

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE
OAK BAY SHORT SUBDIVISION AND GREAT SCOTT SHORT SUBDIVISION**

THIS DECLARATION of Covenants, Conditions and Restrictions (hereafter "the Declaration") is made and entered into this 27th day of May, 1994, by and among POPE RESOURCES, A Delaware Limited Partnership ("Pope Resources"); and LOUIS E. SCOTT and PHYLLIS C. SCOTT, husband and wife ("the Scotts")(collectively Pope Resources and the Scotts may sometimes be referred to herein as "the Declarants").

WITNESSETH:

WHEREAS, Pope Resources is the owner of certain real property situate in Jefferson County, Washington, legally described in Exhibit A, attached hereto and incorporated herein by this reference, which is being developed into a three (3) Lot short subdivision known as "the Oak Bay Short Subdivision"; and

WHEREAS, the Scotts are the owners of certain real property situate in Jefferson County, Washington, legally described in Exhibit B, attached hereto and incorporated herein by this reference, which is being developed into a three (3) Lot short subdivision known as "the Great Scott Short Subdivision"; and

WHEREAS, Declarants desire to subject the real property comprising the Oak Bay Short Subdivision and the Great Scott Short Subdivision to the terms and conditions set forth herein.

NOW THEREFORE, Declarants hereby declare that the real property comprising the Oak Bay Short Subdivision and the Great Scott Short Subdivision shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability of, and which shall run with the land, and be binding on all parties having any right, title or interest therein, or any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

1.1 Common Areas. Common areas shall mean the real property designated on the Oak Bay Short Subdivision and the Great Scott Short Subdivision as Open Space and/or Common Areas. The Owners of each of the three (3) Lots within the Great Scott Short Subdivision shall have an undivided one-third (1/3) ownership interest in the Open Space and/or Common Areas within

the Great Scott Short Subdivision. The Owners of each of the three (3) Lots within the Oak Bay Short Subdivision shall have an undivided one-third (1/3) ownership interest in the Open Space and/or Common Areas within the Oak Bay Short Subdivision.

1.2 Lot. "Lot" shall mean and refer to any Lot within the Oak Bay Short Subdivision or Great Scott Short Subdivision, together with all appurtenances, improvements and residences built or placed on any Lot. NO LOT SHALL BE FURTHER SUBDIVIDED AT ANY TIME.

1.3 Lot Owner. "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation. Purchasers under recorded real estate contracts shall be deemed Lot Owners as against their/respective sellers. A Lot Owner shall include any person who holds record title to a Lot in joint ownership with any other person or holds an undivided fee interest in any Lot.

1.4 Visible From Neighboring Property. "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet (6') tall, standing at ground level on any part of a Lot, open space or roadway neighboring that on which such object exists.

ARTICLE II

GENERAL COVENANTS, CONDITIONS AND RESTRICTIONS

The following covenants, conditions and restrictions shall apply to all Lots:

2.1 Single Family Residences. All Lots shall be used only for the construction and occupancy of single family dwellings and typical residential activities incidental thereto. No commercial use or professional office use shall be permitted, except for personal office use with no employees or customers/clients utilizing or visiting the premises for business purposes.

2.2 Restrictions on Removal of Trees on Lots Waterward of the Building Set Back Line. Within the Lots, there shall be no removal or limbing of trees waterward of the Building Set Back Line, except in accordance with the following, and subject to appropriate architectural review, if applicable: Deciduous trees may be removed waterward of the Building Set Back Line (as shown on the face of the Oak Bay Short Subdivision and Great Scott Short Subdivision maps). Conifer trees less than six-inch (6") breast diameter can be removed waterward of the Building Set Back Line. There shall be no removal of conifer trees greater than

six-inch (6") breast diameter waterward of the Building Set Back Line, but said conifers may be limbed to a height no greater than thirty feet (30') above the surface.

