conduct within any Lot owned by Declarant and on the Common Areas: any sales offices, management offices, models, interior and exterior signs, and such other facilities as Declarant desires, and sales events and other activities relating to the marketing of Lots and advertising in connection with the construction, sale or rental of the Lots.

Section 12.4 No Requirement to Include Additional Properties. Nothing contained in this Declaration shall be construed to require the Declarant to subject additional properties to this Declaration.

ARTICLE 13. GENERAL PROVISIONS

Section 13.1 Taxes. Each Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against his Lot, or personal property located on or in the Lot. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

Section 13.2 Non-Waiver. No waiver of any breach of this Declaration or failure to enforce any covenant of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition, or restriction.

Section 13.3 Attorneys' Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney's fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorneys' fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 13.4 No Abandonment of Obligation. No Owner, through his non-use of any Common Area, or by abandonment of his Lot, may avoid or diminish the burdens or obligations imposed by this Declaration.

Section 13.5 Captions. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration.

Section 13.6 Severability. Invalidity of any one of these covenants, conditions, restrictions, easements, or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.

Section 13.7 Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested, shall be deemed given three days after the date of mailing thereof, or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notice to any Owner may be given at any Lot owned by such Owner; provided, however, that an Owner may from time to time by Notice to the Association designate such other place or places or individuals for the receipt of future Notices. If there is more than one Owner of a Lot, Notice to any one such Owner shall be sufficient. The address of Declarant and of the Association shall be given to each Owner at or before the time he becomes an Owner. If the address of Declarant or the Association shall be changed, Notice shall be given to all Owners.

Section 13.8 Indemnification. The Association shall indemnify every officer and director authorized to act on behalf of the Association by the Board or by this Declaration against any and all expenses, including counsel fees, reasonably incurred by, or imposed upon, any officer and director in connection with any action, suit or proceeding if approved by the then Board to which he or she may be a party by reason of being or having been an officer and director. The officers and directors shall not be liable for any mistakes of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers and directors may also be members of the Association), and the Association shall indemnify and forever hold each officer and director free and harmless against any and all liability to others on account of any such contract or commitment. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

Section 13.9 Applicable Law. This Declaration shall be construed in all respects under the laws of the State of Washington.

[Signature and acknowledgment on following page(s)]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

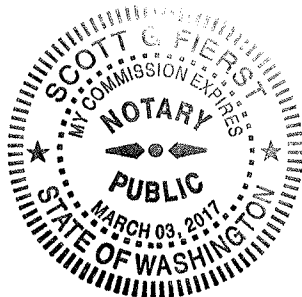
MCCORMICK CREEK, LLC

Bryan Stowe
By: BRYAN STOWE
Its: OWNER

STATE OF WASHINGTON)
) ss.
COUNTY OF Pierce)

On this day personally appeared before me Bryan Stowe to me known to be the Owner of McCormick Creek, LLC, the limited liability 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/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 8th day of March, 2016.



[Signature]
NOTARY PUBLIC in and for the
State of Washington, residing
at Braham
My commission expires 3-3-17

Exhibit A

LEGAL DESCRIPTION:

PARCEL A:

THE NORTH 80 FEET OF THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN LYING EASTERLY OF THE CITY OF TACOMA'S LAKE CUSHMAN ELECTRIC POWER LINE RIGHT OF WAY.

AND

THE NORTH 60 FEET OF THE NORTH 330 FEET OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL B:

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, LYING EASTERLY OF THE CITY OF TACOMA'S LAKE CUSHMAN ELECTRIC POWER LINE RIGHT OF WAY;

EXCEPT THE NORTH 80 FEET THEREOF.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL C:

THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, LYING EASTERLY OF THE EASTERLY LINE OF THE CITY OF TACOMA'S LAKE CUSHMAN ELECTRIC POWER LINE RIGHT OF WAY.

AND

ALL THAT PORTION OF GOVERNMENT LOT 3 OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 3, SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;
THENCE SOUTH 01°10'40" WEST ALONG THE EAST LINE OF GOVERNMENT LOT 3, 496.36 FEET TO A POINT 833.20 FEET NORTH OF THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 3;
THENCE NORTH 88°20'24" WEST 378.94 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF TACOMA-LAKE CUSHMAN TRANSMISSION LINE;
THENCE NORTH 13°26'07" WEST ALONG SAID EASTERLY RIGHT OF WAY LINE 514.56 FEET TO A POINT ON THE EAST-WEST CENTERLINE OF SAID SECTION 31;
THENCE ALONG SAID EAST-WEST CENTERLINE SOUTH 88°17'17" EAST 508.77 FEET TO THE POINT OF BEGINNING.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL D:

THE NORTH 330 FEET OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THE NORTH 60 FEET THEREOF.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL E:

THAT PORTION OF GOVERNMENT LOT 3 IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON, LYING EASTERLY OF THE GIG HARBOR LONGBRANCH HIGHWAY AND WESTERLY OF THE LAKE CUSHMAN TRANSMISSION LINE RIGHT OF WAY APPROPRIATED BY THE CITY OF TACOMA IN PIERCE COUNTY SUPERIOR COURT CAUSE NO. 51234.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL F:

