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Recording Fee $77.00 Page 1 of 16
Declaration EXIT CONSTRUCTION
Spokane County Washington

Exit Construction Division
C/O Exit Real Estate Jones and Associates
421 S Division
Spokane WA 99202

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Declaration of Covenants, Conditions, and Restrictions of Cherry Point

Grantor: Cherry Point
Grantee: Public

Legal Description;

Lot C, parcel #35262.0794. That portion of lots 5 and 16, Block 7 of Old Home Park, as per plat recorded in volume "F" of Plats, Page 16, lying southwesterly of the southwesterly right-of-way of Glenrose Drive and Glenrose Road, Spokane County, Washington, containing 26,354 square feet and subject to easements existing and of record.

Lot D, Parcel #35262.0795. That portion of lots 6 and 16, Block 7 of Old Home Park, as per plat recorded in volume "F" of Plats, Page 16, lying southwesterly of the southwesterly right-of-way of Glenrose Drive and Glenrose Road, Spokane county, Washington. Containing 35,531 square feet and subject to easements existing and of record.

And including future child parcels and annexations, including adjacent property to utilize Cherry Point private utilities.

Ford & Grimes, PS
320 S. Sullivan Rd.
Spokane Valley, WA 99037

Abbreviated Legal:
Parcel No. SEE Appendix A

DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS OF

CHERRY POINT

THIS DECLARATION is made on the date hereinafter set forth by JERALD F. CHASE, an unmarried person, and EXIT CONSTRUCTION DIVISION, LLC, a Washington Limited Liability Company ("Declarant"), who are the owners of certain land situated in the State of Washington, County of Spokane, known or to be known as CHERRY POINT, which is more particularly described on Exhibit "A" attached hereto and incorporated herein. In order to ensure preservation of the gracious residential environment at CHERRY POINT, Declarant agrees and covenants that all land and improvements now existing or hereafter constructed thereon will be held, sold, conveyed subject to, and burdened by the following covenants, conditions, restrictions, reservations, limitations, liens and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of such lands for the benefit of all of such lands and the owners thereof and their heirs, successors, grantees and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in such lands or any portion thereof and shall inure to the benefit of each Owner thereof and to the benefit of the Declarant, its assignees, and shall otherwise in all respects be regarded as covenants running with the land.

ARTICLE I
OTHER PARCELS

Section 1. Declarant reserves the right, but is not obliged, to add Other Parcels to the Properties. Declarant reserves the right to determine the number and location of any Lots within the Other Parcels.

If any Other Parcels are added to the Properties, all of the Other Parcels shall be governed by this Declaration if Declarant so elects. The character of the improvements which may be later added to the Properties or Other Parcels shall be compatible with improvements already existing on the Properties; Provided, However, that Declarant may develop the Other Parcels for any lawful purpose that is allowed by applicable land use laws and regulations. All easements for ingress, egress, utilities and use of facilities, unless otherwise specifically limited, shall exist in favor of all Lot Owners in the Other Parcels.

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Section 2. The addition of any Other Parcels to the Properties shall occur when the Declarant files for record a Declaration of Annexation to this Declaration, legally describing the Other Parcels and stating that the Other Parcels are annexed to the Properties and subject to the provisions of the Declaration.

ARTICLE II
DEVELOPMENT PERIOD; MANAGEMENT RIGHTS OF DECLARANT DURING DEVELOPMENT

Section 1. Management by Declarant. Development Period shall mean that period of time from the date of recording the Declaration until (1) the thirtieth (30th) day after transfer of title to consumer home purchasers of Lots representing one hundred percent (100%) of the total voting power of all Lot Owners as then constituted, including any annexed property, or (2) the date on which Declarant elects to permanently relinquish all of Declarant's authority under this Article II by written notice to all Owners, or (3) a date not more than thirty (30) years from the date of recording this Declaration, whichever date SECOND occurs. Until termination of the Development Period, either upon the sale of the required number of Lots, the expiration of the stated time period, or at the election of the Declarant, the Property shall be managed at the sole discretion of the Declarant. If the Development Period has terminated under the foregoing provisions, the addition of Other Parcels to the Properties already subject to this Declaration shall not change the fact that the Development Period has terminated pursuant to the provisions herein before the addition of Other Parcels to the Properties, the seventy-five percent (75%) of the total voting power shall be determined on the basis of the voting power in all the Lots then in the Property after the addition of the Other Parcels.

Section 2. Notices to Owners. Not less than ten (10) nor more than thirty (30) days prior to the termination of the Development Period, the Declarant shall give written notice of the termination of the Development Period to the Owner of each Lot. Said notice shall specify the date when the Development Period will terminate and shall further notify the Owners of the date, place and time when a meeting of the Owners will be held. At this meeting, the Declarant shall appoint a committee for an irrevocable period of one (1) year, which shall be the transition year from Declarant control to homeowner control.