2.3 Architectural Review and Approval. As set forth herein, all Lots within the Oak Bay Short Subdivision shall be subject to the rules, regulations and architectural control of the Ludlow Maintenance Commission. In addition, all Lots are subject to the following: No improvements, alterations, repairs, excavation, grading, removal of trees with base trunk diameter exceeding six inches (6"), landscaping or other work which alters the exterior appearance of any Lot shall be made or performed without prior approval of the Oak Bay/Great Scott Architectural Review Committee. No building, structure, improvement or landscaping shall be commenced, erected, planted, maintained, painted, improved, altered or made without the prior written approval of the Oak Bay/Great Scott Architectural Review Committee. The Oak Bay/Great Scott Architectural Review Committee shall have absolute discretion to approve and/or designate the location of all buildings and structures within each Lot in order to preserve views for other Lots and adjacent properties. All subsequent additions to, changes or alterations in any building, structure or landscaping, including exterior color scheme, and all changes in the grade of Lots, shall be subject to the prior written approval of the Oak Bay/Great Scott Architectural Review Committee. No changes or deviations in or from the plans and specifications once approved by the Oak Bay/Great Scott Architectural Review Committee shall be made without prior written approval of said Committee. Pope Resources, the Scotts or any aggrieved Lot Owner shall have the right to enforce this covenant and may seek injunctive relief, mandatory removal, damages or other legal remedies available under Washington law. In the event of litigation, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

2.4 Prefabricated/Modular Buildings or Structures. No prefabricated or modular buildings or structures of any nature whatsoever, specifically including mobile homes, permanent or temporary, shall be moved, placed, constructed, assembled or otherwise maintained on any Lot.

2.5 Temporary Occupancy and Temporary Buildings. No trailer, recreational vehicle, boat, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent.

2.6 Buildings and Outbuildings. There shall be no outbuildings or detached garages permitted on any Lots; provided, however, that the Oak Bay/Great Scott Architectural Review Committee shall have the discretion to approve a detached garage connected to the main residence by a breezeway and, if approved,

the garage shall be deemed an attached garage for purposes of this Declaration.

2.7 Building Size Restrictions. No dwelling unit or building shall have less than 1,800 square feet of floor space, excluding garages, unfinished basements, balconies, porches, decks, etc. The Oak Bay/Great Scott Architectural Review Committee shall determine whether a building, structure or other improvement meets the size restrictions and its determination shall be final.

2.8 Building Location. All buildings, structures, walls, fences and other improvements (with the exception of trails, shore defenses and/or docks, piers or mooring buoys (if permitted by Jefferson County)) shall be located upland of the Building Set Back Line ("BSBL") as shown on the Oak Bay Short Subdivision and Great Scott Short Subdivision.

2.9 Maintenance and Repairs. No building, structure or improvement on any Lot shall be permitted to fall into disrepair and each such building or structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then the same shall be immediately repaired and rebuilt or shall be demolished and the debris removed immediately.

2.10 Walls, Fences and Hedges. No wall, fence or hedge shall be placed waterward of the Building Setback Line, nor shall any wall, fence or hedge exceed a height of six feet (6'), measured from the highest point to natural grade. Any wall, fence or hedge must be approved by the Oak Bay/Great Scott Architectural Review Committee (and Ludlow Maintenance Commission/ Architectural Committee, if applicable) prior to construction, erection or placement. The Oak Bay/Great Scott Architectural Review Committee shall have the absolute discretion to approve or deny any walls, fences and hedges and may do so based upon concern for preservation of views of Lots or adjacent properties.

2.11 Landscaping.

2.11.1 Lot Landscaping. Within one hundred eighty (180) days after the issuance of an occupancy permit for a residence, the Lot Owner shall substantially complete all landscaping of the Lot. Landscaping shall emphasize plantings and other features which will compliment and enhance the native, existing character of the Lots and surrounding areas. Each Lot Owner shall ensure that the landscaping is maintained to provide a neat and attractive appearance.

2.11.2 Enforcement. Pope Resources, the Scotts, the Oak Bay/Great Scott Architectural Review Committee, the Ludlow Maintenance Commission Architectural Committee, if applicable, and/or any Lot Owner shall have the right to enforce the

landscaping covenants herein and may seek injunctive relief, damages or other legal remedies available under Washington law. In the event of litigation, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

2.12 Sanitary Sewer Connection. Each Lot shall be connected to sanitary sewer. There shall be no on-site septic systems permitted on any Lot. Each Lot Owner shall be subject to, and responsible for paying, all connection and other periodic use charges for sanitary sewer in accordance with the appropriate rate schedule in effect at the time.

2.13 Water Connection. Each Lot shall be connected to a public water system provided by Ludlow Water Company, its successors and assigns. To preserve water quality and reduce the number of wells in the area, no private wells shall be allowed on any Lot. Each Owner shall be responsible for paying all connection and periodic use charges for water in accordance with the appropriate rate schedule in effect at the time.

