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SPOKANE, COUNTY, WASH.

VOL. 1611 PAGE 683

BROOKFIELD

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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENT FOR
BROOKFIELD
A PLANNED UNIT DEVELOPMENT
SPOKANE, WASHINGTON**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS ("Declaration"), is made on the date hereinafter set forth, by PARAS CONSTRUCTION, INC. , a Washington Corporation ("Declarant"), with reference to the following facts:

A. Declarant is the owner of a certain tract of land located in Spokane County, Washington, which property is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Declarant has improved or intends to improve the Property by constructing thereon certain residential improvements and related facilities, and to establish thereon a planned unit development, to be managed, operated, and maintained by an incorporated Association of Owners, for the benefit of all parts of the Property.

C. The development shall be hereinafter referred to as the "Project." The Owner of each Unit shall receive fee title to his individual Lot and the resident Dwelling thereon and all right associated with membership in THE BROOKFIELD HOMEOWNERS ASSOCIATION.

D. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the said Units and the Owners thereof.

Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and the Project, and every part thereof, in accordance with the plan for the improvement, sale, and operation of the Property as a planned unit development. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property of the Project.

DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

1.1 Architectural Committee or Committee: the Architectural Committee created pursuant to Article 4 of this Declaration.

1.2 Articles: the Articles of Incorporation of the Association as amended from time to time.

1.3 Assessment: that portion of the cost of maintaining, improving, repairing, operating, and managing the Property which is to be paid by the Unit Owners as determined by the Association under this Declaration (or by any Sub associations established according to this Declaration). Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 6 of this Declaration.

1.4 Association: **THE BROOKFIELD HOMEOWNERS ASSOCIATION**, a Washington nonprofit corporation, formed or to be formed by Declarant in conjunction with the establishment of the planned unit development, the members of which shall be the Owners of Units in the Project.

1.5 Board or Board of Trustees: the governing body of the Association.

1.6 Bylaws: the **Bylaws of the Association** as amended from time to time. The initial Bylaws shall be as adopted by the incorporating members of the Board of Trustees.

1.7 Common Area: all the real property and improvements located within the Project, other than the Lots, including the Landscaped Common Areas, and the Roads, all of which shall be owned by the Association for the common use and enjoyment of all Owners.

1.8 Common Expenses: the actual and estimated expenses of maintenance, improvement, repair, operation, and management of the Common Area, expenses of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, and all sums designated Common Expenses by or pursuant to the Project Documents. Without limiting the generality of the foregoing, Common Expenses shall also include the cost of any and all commonly metered charges for the Property; costs of maintenance, snow removal, cleaning and repair of the Roads; compensation paid by the Association to managers, accountants, attorneys and other employees; the cost of all gardening, security and other services benefiting the Common Area; the cost of fire, casualty and liability insurance, worker's compensation insurance,

errors and omissions and director, officer and agent liability insurance, and other insurance covering the Property and the directors, officers and agents of the Association; and any other costs incurred by the Association pursuant to its authority for any reasons whatsoever, for the common benefit of the Owners.

1.9 Declarant: PARAS CONSTRUCTION INC., a Washington Corporation and their successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing completed Units.

1.10 Declaration: This Declaration of Covenants, Conditions and Restrictions and Reservation of Easements, as it may be amended from time to time.

1.11 Dwelling: that portion of any building which is located on a single Lot and which is designed and intended for use and occupancy as a residence by a single-family unit.

1.12 Landscaped Common Areas: those portions of the Common Area which consist of landscape and entrance areas, designated as such on the Plat Map for the Property, to be owned in fee and maintained by the Association.

1.13 Lot: any residential Lot shown upon the recorded Plat Map of the Project, created for the construction of a private Dwelling. The term "Lot" does not include any portion of the Common Area.

1.14 Member: a person entitled to membership in the Association as provided herein.

1.15 Mortgage: includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Unit.

1.16 Mortgagee: includes a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, or other holder of a mortgage on any Unit.

1.17 Mortgagor: includes a mortgagor, the trustor of a deed of trust, real estate contract vendee or other individual granting a security interest in any Unit.

1.18 Owner or Owners: the record holder or holders of title to or a contract vendee's interest in a Unit in the Project. This shall include any person having a fee simple title to any Unit, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Unit is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner," and the fee owner would be considered as mortgagee.

1.19 Person: any natural person, corporation, partnership, association, trustee, or other legal entity.

1.20 Plat Map: the recorded map (and further maps relating to subsequent Phases) prepared by or for Declarant showing the surface of the Property and the division thereof into Lots and Common Area, and the further subdivision thereof into Landscape Common Areas and Roads.

1.21 Phase: a particular parcel of property which is or shall become part of the Project pursuant to the recordation of an appropriate Declaration of Annexation. The property described in Exhibit "A" to this Declaration shall be deemed to be the first Phase of the Project and any parcel annexed to the property described in Exhibit "A" under a Declaration of Annexation shall be deemed to be a subsequent Phase of the Project.

1.22 Project Documents: this Declaration, the Plat Map, the Articles and Bylaws of the Association, and any architectural or other rules promulgated by the Declarant or the Association pursuant to this Declaration or the Articles or Bylaws, as each shall be amended from time to time.

1.23 Property or Project (synonymous): the real property covered by this Declaration (including subsequent Phases when properly annexed), all easements, rights and appurtenances belonging thereto, and all improvements erected or to be erected thereon.

1.24 Roads: those portions of the Common Area consisting of private streets and roadways providing access from the Lots to the public right of way, designated as such on the Plat Map for the Property to owned in fee and maintained by the Association.

1.25 Unit: A residential lot as shown on the recorded plat map of the project along with any dwelling constructed thereon.

ARTICLE 2**ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS****2.1 Organization of Association.**

The Association is or shall be incorporated under the name of **THE BROOKFIELD HOMEOWNERS ASSOCIATION**, pursuant to the Washington Nonprofit Corporation Act.