Section 3. Declarant may in its sole discretion, and at such times as the Declarant deems appropriate, appoint three persons who may be Lot Owners, or are representatives of corporate entities or other entities which are Lot Owners, and which may include Declarant or an agent thereof, as a Temporary Board. This Temporary Board shall have full authority and all rights, responsibilities, privileges and duties to manage the Properties under this Declaration and shall be subject to all provisions of this Declaration, provided that after selecting a Temporary Board, the Declarant, in the exercise of its sole discretion, may at any time terminate the Temporary Board and reassume its management authority.

Section 4. These requirements and covenants are made to ensure that the Properties will be adequately administered in the initial stages of development and to ensure an orderly transition to Owner operations. Acceptance of an interest in a Lot evidences acceptance of this management authority in Declarant.

ARTICLE III

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LAND USE RESTRICTIONS

Section 1. Residential use - Size All lots within the Properties shall be used solely for private single family residential purposes. Private single family residences shall consist of no less than one Lot. No residence shall be constructed which exceeds the height allowed by the underlying zoning, inclusive of basement. Each residence must have a garage for not less than two cars. No single structure shall be altered to provide residence for more than one family.

a). Lots in CHERRY POINT provisions: The ground floor area of the main structure, exclusive of open porches, decks and garages, shall be no less than 1,100 square feet for a one story house with no basement; or 1,100 square feet for a one story house with a basement; multiple level homes shall have a total of no less than 1,200 square feet finished floor area, excluding basements, and a minimum of 600 square feet on the main floor level. The architectural control committee may grant variances of these requirements, but not to exceed eight percent (8%) of the requirement.

Section 2. Quiet Enjoyment. No Lot shall be used in a fashion which unreasonably interferes with the other Owners right to use and enjoy their respective Lots or Common Areas.

Section 3. Nuisances. No noxious or offensive activity shall be conducted on any Lot or Common Area nor shall anything be done or maintained on the Properties which may be or become an activity or condition which unreasonably interferes with the right of Other Owners to use and enjoy any part of the Properties. No activity or condition shall be conducted or maintained on any part of the Properties which detracts from the value of the Properties as a residential community. No untidy or unsightly condition shall be maintained on any property. Untidy conditions shall include, but are not limited to, publicly visible storage of wood, boats, trailers, recreational vehicles and disabled vehicles of any kind whatsoever.

Section 4. Temporary Structures/Vehicles. No structure of a temporary character or, garage, barn, or other out buildings shall be used on any Lot at any time as a residence, either temporarily or permanently. No vehicles may be parked in the street. RV=s, boats and other such vehicles must be stored either behind front of garage or behind set-back line with appropriate screening which must be approved by the architectural control committee.

Section 5. Building Setbacks. The minimum setback requirement for all residences in the Plat shall be at the discretion of the Declarant or the Architectural Control Committee. Side yard setback requirement shall be established in accord with relevant public zoning ordinances. For the purpose of this Covenant, eaves, steps, chimney and open porches shall not be considered as part of the dwelling; Provided, However, that this shall not be construed to permit any portion of a dwelling on a Lot to encroach upon another Lot or upon any easement indicated on the face of the Plat or as otherwise recorded or upon Common Area. All exterior decks, porches, patios, etc., must be approved in writing by the Architectural Control Committee prior to construction.

Section 6. Animals. No animals other than 2 dogs, 2 cats, caged birds, tanked fish, and other conventional small household pets may be kept on Lots.

NO PIT BULLDOGS SHALL BE PERMITTED ANYWHERE ON THE PROPERTY BY ANY PERSON FOR ANY REASON AT ANY TIME. PIT BULL being defined as the American

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Stafford Shire Terrier by the American Kennel Club or the Stafford Shire Bull Terrier by the A.K.C., or the American Pit Bull Terrier by the United Kennel Club.

Section 7. Signage and Antennas. No yard sale, garage sale, or for rent signs shall be posted within the development without the express written consent of the Association. No radio, television, or other antennas of any kind or nature, or device for reception or transmission of radio, microwave, or other similar signals which exceeds forty inches in diameter, shall be placed or maintained upon any building lot unless specifically approved by the Architectural Committee. To the extent reasonably possible, any permitted device shall be placed to minimize visibility from any street or road, unless doing so would impair its operation.

ARTICLE IV
BUILDING RESTRICTIONS

Section 1. 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, including any landscape timbers. All roofs shall have a Class "B" or better fire resistance rating. No vertical channel or T-111 style siding shall be allowed on the frontage sides of homes. All plans and building materials must be approved in writing by the Architectural Control Committee prior to construction.