2.14 Animals. No animal, bird, fowl, poultry or livestock, other than a reasonable number of generally recognized house or yard pets ("Pets"), shall be maintained on any Lot and then only if they are kept thereon solely as domestic pets and not for commercial purposes. No Pets shall be allowed to make an unreasonable amount of noise or to become a nuisance. Each Lot Owner shall be responsible for the removal and disposal of all solid animal waste of his Pet from any Lot, common area or roadway.

2.15 Nuisances; Construction Activities; Hazardous Activities; Lighting. No rubbish or other debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot and no odors or loud noises shall be permitted to arise or emit from any Lot so as to render any such property or portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such property. No other nuisance or unsafe or hazardous activity shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot or to its Owner or occupants. Normal construction activities and parking in connection with building on a Lot shall not be considered a nuisance or otherwise be prohibited by this Declaration. No firearms shall be discharged within the Lots or common areas. Artificial outdoor lighting shall be arranged so that the light is shaded or otherwise directed away from adjoining properties and so that no more than one foot candle of illumination leaves the property boundaries.

2.16 Satellite dishes and Antennas. Television and ham radio antennae shall be permitted. However, no satellite dish or other device for the transmission or reception of television or radio signals shall be erected, used or maintained outdoors on

any Lot; unless it is completely screened and not visible from neighboring property.

2.17 Trash Containers and Collection. No trash or other debris shall be placed or kept on any Lot, except in standard covered sanitary containers. In no event shall such containers be visible from neighboring property unless they are being made available for collection and then only for a period of time not exceeding twenty-four (24) hours, which is deemed to be a reasonable time to effect collection.

2.18 Trucks, Trailers, Recreational Vehicles, Campers and Boats. No motor vehicles classed by manufacturer rating as exceeding one ton, recreational vehicle, mobile home, travel trailer, tent trailer, utility trailer, camper shell, detached camper, boat, boat trailer, or other similar equipment or vehicles may be parked, maintained, constructed, reconstructed or repaired on any Lot, common area or roadway within the Oak Bay Short Subdivision or the Great Scott Short Subdivision. Notwithstanding the foregoing, any of the above described vehicles may be stored in a garage providing said vehicles are not visible from neighboring property. This Subsection shall not apply to cleaning, loading or unloading and short term parking which shall be permitted for a cumulative period not to exceed seventy-two (72) hours in any consecutive thirty (30) day period.

2.19 Motor Vehicles. No automobile, motorcycle, motorbike, or other motor vehicle shall be constructed, reconstructed, repaired or rebuilt upon any Lot, common area or roadway within the Oak Bay Short Subdivision or the Great Scott Short Subdivision, and no inoperable or unlicensed vehicle may be stored or parked so as to be visible from neighboring property; provided, however, that this provision shall not apply to emergency vehicle repairs which (i) require less than twenty-four (24) hours to complete; and (ii) vehicles parked in garages which are not visible from neighboring property.

2.20 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the construction (during residential construction only) of a building, appurtenant structure, or improvements on a Lot.

2.21 Unnatural Drainage. Under no circumstances shall any Lot Owner, or their agents, representatives, tenants, guests or occupants, be permitted to deliberately alter the topographic conditions of any Lot in any way that would adversely affect the approved and constructed storm drainage system.

2.22 Restrictions on Placement of Structures/Vegetation Within Easements. Within the Oak Bay Short Subdivision and the Great Scott Short Subdivision, easements are established for installation and maintenance of utilities and/or drainage.

Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the direction or flow of water through a drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channels within the easements.

2.23 Signs. No signs whatsoever which are visible from neighboring property shall be erected or maintained on any Lot except:

(i) Signs required by legal proceedings, and then the sign shall not exceed 18" by 24", unless mandated by Court or Washington law;

(ii) One "For Sale" or "For Rent" sign not exceeding six (6) square feet in area, which shall be removed promptly upon sale or rental of the residence;

(iii) Promotional and sales signs of the original builder and listing realty agency associated with the initial sale of a residence on any Lot; and

(iv) "Temporary Signs" for political advertising, yard sales, garage sales, etc. which shall not exceed four (4) square feet in size, nor be in place for longer than 30 days.