2.2 Duties and Powers.

The duties and powers of the Association are those set forth in this Declaration, the Articles and Bylaws, together with its general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Washington may lawfully do which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles and Bylaws.

2.3 Membership.

The owner of a Unit shall automatically, upon becoming the Owner of that Unit, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association.

2.4 Transferred Membership.

Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

2.5 Classes of Membership.

The Association shall have two (2) classes of voting membership established according to the following provisions:

2.5.1 Class A Membership. Class A Membership shall be that held by each Owner of a Unit other than Declarant, and each Class A Member shall be entitled to one (1) vote for each Unit owned. If a Unit is owned by more than one (1) person, each such person shall be a Member of the Association, but there shall be no more than (1) vote for each Unit. Fractional voting with respect to a particular Unit shall not be allowed, and if the Owners of a Unit present at a meeting of the Association, in person or by proxy, cannot agree on how their vote should be cast, no vote shall be cast with respect to that Unit.

2.5.2 Class B Membership. Class B Membership shall be that held by Declarant (or its successor-in-interest) who shall be entitled to six (6) votes for each Unit owned by Declarant; provided, that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(a) When the total outstanding voting power held by Class A Members in a particular Phase equals the total outstanding voting power (tripled as above) held by the Class B Member; provided, however, that Class B Membership shall thus terminate only with respect to that particular Phase; or

(b) On the fifth anniversary of the recordation of this Declaration or of the Declaration of Annexation for the most recently annexed Phase of the Project.

2.6 Voting Requirements.

Except as otherwise expressly provided in this Declaration, the Articles, or the Bylaws, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of the two-thirds of the total voting power of the Association (both classes combined); provided, however, that any matter subjected to a vote which would change the relative voting powers, or the relative rights and/or obligations of Members based on class of membership shall require the vote or written assent of two-thirds of the voting power of each class of membership.

2.7 Membership Meetings.

Regular and special meeting of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

The affairs of the Association shall be managed by a Board of Trustees, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

2.9 Use of Agent.

The Board of Trustees, on behalf of the Association, may contract with a professional management agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board.

Unofficial Document

ARTICLE I**RIGHTS IN COMMON AREA****3.1 Common Area.**

The Common Area shall include all real property and improvements within the Common Areas and Private Roads, as designated on Exhibit "A" hereto for phase One, and any other land which may be conveyed to and accepted by the Association, all of which shall be dedicated to the common use and enjoyment of all Owners. The Common Area shall be owned, operated, maintained, and insured by the Association for the use and benefit of Owners of Units in the Project, subject to reasonable rules and regulations enacted according to the Bylaws. Each Unit Owner, through membership in the Association, shall have a non-exclusive right to use the Common Area in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the lawful rights of any other Unit Owners. Notwithstanding the transfer of the Common Area to the Association, the Declarant shall reserve and hereby reserves in itself and its successors-in-interest and assigns an easement (and the right to grant further easements) over and onto the Common Area for ingress to and egress from the Project for the purpose of completing improvements thereon or for the performance of necessary construction, maintenance, or repair work, and for ingress and egress to and from adjacent property in connection with the development, use, and occupancy thereof.

3.2 Partition of Common Area Prohibited.

Regardless of the possible dissolution of the Association and the conveyance of fee title to the Common Area to the Owners as tenants in common pursuant thereto, no Owner shall bring any action for partition or division of any part of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation, management, use, and enjoyment of the Common Area.

3.3 Subservient Estate.

The common area is hereby declared subservient to the interests of the unit owners and shall not be sold.

3.4 Damage by Member.

Each Member shall be liable to the Association for any damage to the Common Area not fully reimbursed to the Association by insurance, if the damage is sustained because of the negligence or willful misconduct of the Member, his guests, tenants, or invitees, or any other persons deriving their right and easement of use and enjoyment of the Common Area from the Member, or his or their respective family and guests, both minor and adult. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against the member's Unit and may be enforced as provided hereby for the enforcement of any other Assessment.

Unofficial Document

ARTICLE 4**ARCHITECTURAL CONTROL****4.1 Architectural Committee.**

The Architectural Committee shall consist of three (3) members, all of which shall be appointed by the Declarant. The Declarant may at any time transfer the responsibility to appoint members of the Architectural Review Committee to the Association.

4.2 Prohibition of Alternation and Improvement.

Subject to the exemption of Declarant hereunder, no structure, improvement, landscaping, or alteration of any kind shall be commenced, erected, painted or maintained upon the Property, until the same has been approved in writing by the Architectural Committee.

4.3 Plans and Approval.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of any such structure, improvement or alteration shall be submitted to the Committee for approval. No permission or approval shall be required to rebuild in accordance with Declarant's original plans and specifications, or to rebuild in accordance with plans and specifications previously approved by the Committee.

The Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Article and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Committee. Any application submitted to the Committee pursuant to this Article shall be deemed approved, unless written disapproval or a request for additional information or materials by the Committee shall have been transmitted to the applicant within forty-five (45) days after the date of receipt by the Committee of all required materials.

4.4 Committee May Adopt Rules.

The Architectural Review Committee by majority vote of its members, may adopt or revise rules and regulations regarding the nature, kind, shape, color, size, materials and locations of structures or improvements within the property.

4.5 Non-Liability of Committee Members.

Neither the Architectural Committee nor any member thereof shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder unless due to the willful misconduct or bad faith of the Committee or member., The Committee shall review and approve or disapprove in its sole discretion, all plans submitted to it for any proposed structure, improvement or alteration, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Project generally, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

4.6 Contractor. No home may be constructed on any Lot other than by a contractor licensed as a General Contractor under the laws of the State of Washington without the prior approval of the Committee.