THE NORTH 300 FEET OF THE SOUTH 900 FEET OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL G:

REVISED LOT A, AS DESCRIBED AND DELINEATED ON RECORD OF SURVEY FOR BOUNDARY LINE ADJUSTMENT, FILED FOR RECORD DECEMBER 7, 2006 UNDER RECORDING NO. 200612075006, IN PIERCE COUNTY, WASHINGTON.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

PARCEL H:

ALL THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 22 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, IN PIERCE COUNTY, WASHINGTON, LYING EASTERLY OF OLD STATE HIGHWAY NO. 14.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

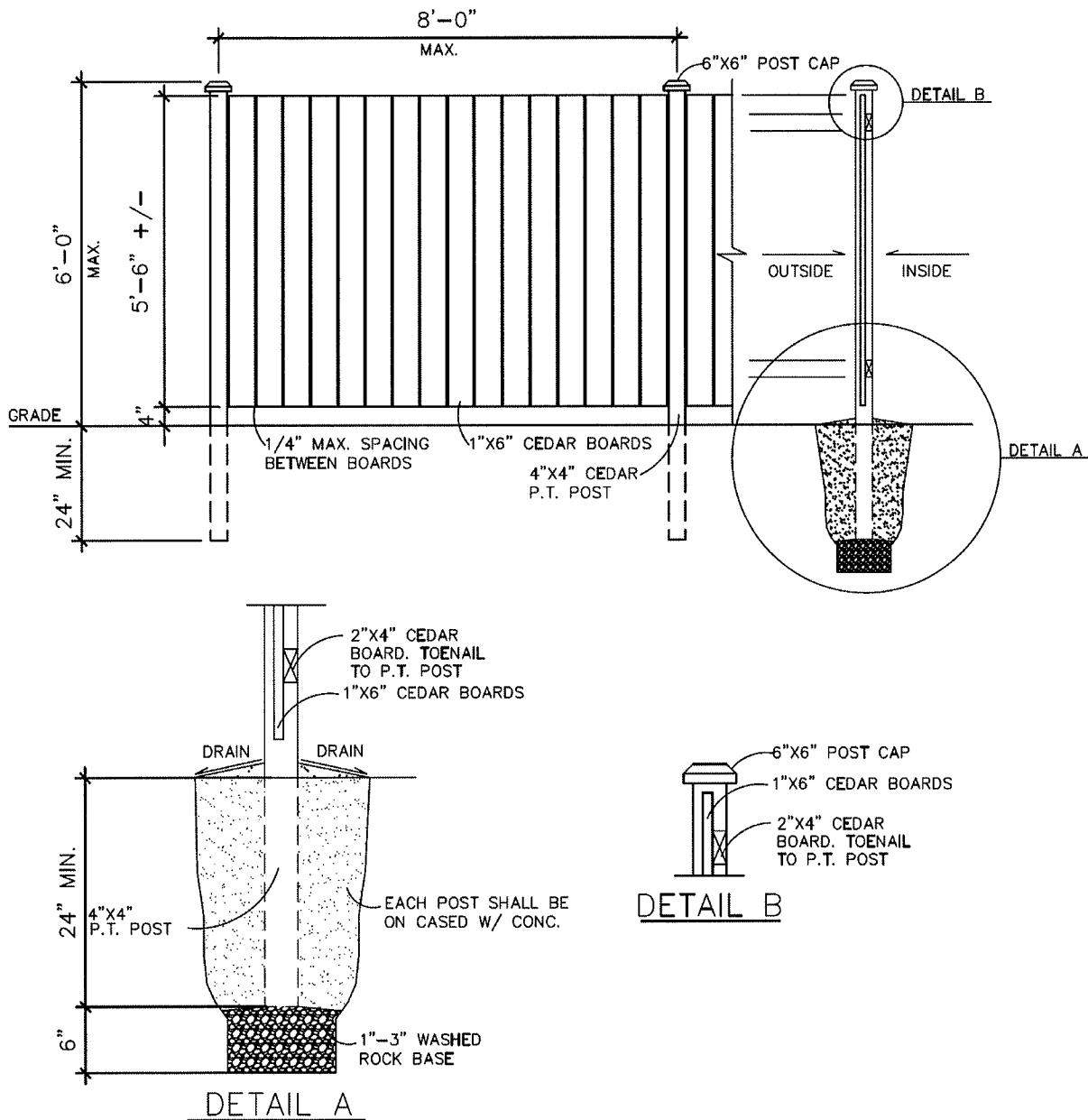
PARCEL I:

REVISED LOT B, AS DESCRIBED AND DELINEATED ON RECORD OF SURVEY FOR BOUNDARY LINE ADJUSTMENT, FILED FOR RECORD DECEMBER 7, 2006 UNDER RECORDING NO. 200612075006, IN PIERCE COUNTY, WASHINGTON.

SITUATE IN THE CITY OF GIG HARBOR, COUNTY OF PIERCE, STATE OF WASHINGTON.

Exhibit B

Fence Detail



STANDARD CEDAR FENCE-A

NOT TO SCALE