2.24 Utility Easements and Maintenance Responsibilities. Within the Oak Bay Short Subdivision and Great Scott Short Subdivision, easements have been created for installation and maintenance of utilities. The various utility companies shall be responsible for maintaining the utilities within the easements, and, unless otherwise provided by the utility companies, the Lot Owners shall be responsible for maintaining the utilities from the Lot boundary to their residence or other use on their Lot.

2.25 Roadway and Drainage System Maintenance. All Lots within the Property are subject to the Agreement Creating Easements And Providing For Roadway And Drainage System Construction and Maintenance, recorded under Jefferson County Auditor's File No. 375074.

2.26 Clothes Drying Facilities and Playground Equipment. The following shall not be erected or maintained on any Lot if visible from neighboring property: (1) outside clotheslines or other outside facilities for drying or airing clothes; and (2) playground equipment including, but not limited to, swing sets, slides and sandboxes.

2.27 Pesticides and Herbicides. Pesticides and herbicides will only be applied by applicators licensed by the Washington State Department of Agriculture consistent with the requirements of RCW 17.21 and RCW 15.58, as may be amended from time-to-time.

Herbicides, pesticides and fungicides with the shortest hydrolysis half-life will be used. A two week half-life is desirable. Pesticides appearing on the U.S. Environmental Protection Agency's "Priority List of Leaching Pesticides" will not be used. Herbicides, pesticides, and fertilizers will be applied during the dry, summer season rather than winter runoff periods.

ARTICLE III

OAK BAY SHORT SUBDIVISION LOTS SUBJECT TO MEMBERSHIP IN LUDLOW MAINTENANCE COMMISSION

3.1 Membership in Ludlow Maintenance Commission. The Owner(s) of each Lot within the Oak Bay Short Subdivision shall be a member of the Ludlow Maintenance Commission (hereafter referred to as "the LMC"), a non-profit corporation formed under the laws of the State of Washington, and shall be subject to the Articles and By-Laws, Rules and Regulations thereof. As members, the Owners of each Lot within the Oak Bay Short Subdivision will benefit from the common amenities, and be subject to the LMC assessments.

3.2 Assessments and Liens. The LMC is empowered to establish assessments upon Lots for common purposes as set forth in the Articles and ByLaws thereof. Such assessments shall constitute a lien upon each such Lot as of the due date thereof, and such lien may be foreclosed by the LMC in the same form and manner of procedure as the foreclosure of real property mortgage lien under the laws of the State of Washington. Expenses of title examination and assurance, costs of attorneys, court costs and interest at 10% per annum shall be included with the amount of any delinquent assessment in the judgment of foreclosure of such lien. The authority to establish assessments and lien therefor against such Lots within the Oak Bay Short Plat subject hereto shall, as to each Lot, first arise when the same is first sold by deed or real estate contract from Pope Resources, its successors and assigns, to a grantee or contract purchaser. Assessments shall be assessed and collected on a fair and uniform basis as among lots subject thereto. Subject only to such reasonable differential as may be established by the By-Laws of the LMC between improved lots and unimproved lots.

ARTICLE IV

ARCHITECTURAL CONTROL

4.1 Oak Bay Short Subdivision Lots Subject To LMC Architectural Control. The Lots within the Oak Bay Short Subdivision shall be subject to both the LMC architectural control and Oak Bay/Great Scott architectural control. Prior to seeking approval of the Oak Bay/Great Scott Architectural Review Committee, Lot Owners within the Oak Bay Short Subdivision must

obtain approval of their plans and specifications from the LMC Architectural Control Committee.

The following applies to LMC architectural control:

4.1.1 No building or structure (including fences or any manmade obstruction) shall be built or placed or thereafter altered on any Lot, nor shall a Lot be cleared or excavated for use, nor shall any tree of six-inch (6") or more breast diameter be cut, until after the details and written plans and specifications thereof disclosing clearing, size, materials, location, finish, and elevations (and as to tree cutting, with specific identification of individual trees to be cut) have been submitted to and approved by the LMC Architectural Control Committee. The LMC Architectural Control Committee shall consist of five individuals who shall be appointed by and subject to removal or replacement by the Board of Trustees of the LMC. The Address of the Architectural Control Committee shall be: Ludlow Maintenance Commission, Inc., Post Office Box 6506, Port Ludlow, Washington, 98365, Attention: Architectural Control Committee. The address may be changed from time to time by the Board of Trustees of the LMC. Within thirty (30) days of submission of plans and specifications to such committee, such committee by a majority vote and in writing may approve or disapprove or may conditionally approve plans and specifications so submitted. If such plans and specifications be so disapproved (or if conditionally approved, then unless the conditions thereof be complied with) the projected construction shall not be undertaken, or if undertaken in violation hereof, may be abated by legal proceedings instituted by the LMC or any aggrieved party, irrespective of the time of completion thereof. The committee shall in good faith exercise discretionary approval and disapproval of plans and specifications on a basis of minimizing interference with enjoyment of nearby Lots and of enforcing an improvement use and occupancy of the land in a pleasing but not necessarily uniform combination of permanent residences and recreational homes.