4.7 Exemption of Declarant. Declarant shall be exempt from the Provisions of this Article 4.

ARTICLE 5**REPAIR AND MAINTENANCE****5.1 Repair and Maintenance Rights and Duties of Association.**

Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, the Association shall paint, maintain, repair and replace all parts of the Common Area (including Landscape Common Areas and Roads), or shall contract for such maintenance, repair and replacement to assure maintenance of such areas in good condition, reasonable wear and tear excepted. However, the Association shall not be responsible for or obligated to perform those items of maintenance, repair or improvement which are the responsibility of the Owners as provided in Paragraph 5.2 below. In the event an Owner fails to maintain his Dwelling or Lot, or to provide other maintenance or repair as provided herein in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify the Owner of the work required and request it be done within sixty (60) days (five (5) days for routine landscaping maintenance) from the giving of such notice. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and, if necessary, lien his Unit for the amount thereof

For the purpose of performing any maintenance, repair or replacement as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the Project or to other Dwellings, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agents and employees) shall have an irrevocable easement over and onto all portions of the Common Area, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Lot.

5.2 Repair and Maintenance Rights and Duties of Owners.

Except for those portions of the Property which the Association is required or elects to maintain and repair, each Unit Owner shall, at his sole cost and expense, maintain and repair all components of his Dwelling and Lot (including interior and exterior, structural and non structural, and all landscaping), keeping the same in good condition, and shall repair all damage to the Common Area for which the Owner is responsible under Paragraph 3.4 above. Each Owner shall have the exclusive right to paint, plaster, panel, tile, wall paper or otherwise refinish and decorate the interior of his Dwelling.

ARTICLE 4**ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS****6.1 Creation of the Lien and Personal Obligation of Assessments.**

The Declarant, for each Unit owned within the Project, hereby covenants, and each Owner of any Unit by acceptance of a deed or contract therefor, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association the following Assessments, which shall be established and collected as provided herein and in the Bylaws of the Association:

6.1.1 Regular Assessments;**6.1.2 Extraordinary Assessments; and****6.1.3 Special Assessments.**

All Assessments, together with interest, costs, and actual attorneys' fees, shall be a charge and a continuing lien upon the Unit against which each Assessment is made. Each such Assessment, together with interest, costs and actual attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. No Owner of a Unit may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Unit.

6.2 Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Project, for the improvement and maintenance of the Common Area, and for the common good of the Project.

6.3 Regular Assessments.

Until the end of the Association's fiscal year immediately following the closing of the sale of the first Unit in the Project, the annual maximum Regular Assessment per Unit shall be such amount as is set forth in the Project budget prepared by Declarant. Each Unit's share for the first fiscal year shall also be prorated based on the number of months remaining in that fiscal year. Thereafter, the Board shall determine and fix the amount of the maximum annual Regular Assessment against each Unit.

6.4 Extraordinary Assessments.

In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, an Extraordinary Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or of any component of any Dwelling for which the Association is responsible, or to defray any unanticipated or underestimated expense not covered by the Regular Assessment (and, where necessary, for taxes assessed against the Common Area); provided, however, that the aggregate Extraordinary Assessments for any fiscal year shall not exceed twenty percent (20%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of two-thirds of the voting power of each class of Members.

6.5 Special Assignments.

In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments (without limitation as to amount or frequency) against an individual Unit and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Unit into compliance with the provisions of this Declaration and the Bylaws, including actual attorneys' fees and costs.

6.6 Allocation of Assessments.

Each Unit shall bear an equal share of each Regular and Extraordinary Assessment; provided, however, that any Owner of a Lot which does not include a completed Dwelling shall be exempted from the payment of that portion of any Assessment which is for the purpose of paying expenses and reserves directly attributable to the existence and use of such Dwelling. This exemption shall include, but shall not necessarily be limited to that portion of any Assessment attributable to sewer, domestic water, and other utilities supplied to completed Dwellings. This exemption shall be in effect only until certificate of occupancy or its equivalent for the Dwelling has been issued or until one hundred and eighty (180) days after the issuance of a building permit for the Dwelling, whichever first occurs.

6.7 Water Charges.

Water service to the property is delivered to a master meter. The water fee charged to each owner shall be treated as a utility charge to be collected as a Regular Assessment. The consumption fee will be equal for each unit within the Property, except that an extra fee may be assessed by the Board for Units with private swimming pools, consistent with the extra usage expected. Such additional assessment shall be in the sole discretion of the Board.

6.8 One Time Fee and Date of Commencement of Common Assessments; Budget.

The monthly Common Assessments shall commence on the first day of the month following Close of Sale of the first Lot. Upon the closing of each initial sale, the purchaser of a Lot shall pay a sum of \$200.00 to the Association as a non-refundable fee and shall pay the current monthly Common Assessment prorated from the date of closing, so that a full months Common Assessment shall be due on the first day of the following calendar month. Written notice of any change in the amount of any monthly Common Assessment shall be sent to every Owner not less than thirty (30) days prior to the effective date of such change. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments against a Dwelling Unit is binding upon the Association as of the date of its issuance.

6.9 Exempt Property.

Notwithstanding any other provision included in Article 6 herein the following property, which is otherwise subject to this Declaration, shall be exempt from all Regular, Extraordinary, and Special Assessments created herein.

6.9.1 All lots or property owned by the Declarant which have not been improved with a residential structure for dwelling use;

6.9.2 All lots or properties dedicated to and accepted by a local public authority;

6.9.3 All lots owned by a building contractor where said contractor owns three (3) or more lots;

6.9.4 All common areas.

6.10 Transfer of Unit by Sale or Foreclosure.

The sale or transfer of any Unit shall not affect any Assessment lien, or relieve the Unit from any liability therefor, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Unit pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage given in good faith and for value shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer (except for Assessment liens arising prior to the recordation of the mortgage). Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this Paragraph shall be deemed to be Common Expenses collectible from all of the Units including the Unit for which the lien was extinguished. In a voluntary conveyance of a Unit, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter up to the time of the grantor conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid

by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board, setting forth the amount of unpaid Assessments due the Association, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however the grantee shall be liable for any such Assessment becoming due after the date of any such statement.