Section 2. Construction Clean Up. At all times during construction of a home or other building on a lot, the Lot Owner shall see that construction debris is promptly removed from the lot within fourteen (14) days of completion of that aspect of construction. i.e. For example, when framing is completed, the framing debris shall be removed within 14 days of completion of framing. In the event that any Lot Owner, or agent thereof, shall fail to comply with this section, the Declarant may contract for removal of said debris and the applicable Lot and Lot Owner shall be responsible for all costs incurred to remove said debris, including all legal fees incurred to collect said amounts. Unpaid costs shall be a lien on the Lot, as well, and be forecloseable as set forth in this Declaration. At no time shall any Lot Owner or agent thereof cause any construction debris to be placed on any other Lot Owner's Lot, without immediate removal thereof.

Section 3. Permits. No construction or exterior addition or change or alteration of any structure may be started on any portion of the Properties without the Owner first obtaining a building permit and other necessary permits from the proper local government al authority and written approval of such permits from the Committee or the Declarant. The Committee must approve the plans for all construction or alteration proposals.

Section 4. Codes. All construction shall conform to the requirements of the State of Washington's Rules and Regulations for Installing Electric Wires and Equipment, and Uniform Codes (building, mechanical, plumbing), in force at the commencement of the construction, including the latest revisions thereof.

Section 5. Time of Completion. The exterior of any structure, including painting or other suitable finish and initial landscaping of front and side yards, shall be completed within twelve (12) months of the beginning of construction so as to present a finished appearance when viewed from any curbside angle, unless approved by the Committee. The construction area shall be kept reasonably clean during the construction period.

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Section 6. Contractor. No home may be constructed on any Lot other than by a contractor licensed as general contractor under the statues of the State of Washington without the prior approval of the Committee.

ARTICLE V
ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee ("Committee"). Upon termination of the Development Period, the Declarant shall appoint a Committee. The Committee shall consist of not less than three (3) and not more than five (5) members. It is not a requirement that members of the Committee be Owners.

During the Development Period, the Declarant may elect to exercise and perform the functions of the Committee. If the Declarant elects not to perform this function, or at any time elects to no longer perform this function, the Declarant shall appoint the Committee to function as herein provided. The Committee shall be appointed within one (1) month following the termination of the Development Period.

Section 2. Jurisdiction and Purpose. The Committee or the Declarant shall review proposed plans, plot plans and specifications for Residences, accessory structures (e.g., fences, garden sheds, tool sheds, doll houses, and playground equipment), or other exterior structures to be placed upon the Properties. No exterior addition or structural alteration may be made until plans and specifications showing the nature, kind, shape, height, materials and location of the proposed structure or alteration have been submitted to and approved, in writing, by the Committee. . The Committee shall determine whether the exterior design and location of the proposed structure or alteration harmonizes with the (1) surrounding structures, (2) surrounding natural and built environment, and (3) aesthetic character of other homes in the Plat.

Section 3. Membership. The Committee shall be designated by the Declarant. An election to fill either a newly created position on the Committee or a vacancy on the Committee requires the vote of the majority of the Owners. However, the Owners are not obliged to fill a vacancy on the Committee unless the membership of the Committee numbers less than three (3) persons, except during the time the Committee is controlled by the Declarant, as specified in this Declaration.

Section 4. Designation of a Representative. The Committee may unanimously designate one or more of its members or a third party to act on behalf of the Committee with respect to both ministerial matters and discretionary judgments. The decisions of such individuals are subject to review by the entire Committee at the request of any member of the Committee.

Section 5. Donation of Time. No member of the Committee shall be entitled to any compensation for services performed on behalf of the Committee. Committee members shall have no financial liability resulting from Committee actions, and the Owners shall indemnify and hold all Committee members harmless from any liability arising from serving on the Committee and fulfilling Committee functions.

Section 6. Voting. Committee decisions shall be determined by a majority vote by the members of the Committee.

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Section 7 Submission of Plans. All plans and specifications required to be submitted to the Committee shall be submitted by mail to the address of the Committee in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and the following information about the proposed structures.

(a) The location of the structure upon the Lot;
(b) The elevation of the structure with reference to the existing and finished Lot grade;
(c) Plot plan showing location of the building, building sizes and set backs from the Lot boundaries;
(d) The general design;
(e) The interior layout;
(f) The exterior finish materials, including roof materials;
(g) Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the Committee in evaluating development proposal.