4.2 Oak Bay/Great Scott Architectural Review Committee. All Lots within the Oak Bay Short Subdivision and the Great Scott Short Subdivision shall be subject to architectural review by the Oak Bay/Great Scott Architectural Review Committee as set forth herein.

4.2.1 Creation of the Oak Bay/Great Scott Architectural Review Committee. Declarants hereby establish the Oak Bay/Great Scott Architectural Review Committee to review and approve all matters requiring architectural review as set forth in Article II herein. Decisions of the Oak Bay/Great Scott Architectural Review Committee shall be made by majority vote of its members. The decision of the Oak Bay/Great Scott Architectural Review Committee shall be final on all matters submitted to it pursuant to this Declaration and no judicial review shall be permitted, unless mandated by law. The Oak

Bay/Great Scott Architectural Review Committee shall be composed of four (4) members. The initial members shall be Louis Scott, Phyllis Scott, Greg McCarry and Tom Griffin, who shall remain the Oak Bay/Great Scott Architectural Review Committee until the earlier of (1) the date that a residence is built on all Lots within both the Oak Bay Short Subdivision and the Great Scott Short Subdivision; or (2) the date that all members opt to voluntarily resign or transfer such review directly to the Lot Owners; provided, however, that in the event that one or more, but not all, of the members resign, or are unable to continue as members, then the remaining member(s) shall designate their replacements ("initial architectural review period"). After the initial architectural review period, the Lot Owners shall designate four (4) members of the Oak Bay/Great Scott Architectural Review Committee from among the Lot Owners (two Lot Owners from the Oak Bay Short Subdivision and two Lot Owners from the Great Scott Short Subdivision) who shall serve for a period of two (2) years from designation; provided, however, that in the event that one or more, but not all, of the members resign, or are unable to continue as members, then the remaining member(s) shall designate their replacements. Notwithstanding anything to the contrary, after the initial architectural review period, the Lot Owners, by a majority vote of the Lots, may stagger the terms of the members and/or increase or decrease the number of members on the committee.

4.2.2 Evaluation By The Oak Bay/Great Scott Architectural Review Committee. Prior written approval of the Oak Bay/Great Scott Architectural Review Committee shall be required for all matters set forth in Article II herein. Complete plans and specifications for any action requiring approval shall be submitted and are subject to written approval prior to commencement of any work. The Oak Bay/Great Scott Architectural Review Committee shall exercise its best judgment to the end that all such work subject to approval conforms to and harmonizes with the existing surroundings, residences, buildings, structures and landscaping on Lots. In the event of a deadlock among members of the Oak Bay/Great Scott Architectural Committee, the members shall designate an Architect who will resolve any deadlock and make a final decision with regard to approval or disapproval.

4.2.3 Fees. The Oak Bay/Great Scott Architectural Review Committee may establish a reasonable processing fee to defer the costs of the committee in considering any requests for approvals submitted, which fee shall be paid at the time the request for approval is submitted.

4.2.4 Design Standards. The purpose of design standards is to preserve and promote the character, aesthetics and orderly development of Lots within the Oak Bay Short Subdivision and the Great Scott Short Subdivision. By acceptance of a deed for any Lot, each Lot Owner, their successors and assigns, agrees to be bound by all provisions of this

Declaration, including all provisions relating to design standards (in addition, the Oak Bay Short Subdivision Lots are subject to the design provisions of the LMC). The following design standards shall apply to all residences, buildings, structures and improvements within the Oak Bay Short Subdivision and the Great Scott Short Subdivision:

4.2.4.1 Exterior Finishes. Exterior building materials shall be wood, wood product (excluding T-111 or similar plywood materials), stone, brick or dryvit. No asphalt, fiberglass, metal or plastic material shall be used as finished exterior siding.