6.11 Enforcement of Assessment Obligation; Priorities; Discipline.

If any part of any Assessment is not paid and received by the Association or its designated agent within thirty (30) days after the due date, such Assessment shall thereafter bear interest at the rate of twelve percent (12%) per annum until paid. Additionally, a late charge of Five Dollars (\$5.00) or 5% of the delinquency amount may be assessed for each month or fraction thereof from the due date until the Assessment and all late charges are paid. Further, the Association shall have the power to sever all utility services to the delinquent Unit if the Assessment is not paid and to continue the severance until the Assessment (and all late charges) shall have been paid. Each unpaid Assessment shall constitute a lien on each respective Unit prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charges of any mortgage of record made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Owner to pay such Assessment, in accordance with the provisions of Washington law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the Unit Owners, shall have the power to bid for the Unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. The foreclosing party shall have the right to reduce or eliminate any redemption rights of the defaulting Owner as allowed by law. Suit to recover a money judgment for unpaid Assessments, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including actual attorneys' fees and costs and may temporarily suspend the Association membership rights of a Unit Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

6.12 Payment of Taxes Assessed Against Common Area or Personal Property of Association.

In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than against the Units, said taxes shall be included in the Assessments made under the provisions of this Article, and, if necessary, an Extraordinary Assessment may be levied against the Units in an amount equal to said taxes (regardless of the limitation of Extraordinary Assessments set forth in Paragraph 6.4 above). The Association may, in the discretion of the Board, pay any taxes in installments, if allowed and assessments may be levied in equivalent installments.

ARTICLE 7**EASEMENTS AND UTILITIES****7.1 Access and Maintenance Easements.**

Declarant expressly reserves for the benefit of the Owners reciprocal, non-exclusive easements for access, ingress and egress over all of the Common Area, and for the use and enjoyment thereof. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for walkways, utilities, storm water drainage, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Unit in the Project.

Declarant also expressly reserves for the benefit of the Board of Trustees and all agents, officers and employees of the Association, non-exclusive easements over the Common Area, and as necessary to maintain and repair the Common Area, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Area shall be appurtenant to, binding upon and shall pass with the title to, every Unit conveyed.

7.2 Encroachments; Maintenance and Utility Easements.

Each Unit within the Property is hereby declared to have an easement over all adjoining Units and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting, provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Unit agree that minor encroachments over adjoining Units or Common Area shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist.

Declarant also expressly reserves for the benefit of itself and its successors-in-interest and assigns, including the Association, easements over and under the entire Property (together with the right to grant and transfer the same) for the installation, repair, and maintenance of sanitary sewer, water, electric, gas, and telephone lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping as may be hereafter required to serve the Property. Declarant expressly reserves the right to grant to city of Spokane, Washington Water Power Company, U.S. West Communications, and Cox Cable such written easements as may be necessary for the installation, maintenance and repair of utility facilities.

The rights and duties of the Owners of Units within the Project with respect to utilities shall be as follows:

7.3.1 Whenever sanitary sewer, water, electric, gas, television, or telephone lines or connections are located or installed within the Project, which connections, or any portion thereof, lie in or upon or beneath Lots or Units owned by other than the Owner of a Unit served by said connections, the Owners of any Units served by said connection shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Units in or upon or below which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

7.3.2 Whenever sanitary sewer, water, electric, gas, television, or telephone lines or connections are located or installed within the Project, which connections serve more than one, Unit the Owner of each Unit served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his Unit.

7.3.3 In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board, which shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

7.4 Reservation of Easement by Declarant.

Declarant hereby reserves to itself, its successors and assigns such non-exclusive easements as may be necessary to the completion of the development of a new phase and the annexation thereof into the Property in accordance with the intent of this Declaration.

Declarant hereby reserves to itself, its successors and assign the right to, and agrees that it will, grant to the Lot Owners in any new phase, such non-exclusive easements as may be necessary to the completion of the development of a new phase and the annexation thereof into the Property in accordance with the intent of this Declaration.

Provided, however, that any easements of ingress and egress shall be limited to dedicated streets within the Property and to areas owned or maintained by Declarant or the Association.

RESIDENCE AND USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each Unit therein is subject to the following:

8.1 Use of Individual Lots.

No structure or building of any kind shall be erected on any Lot other than a single family dwelling for single family residential occupancy only, not to exceed two stories in height. All houses will have as a minimum a two (2) car garage.

8.2 Business Use Prohibited.

No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any Lot, or within any Dwelling located on a Lot, nor shall any goods, equipment, vehicles, including buses, trucks and trailers of any description, or materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, or any vehicles in excess of 2,000 pounds gross vehicle weight (including buses, trucks and trailers of any description) used for private purposes, be kept, parked, stored, dismantled or repaired outside of any Lot, or on any of the Roads. Home occupations may be permitted with the specific written approval of the Architectural Review Committee.

8.3 Temporary Structures.

No trailer, basement, tent, shack, garage, barn or other outbuilding or any structure of a temporary character erected or placed on the Property shall at any time be used as a residence temporarily or permanently.

8.4 Minimum Dwelling Size.

The Ranch type residences (residences consisting of one story above ground) shall, exclusive of open porches and garages, not be less than 1,500 sq. ft. Two story residences (residences consisting of a basement and two stories above ground) shall, exclusive of open porches and garages, not be less than 2,000 sq. ft. in total. The ground floor area of two story residences shall not be less than 1,100 square feet.

Split level, three-level and four level residences exclusive of open porches and garages shall not be less than 1350 sq. ft. for the combined top two (2) levels.

Every residence must have a garage for not less than two cars.

For purposes of this provision, residences with basements, regardless of whether or not they are daylight basements, shall not be allowed to count the square footage contained in such basements in meeting the minimum requirements set forth above.

8.5 Completion of Construction.

Any Dwelling erected or placed on any Lot shall be completed as to external appearance, including finished painting, within nine (9) months from the date of commencement of construction. Each lot owner shall be required to clean up the lot of all cut or fallen trees, bushes, shrubs, etc. (clearing and grubbing) within two weeks after the clearing and grubbing activity begins and to haul the debris away from the subdivision. Each lot owner shall also be required to clean up the lot within ten (10) days of completing construction or when deemed necessary by the architectural committee to present a neat and tidy appearance to each lot during the building process.

8.6 Nuisances.

No noxious, illegal, or offensive activities shall be carried on in any Dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Dwelling, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

8.7 Signs.

Signs advertising Units for sale or rent may be displayed on the appropriate Lot without prior approval of the Board of the Architectural Committee, provided that such signs shall be reasonable and customary size, not to exceed five (5) square feet. Except as expressly permitted by this Paragraph, no signs shall be displayed to the public view on any Dwelling or on any portion of the Property, unless first approved by the Board or the Architectural Committee.

8.8 Animals.

No animals other than dogs, cats, caged birds, tanked fish, and other conventional small household pets may be kept on Lots. Dogs or cats shall not be allowed to run at large. Leashed animals are permitted within rights-of-way. Efforts should be made by the person accompanying the animal to remove animal waste deposited on lawns, rights-of-way and common areas. All pens and enclosures must be approved by the Architectural Committee prior to construction and shall be kept clean and odor free at all times. If the investigation of the Board indicates that animals are kept in violation of this section, the Board will give the Owner written notice of the violation. Such violations must be remedied by the Owner within (10) days of such notice. Failure to comply with the written notice will result in a fine of \$25.00 per day. The Association shall be entitled to attorneys fees for any action taken to collect such fines and remedy violations.

8.9 Pathways.

All walks, roads, bike paths and pedestrian paths located within Common Areas are for the use of Association Members on an equal basis, subject to reasonable rules and regulations promulgated in writing by the Board. It shall be the responsibility of each Member to allow maximum ease of pedestrian, bicycle and vehicular ingress and egress over walks, roads, and driveways by allowing no obstruction or barrier on, across or adjacent to sidewalks or paths which would interfere with any other Member's use of the Common Area or access to his Dwelling.

8.10 Exterior Maintenance by Owner.

Each Lot and Residence shall be maintained by the Owner in a neat, clean and slightly condition at all times and shall be kept free of accumulations of litter, junk, containers, equipment, building materials, and other debris. All refuse shall be kept in sanitary containers sealed from the view of any Lot; the containers shall regularly be emptied and the contents disposed of off the Properties. No grass cuttings, leaves, limbs, branches, and other debris from vegetation shall be dumped or allowed to accumulate on any part of the Properties, except that a regularly tended compost device shall not be prohibited. No storage of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles, or any other equipment or device shall be permitted in open view from any Lot, Common Area or right-of-way. (Vehicles, boats, trailers, trucks, campers, and recreational vehicles shall be referred to as "Vehicles"). This provision shall not exclude temporary (less than twenty-four (24) hours parking of Vehicles on the designated driveway areas adjacent to garages on the Lots. This paragraph is not meant to disallow permanent (more than twenty-four (24) hours parking or storage of Vehicles on the Lots, but if stored, Vehicles shall be adequately screened from the view of adjacent rights-of-ways, Common Areas, and Lots. Screening of such Vehicles must have the approval of the Architectural Committee. Upon forty-eight (48) hours notice to the Owner of an improperly parked Vehicle, the Board has the authority to have towed, at the Owner's expense, any Vehicles visible from the right-of-way or other lots for more than twenty-four (24) hours.

Notwithstanding the foregoing, Owners who have visiting guests intending to stay in such a Vehicle may secure written permission from the Board for such guests to park the Vehicle upon the Lot owned by the Owner for a maximum period of one week. Such a privilege shall only exist, however, after the written permission has been obtained from the Board.

8.11 On-Street Parking.

The Association, through its Board, is hereby empowered to establish restrictions on parking within the common areas, as well as to enforce these limitations by all reasonable means, including the removal of any violating vehicles. All vehicle parking on the private streets located within the common areas shall be restricted to temporary parking only (less than 4 hours in duration) and shall not be utilized for extended parking or storage of vehicles or other materials or equipment owned by or within the control of any owner, his family, or guests.

8.12 Dumping in Common Maintenance or Easement Areas.

No trash, plant or grass clippings or other debris of any kind shall be dumped, deposited or placed on the Common Maintenance or Easement Areas or Common Areas.

8.13 Fences.

Fences, walls or shrubs are permitted to delineate the Lot lines of each Lot, subject to (1) the approval of the Architectural Committee and (2) determination whether such fences, walls or shrubs would interfere with utility easements reflected on the face of the Plat and other easements elsewhere recorded. No barbed wire or corrugated fiberglass fences shall be erected on any Lot. All fences, including the color and materials, whether open or solid, are to meet the standards set by the Committee and must be approved by the Committee prior to construction or installation.

It is the intent of the Declarant to provide a perimeter fence around the Property and to complete this fence in a uniform color. Owners of corner lots, lots bordering the perimeter and lots bordering common areas shall be required to complete any fences in a like color and material to the perimeter fence.

Notwithstanding the above, set backs for all fences shall be consistent with the zoning code for UR3.5 and the approval as provided in the Condition of Approval and typified on the final plat.

8.14 Radio and Television Antennas.

No radio or television antennae, transmitters or parabolic reflectors (satellite dish antennae) shall be permitted unless approved by the Committee.

8.15 Clothes Lines.

No exterior clothes lines shall be erected or maintained without the consent of the Architectural Committee.

8.16 Power Equipment and Car Maintenance.

No power equipment, workshops, or car maintenance of any nature whatsoever (other than minor repairs requiring no more than twenty-four (24) hours work) shall be permitted on the Property except with prior written approval of the Board. In deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

8.17 Building Materials.

All homes constructed on each Lot shall be built of new materials, with the exception of decor items such as used brick, weathered planking, and similar items. The Committee will determine whether a used material is a decor item. In making this determination, the Committee will consider whether the material harmonizes with the aesthetic character of the BROOKFIELD P.U.D. and whether the material would add to the attractive development of the subdivision. All roofs, including the colors and materials are to meet the standards set by the Committee. Three tab asphalt shingles will not be allowed. All siding and trim are to be of products approved by the Committee. All visible masonry shall be native stone, brick, or stucco.