4.2.4.2 Exterior Colors. Exterior colors shall be painted or semi-transparent stain, which color shall be approved at the sole and absolute discretion of the Oak Bay/Great Scott Architectural Review Committee. However, no dark or primary paint colors, specifically including, but not limited to white, blue or black; will be permitted. Trim colors shall be permitted under the same criteria. All exposed metals, such as roofing, flue pipes, fireplace chimneys and caps, plumbing stacks, miscellaneous flashing, spark arresters, etc., must be painted with a flat dark color. Gutters, however, may be painted to blend with siding and/or trim colors.

4.2.4.3 Roof Materials. Roof materials shall be wood shake, wood shingle, metal, concrete tile, wood product (excluding T-111 or similar plywood materials) or 30 year variegated asphalt tabs. The Oak Bay/Great Scott Architectural Review Committee shall have the discretion to approve or deny all roof materials at its sole discretion. Colors shall be natural wood in the case of wood roof materials, or, in the case of other materials, colors shall conform to the paint criteria of a muted color.

The Oak Bay/Great Scott Architectural Review Committee shall have the absolute right and discretion to amend, modify, change or add additional design standards from time-to-time, which will not require an amendment to this Declaration, but which shall be made available upon request to each Lot Owner. Each Lot Owner agrees to use diligence in keeping abreast of the design standards and any revisions thereto.

4.2.5 Failure to Obtain Approval/Violation of Approved Plans. In the event that approval is not obtained prior to commencement, or if the Oak Bay/Great Scott Architectural Review Committee determines that work on any Lot has not been completed in compliance with the final plans approved by the committee, then it may notify the Lot Owner in writing of such non-compliance specifying in reasonable detail the particulars of non-compliance and may require the Lot Owner to cease further activity immediately or, alternatively, may require the Lot Owner to remedy the non-compliance. If the Lot Owner fails to adhere to the Oak Bay/Great Scott Architectural Review Committee's

direction, then the Declarant or the committee shall have the right to initiate litigation for injunctive relief, damages or any other remedy available under Washington law, and the prevailing party shall be entitled to recover reasonable attorneys' fees and costs as part of any Judgment entered.

4.2.6 Time For Approval. The Oak Bay/Great Scott Architectural Review Committee shall attempt to approve or deny submitted plans within thirty (30) days of submission; provided, however, that this time period may be extended if additional information is requested by the committee or if the committee is deadlocked and an Architect is required to resolve the deadlock.

4.2.7 Non-Liability for Approval of Plans. Oak Bay/Great Scott Architectural Review Committee approval of plans and specifications shall not constitute a representation, warranty or guarantee that such plans and specifications comply with good engineering or design or with zoning or building ordinances, or other governmental regulations or restrictions. By approving such plans and specifications, neither the Oak Bay/Great Scott Architectural Review Committee, the members thereof, nor the Declarants, assume any responsibility or liability therefor, or for any defect in the structure constructed from such plans or specifications. There shall be no liability to any Lot Owner or other third party for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, or (b) the construction or performance of any work, whether or not pursuant to the approved plans, drawings and specifications.

ARTICLE V

EASEMENTS, RESTRICTIONS AND RIGHTS OF ENJOYMENT IN COMMON AREAS

5.1 Easements of Enjoyment In Oak Bay Short Subdivision Common Areas. Subject to the restrictions set forth herein, every Lot Owner within the Oak Bay Short Subdivision, for the benefit of their respective Lot, shall have a non-exclusive right and easement of enjoyment in and to the Common Areas within the Oak Bay Short Subdivision, which easement shall be appurtenant to and shall pass with the title to every Lot within the Oak Bay Short Subdivision. Any Owner may delegate the right of use and enjoyment to the easements created herein to the members of his family, his tenants, contract purchasers, invitees and guests.

5.2 Easements of Enjoyment In Great Scott Short Subdivision Common Areas. Subject to the restrictions set forth herein, every Lot Owner within the Great Scott Short Subdivision, for the benefit of their respective Lot, shall have a non-exclusive right and easement of enjoyment in and to the Common Areas within the Great Scott Short Subdivision, which easement shall be appurtenant to and shall pass with the title to every Lot within

the Great Scott Short Subdivision. Any Owner may delegate the right of use and enjoyment to the easements created herein to the members of his family, his tenants, contract purchasers, invitees and guests.