If inferior materials are used, the Committee will require that such materials be replaced. The (1) grade of materials and (2) price of materials shall be relevant considerations in determining whether the materials are of above described quality.

8.18 "Drainage."

There shall be no interference with the established drainage pattern over any Lot within the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Board. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time that such Lot is conveyed to a purchaser from Grantor, or that which is shown on any plans approved by the Board, which may include drainage from the Common Area over any Lots in the Properties.

8.19 Building Set-Back.

No Dwelling or structure shall be located nearer the lot lines than the set-back requirements hereinafter provided.

1. No structure shall be located on any lot nearer than 20 feet to the front lot line.
2. No structure shall be located on any lot nearer than 5 feet to any side lot line.
3. No structure shall be located on any lot nearer than 20 feet to a lot line which is adjacent to a common area road, regardless of the provisions set forth in (2) above.

Notwithstanding the above, set backs requirements shall not be less than these established by the County Planning Department consistent with the zoning code for UR3.5 and as provided in the conditions of approval and typified on the final plat.

The Declarant and/or the utility company may install necessary street lights in the project. The cost of maintenance, repair and usage costs of the street lights shall be the responsibility of the Homeowner's Association, with said costs to be included in the Regular Assessment levied by the Association and collected from the Owners.

8.21 Landscaping.

In addition to all other provisions regarding landscaping on the individual lots as is stated in original Declaration above referenced, the following provisions shall apply:

- A) At the time each home is to be constructed, the builder and/or owner shall submit a landscaping plan to the Architectural Control Committee stating the details of the landscaping contemplated.
- B) Each lots landscaping plan shall contain a minimum of the following:
 - (1) Drawing showing location of landscaping to be completed for the front and side yards.
 - (2) Description of all materials to be used, with proof that the total cost of landscaping the front and side yards will be a minimum of (\$6,000.00) six thousand dollars. Said dollar amount subject to control and change of the Architectural Committee.
- C) In reviewing the landscaping plans submitted, the Architectural Committee shall reasonably attempt to insure that the requested approval for landscaping and materials is consistent with the quality, quantity and attractiveness of landscaping and materials generally found in similar upper end type housing developments like BROOKFIELD.
- D) The Architectural Committee is authorized but not required to establish certain minimum criteria for approval of landscaping plans if desired, but it is a fundamental requirement that "Landscaping," as used herein above, shall require more than grass and a sprinkler system, and shall require usage of shrubbery, trees, bark, rock and other similar materials commonly used in above average residential landscaping.

8.22 Accessory Buildings.

Accessory buildings such as storage structures and detached garages, which are incidental to a primary residence may be constructed only with the written consent of the Architectural Committee. The wiring of accessory buildings of any kind shall be underground.

Notwithstanding the above set-backs shall be no more than those approved by the County Planning Department consistent with the zoning code for UR3.5 and the above set-backs as provided in the Conditions of Approval and typified on the final plat.

8.23 Yard Lampposts.

The builder of each home shall install a brick lamppost at the beginning of each driveway or sidewalk, by the street. Each builder shall submit the exact plans to the Architectural Review Committee and shall not construct the same until the same has been approved. Once constructed, each homeowner shall thereafter be responsible for maintaining said lamppost(s) on that owners lot in conformance with the lamppost(s) as originally built. Failure to so maintain the lamppost(s) shall allow the Homeowners Association, after giving ten (10) days notice to correct, to maintain, repair or replace any lamppost to return it to its condition as originally built, with the full cost thereof to be assessed to the applicable lot owner and lot in the same manner in which other assessments are issued. The Architectural Committee shall have the authority to approve lampposts constructed of material other than brick if requested.

8.24 No Warranty of Enforceability.

While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 8 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants. Any owner acquiring a Unit in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by acquiring the Unit agrees to hold Declarant harmless therefrom.

**END OF ARTICLE 8
RESIDENCE AND USE RESTRICTIONS**

**ARTICLE 9
INSURANCE****9.1 Duty to Obtain Insurance: Types.**

The Board shall cause to be obtained and maintained the following policies of insurance:

(a) **Hazard Insurance:** A "master" or "blanket" type of hazard insurance policy or policies with respect to the Common Area protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement. The hazard policy shall cover one hundred percent (100%) of the current replacement cost of all insured facilities.

The policy shall name the Association (for the use and benefit of the individual Owners), as the named insured and shall contain the standard mortgage clause, naming the holders of first mortgages (and their successors and assigns) as mortgagees.

(b) **Liability Insurance:** A comprehensive general liability insurance policy covering all Common Areas, all Pathways, and all public ways and other areas that are under the supervision of the Association. The liability policy shall provide coverage of at least \$1,000,000 per occurrence, covering bodily injury and property damage resulting from the operation, maintenance or use of the Common Areas and the Pathways, and any legal liability resulting from lawsuits related to employment contracts to which the Association may be a party.

(c) **Fidelity Bonds.** If required by a lender under one of the programs described in Paragraph 9.2 below, blanket fidelity bonds for anyone who either handles or is responsible for funds are held or administered by the Association, whether or not they receive compensation for such services. Any management agent that handles funds for the Association shall also be covered by its own fidelity bond. The bond shall cover the maximum funds that will be in the custody of the Association or its agent at any time while the bond is in force. Additionally, the fidelity bond coverage must at least equal the sum of three (3) months' assessments on all Units in the Project, plus the Association's reserve funds.

Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bonds meeting the insurance and bond requirements for similar project established by the Federal National Mortgage Association ("FNMA"), the Governmental National Mortgage Association ("GNMA"), The Mortgage Corporation ("TMC"), Veterans Administration ("VA") and/or the Federal Housing Administration ("FHA"), so long as any of them shall be a holder, insurer or guarantor of a mortgage encumbering a Unit within the Project (or actual Owner of a Unit), except to the extent such coverage is not available or has been waived in writing by FNMA, TMC, VA and/or FHA, as applicable.

9.3 Waiver of Claim Against Association.

As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any said persons.

9.4 Right and Duty of Owners to Insure.

It is the responsibility of each Owner to provide hazard insurance on his or her Dwelling, and on his or her personal property and upon all other property and improvements within his Lot. Nothing hereby shall preclude any Owner from carrying any public liability insurance as he or she deems desirable to cover his or her individual liability for damage to persons or property occurring within his or her individual Lot or elsewhere upon the Property. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

9.5 Notice of Expiration Requirements.

If available, all of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall not be canceled, terminated or expired by their terms, without ten (10) days prior written notice to the Board, Declarant, Owners and their respective first mortgagees (provided that such person have filed written requests with the carrier for such notice) and every other person in interest who requests such notice of the insurer.

9.6 Insurance Premiums.

Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board shall be a Common Expense to be included in the Regular Assessments levied by the Association and collected from the Owners.

9.7 Trustee for Policies.

The Association, acting through its Board, is hereby appointed and shall be deemed trustee of the interest of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Paragraph 9.1 above shall be paid to the Board as Trustees. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, with participation, to the extent they desire, of first mortgagees who have filed written request within ten (10) days of receipt of notice of any damage or destruction as provided in this Declaration. Any two (2) Directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all named insured.

ARTICLE 10**DESTRUCTION OF IMPROVEMENTS****10.1 Damage to Common Area.**

In the event of any destruction of any portion of the Common Area, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article 9 hereof for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Property shall be reconstructed or rebuilt substantially in accordance with the original construction plans. If the amount available from the proceeds of such insurance policies for such restoration and repair is inadequate to complete the restoration and repair, the Board shall levy an Extraordinary Assessment for the deficiency and proceeds with such restoration and repair.

10.2 Replacement and Repair of Dwelling Units.

It shall be the duty of each Owner of a damaged or destroyed Dwelling Unit to rebuild, repair, or reconstruct said Dwelling Unit in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty

**ARTICLE 11
DECLARANT'S RIGHTS AND RESERVATIONS**

11.1 Declarant is undertaking the work of construction of the Project and the creation of the planned unit development on the Property. The completion of that work and the sale or other disposition of the Units is essential to the establishment and welfare of the Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in the Declaration shall be understood or construed to:

11.1.1. Prevent Declarant, its contractors, or subcontractors, from doing on the Property, whatever is reasonably necessary or advisable in connection with the completion of the work; or

11.1.2 Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same in parcels by sale or other disposition; or

11.1.3 Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale or disposition thereof.

So long as Declarant, its successors-in-interest and assigns, owns one or more of the Units established and described in this Declaration and except as otherwise specifically provided herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration.

11.2 Termination of Any Responsibility of Declarant.

In the event Declarant shall convey all of its right, title and interest in and to the Property to any partnership, individuals, corporation or corporations, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

ARTICLE 12**RIGHTS OF MORTGAGEES**

Notwithstanding any other provisions of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of any mortgagee of a Unit made in good faith and for value, provided that after the foreclosure of any such mortgage, such Unit shall remain subject to this Declaration as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce various lenders to participate in the financing of the sale of Units within the Project, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of this Declaration, these added restrictions shall control).

12.1 Each first mortgagee or a mortgage encumbering any Unit, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under this Declaration, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, a "first mortgage" shall mean a mortgagee with first priority over other mortgages on a Unit.

12.2 Each first mortgagee encumbering any Unit, which obtains title to such Unit pursuant to foreclosure or the powers provided in such mortgage, shall take title to such Unit free and clear of any claims for unpaid Assessments or charges against such Unit which accrued prior to the time such holder acquired title to such Unit.

12.3 Unless at least two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned) or two-thirds (2/3) of the Owners (other than Declarant) have given their prior written approval, neither the Association nor the Owners shall:

12.3.1 by act or omission seek to abandon or terminate the Project as a planned unit development; or

12.3.2 change the method of determining the obligations, Assessment dues or other charges (other than the Special Assessments or late charges imposed by the Board in accordance with the provisions of the Declaration), which may be levied against any Owner; or

12.3.3 by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other purposes consistent with the intended use of the Common Area under this Declaration shall not be deemed a transfer within the meaning of this clause); or

12.3.4 fail to maintain or cause to be maintained fire and extended coverage insurance on the Common Area as provided in Article 9 or this Declaration

12.4 First mortgagees, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours; (2) require from the Association the submission of annual financial reports and other financial data; (3) receive written notice of all meetings of the Owners; and (4) designate, in writing, a representative to attend all such meetings.

Unofficial Document

ARTICLE 13**DURATION AND AMENDMENT****13.1 Duration.**

This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination is recorded, meeting the requirements of an amendment to this Declaration as set forth in Paragraph 13.2. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any Unit from the concomitant membership of the Association, as long as this Declaration shall continue in full force and effect.

13.2 Amendment.

Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by an Owner at a meeting of the Members of the Association. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than two-thirds (2/3) of the voting power of the Association, and (ii) two-thirds (2/3) of the voting power of the Association residing in Members other than the Declarant, provided that the specified percentage of the voting power of the Association necessary to amend a specified provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision. A copy of each amendment shall be certified by at least (2) officers of the Association and the amendment shall be effective when the certificate of amendment is recorded. Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved in writing by the record holders of seventy-five percent (75%) of the first mortgages on all of the Units in the Project at the time of such amendment, based upon one (1) vote for each mortgage owned:

13.2.1 Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrances as provided herein.

13.2.2 Any amendment which would require a mortgagee after it has acquired a Unit through foreclosure to pay more than its proportionate share of any unpaid Assessments or Assessments accruing after such foreclosure.