5.3 Restrictions on Removal of Trees and Vegetation and Use of Common Areas.

5.3.1 General Restrictions on Removal. Except as provided in 5.3.2, and except with regard to construction, placement, expansion, maintenance and repair of the roadway, utilities, storm drainage components, approved shore defenses and any paths or trail system, the Common Areas shall remain in existing natural vegetation. The following restrictions apply to activities within the Common Areas: (1) Except as specifically provided in 5.3.2 below, there shall be no removal of natural vegetation, specifically including trees, except in emergency or dangerous situations; (2) there shall be no fires permitted within the Common Areas, except on the beaches; (3) there shall be no buildings or structures permitted within the Common Areas; and (4) the Common Areas shall not be used for dumping of grass, rocks, dirt and/or other materials.

5.3.2 Special Provisions Waterward of the Building Set Back Line. Within those portions of the Common Areas waterward of the Building Set Back Line, as shown on the Oak Bay Short Subdivision and Great Scott Short Subdivision maps, and subject to architectural review, if applicable, the following restrictions apply: Deciduous trees can be removed. Conifer trees less than six-inch (6") breast diameter may be removed. There shall be no removal of conifer trees greater than six-inch (6") breast diameter waterward of the Building Set Back Line, but said conifers may be limbed to a height no greater than thirty feet (30') above the surface.

5.4 Maintenance of Common Areas. Because the Common Areas will remain in natural vegetation without development, it is not anticipated that there will be any significant maintenance or upkeep required, beyond the roadway and drainage system which is provided for by separate agreement. However, there may be situations that occur involving "blow down" of trees and other natural occurrences, as well as periodic maintenance of any entry ways or other amenities provided within each of the Short Subdivisions. The Lots within each Short Subdivision shall be required to contribute an equal pro rata share of the total cost and expense required to maintain their respective Common Areas. Any Lot Owner shall have the right to enforce this covenant against any Lot Owner by any means available under Washington law.

ARTICLE VI

ENFORCEMENT OF DECLARATION AND COVENANTS

6.1 Enforcement. Declarants and any Lot Owner shall have the right to enforce the provisions of this Declaration by pursuing any remedy available under Washington law including, but not limited to, injunctive relief and/or damages. In the event of litigation, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs as part of any Judgment entered therein.

ARTICLE VII

TERM, AMENDMENTS AND TERMINATION

7.1 Term and Method of Termination. This Declaration shall be effective upon the date of recordation hereof and; as amended from time-to-time, shall continue in full force and effect for a term of twenty five (25) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by Lot Owners representing five (5) of the six (6) Lots. If the necessary votes are obtained, then a Certificate of Termination shall be recorded in the Jefferson County records. Thereupon, this Declaration shall have no further force and effect.

7.2 Amendments. This Declaration may be amended by obtaining approval of Lot Owners representing four (4) of the six (6) Lots. Any amendment to this Declaration shall be recorded with the Jefferson County Auditor as a Certificate of Amendment.

ARTICLE VIII

MISCELLANEOUS

8.1 Severability. A determination by any Court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforcement of any of the other provisions hereof.

8.2 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the Rule Against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest.

8.3 References to the Covenants in Deeds. Deeds to and instruments affecting any Lot or any part of Oak Bay may contain the covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed

or instrument, each and all of the covenants shall be binding upon the grantee-owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

8.4 Covenants Binding And Running With Lots. All provisions of this Declaration shall be binding upon and inure to the benefit of all Lot Owners, their successors, assigns, heirs, executors and personal representatives, and shall run with and be binding upon each Lot.

8.5 Gender and Number. Whenever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine gender; words in the singular shall include the plural; and words in the plural shall include the singular.

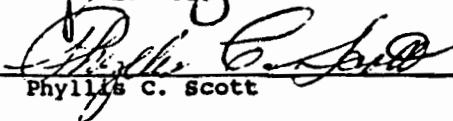
8.6 Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

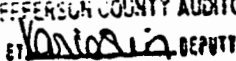
IN WITNESS WHEREOF, Declarants have hereunto caused this Declaration to be executed as of the day and year first above-written.

POPE RESOURCES, A DELAWARE
LIMITED PARTNERSHIP, By
Pope MGP, Inc., a Delaware
corporation, its General
Partner

By 
Greg McCarry
Vice President


Louis E. Scott


Phyllis C. Scott

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OF OFFICIAL RECORDS
REC. LIST OF
Pope
35 SEP -6 PM 1:37
Resources
JEFFERSON COUNTY AUDITOR
BY  DEPUTY