13.2.3 Any amendment which would or could result in an encumbrance being canceled by forfeiture, or in the individual Unit not being separately assessed for tax purposes.

13.2.4 Any amendment relating to the insurance provisions as set out in Article 9 hereof, or to the application of insurance proceeds as set out in Article 10 hereof.

13.2.5 Any amendment which would or could result in termination or abandonment of the Property as a planned unit development, or in the partition or subdivision of a Unit, in any manner inconsistent with the provisions of this Declaration.

13.2.6 Any amendment which would subject any Owner to a right of first refusal or other such restriction in favor of the Association, if such Owner exercises his rights to sell, transfer or otherwise convey his Unit.

A certificate, signed and sworn to by two (2) officers of the Association, that the required number of Owners and/or mortgagees have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact.

13.3 Protection of Declarant.

Notwithstanding any other provision of this Declaration, the prior written approval of Declarant, as developer of the Property, will be required before any amendment which would impair or diminish the rights of Declarant to complete the Property or sell or otherwise dispose of Units therein in accordance with this Declaration shall become effective.

13.4 Annexation of Additional Parcels.

Additional parcels of real property may be annexed to the Properties and become subject to this Declaration by either of the following methods:

A. Annexation by Declarant. At any time hereafter Declarant may, in its sole discretion, designate any adjoining property to be annexed to and become a part of the Properties, subject to this Declaration, and subject to the jurisdiction of the Association, without the assent of the Association or its members, on condition that:

1. Any annexation pursuant to this Subparagraph shall be made prior to fifteen (15) years from the date of recordation of this Declaration.
2. A Declaration of Annexation shall be recorded by Declarant or its transferees or assigns (and by the owner of the annexed parcel, if other than Declarant) covering the applicable portion of the property to be annexed. Said Declaration shall incorporate this Declaration by reference and may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, and as are not inconsistent with the scheme of this Declaration.

b. Annexation Pursuant to Approval. Upon the vote or written assent of members of the Association other than Declarant, the Owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may record a Declaration of Annexation in the manner described in the preceding subparagraph.

13.5 Annexation of New Real Property (New Phase)

Upon annexation of new real property (new phase), pursuant to either Section 13.4 (a) or (b), the annexed parcel shall become subject to this Declaration without the necessity of amending individual sections hereof. The Owners of the Units in a new phase will automatically become members of the Association, and shall be entitled to all applicable benefits and subject to all applicable responsibilities associated with such membership, including but not limited to, use and enjoyment of all designated Common Area amenities and all Common Area amenities in the newly annexed phase shall be a part of and subject to management by the Board. Declarant hereby reserves to itself, its successors and assigns, the right to, and agrees that it will, grant to the Lot Owners in any new phase, such non-exclusive easements as may be necessary to the completion of the development of a new phase and the annexation thereof into the Property in accordance with the intent of this Declaration; Provided, however, that any easements of ingress and egress shall be limited to dedicated streets within the Property and to areas owned or maintained by Declarant or the Association.

13.6 De-Annexation of Parcels

Any parcel of real property annexed to the properties pursuant to the plan of Declarant, in accordance with Section 13.4 (a) (1) above, may be de-annexed by Declarant and removed from the Properties and the jurisdiction of this Declaration and the Association at any time by the recordation of an appropriate Declaration of De-Annexation; Provided that such de-annexation shall take place (1) before any lot in the annexed parcel has been sold by Declarant to a member of the general public; and (2) before any vote has been exercised on behalf of any such lot.

**ARTICLE 14
GENERAL PROVISIONS****14.1 Enforcement.**

The Board, any Owner, and any governmental or quasi governmental agency or municipality having jurisdiction over the Project shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court. Any such action by the Board shall be taken on behalf of two (2) or more Unit Owners, as their respective interest may appear with respect to any cause of action relating to the Common Area or more than one Unit. Failure by any such person or entity to enforce any such provisions shall in no event be deemed a waiver of the right to do so thereafter.

14.2 Invalidity of Any Provision.

Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

14.3 Conflict of Project Documents.

If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order; Plat Map, Articles; Bylaws; and rules and regulations of the Association. Notwithstanding the foregoing, any provision in any of the Project Documents which is for the protection of mortgagees shall have priority over any inconsistent provision in that document or in any other Project Document.

LEGAL DESCRIPTION

BROOKFIELD P.U.D.

SPOKANE, WA

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All of the real property located within the plat of BROOKFIELD P.U.D. Includes lots 1 through 7, Block 1, Lots 1 through 11 block 2, Lots 1 through 21, block 3 and any common area depicted on the fact of said plat, which plat is filed under auditors number _____ on

1994 in book _____

of plats, page _____

records of Spokane

County, Washington.

CONSENT TO RECORDATION OF DECLARATION

Washington Trust Bank which is the holder of a First Mortgage and/or construction mortgages covering the Properties described in the foregoing Declaration, hereby acknowledges that it has read and approves the Declaration, and agrees that the lien of said Mortgage shall be subject to the Declaration to the same extent as though the Declaration were executed and recorded prior to the Mortgage(s).

DATED this 7th day of June, 1994.

WASHINGTON TRUST BANK

BY: *Robert T. Curtis*
It's Vice President

BY: _____
It's _____

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STATE OF WASHINGTON)

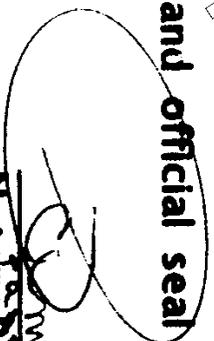
) ss.

Country of Spokane)

On this 7th day of June, 1994, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Shirley S. Justice

Shirley S. Justice of Washington known to be the Trust Bank of Washington Trust Bank, the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he she was authorized to execute the said instrument.

GIVEN under my hand and official seal the day and year last above written.

 Notary Public in and for the State of Washington, residing in Spokane
My Commission Expires: 5-23-96

Unofficial Copy