Section 8. Evaluating Development Proposals. The Committee shall have the authority to establish aesthetic standards for evaluating development proposals. In addition to such standards, in evaluating development proposals, the Committee shall determine whether the external design, color, building materials, appearance, height, configuration, and landscaping of the proposed structure harmonizes with (1) the various features of the natural and built environment, (2) the aesthetic character of the other homes in CHERRY POINT, and (3) any other factors which affect the desirability or suitability of a proposed structure or alteration. The Committee shall decline to approve any design which (1) fails to meet the above recited standards and any other aesthetic standards promulgated by the Committee, (2) impacts adversely on nearby properties and common areas, (3) in the opinion of the Committee, impairs the view of nearby properties, or (4) is of a temporary or non-permanent nature. Committee determinations may be amended by a majority vote of Committee members.

Section 9. Approval Procedures. Within fourteen (14) days after the receipt of plans and specifications, the Committee shall approve or disapprove the proposed structure. The Committee may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration or to its aesthetic standards. The Committee shall indicate its approval or disapproval on one of the copies of the plan and specifications provided by the applicant and shall return the plans and specifications to the address shown on the plan and specifications. In the event that no disapproval of such plans and specifications is given within fourteen (14) days of submission, copies of plans and specifications shall be delivered to the Owners of adjacent Lots within the properties together with a statement to the effect that: (1) the plans and specifications have been submitted to the Committee; (2) fourteen (14) days have passed since the date of the submission and no action has been taken on the plans and specifications by the Committee; and (3) unless a legal action by the Owners to enjoin the construction pursuant to the submitted plans and specifications is filed within ten (10) days after receipt of the delivered copies, construction will be commenced pursuant to the plans and specifications. If no legal action to enjoin the construction is commenced within ten (10) days of delivery of the copies of the submitted plans and specifications to adjacent property Owners, the plans and specifications shall

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be deemed to be approved by the Committee and construction pursuant to the plans and specifications may be commenced.

Section 10. Compliance with Codes. In all cases, ultimate responsibility for satisfying all local building codes and requirements rests with the Owner and contractor employed by the Owner. The Committee has no responsibility for ensuring that plans and specifications which it reviews comply with local building and codes and requirements. The Committee shall be held harmless in the event that a structure which it authorizes fails to comply with relevant building and zoning requirements. No person or the Declarant on the Committee or acting on behalf of the Committee shall be held responsible for any defect in any plans or specifications which are approved by the Committee nor shall any member of the Committee or any person acting on behalf of the Committee be held responsible for any defect in a structure which was built pursuant to plans and specifications approved by the Committee.

Section 11. Variation. The Committee shall have the authority to approve plans and specifications which do not conform to these restrictions in order to (1) overcome practical difficulties or (2) prevent undue hardship from being imposed on an Owner as a result of applying these restrictions. However, such variations may only be approved in the event that the variation will not, in the Committee's sole opinions (1) detrimentally impact on the overall appearance of the development, (2) impair the attractive development of the subdivision or (3) adversely affect the character of nearby Lots or Common Areas. Granting such a variation shall not constitute a waiver of the restrictions articulated in this Declaration. Variation shall only be granted of the Committee determines that the variation would further the purposes and intent of these restrictions. Violations shall only be granted in extraordinary circumstances, and at the discretion of the Committee.

Section 12. Enforcement. In any judicial action to enforce a determination of the Committee, the losing party shall pay the prevailing party's attorneys fees, expert witness fees, and other costs incurred in connection with such a legal action or appeal.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Covenants Running With the Land. These covenants are to run with the land and be binding on all parties and persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the individuals then owning Lots has been recorded which reflects their intent to amend the covenants in whole or in part.

Section 2. Amendment. This Declaration may be amended during the initial thirty (30) year period if seventy-five percent (75%) of the members vote to amend particular provisions of either instrument. This Declaration may be amended during the Development Period by any instrument signed by both the Declarant and the Owners of at least fifty-one percent (51%) of the Lots, including those owned by the Declarant. The provisions expressly referring to the Declarant may not be amended without the Declarant's approval. All amendments must be filed with the office of the Spokane County Auditor.

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Section 3. Enforcement. The Declarant or any Owner shall have the right to enforce, by any legal proceeding, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Section 4. Attorneys Fees. In the event that it is necessary to seek the services of an attorney in order to enforce any (1) provision of this Declaration of (2) lien created pursuant to the authority of this Declaration, the individual against whom enforcement is sought shall be obliged to pay any attorney's fees incurred. If the Owner fails to pay such fees within sixty (60) days, such fees shall become a lien against the Owner's Lot.

In any legal action commenced in order to enforce the provisions of this Declaration, the prevailing party shall be entitled to recover all reasonable attorney's fees and expert witness fees incurred in order to enforce the provisions of this Declaration. The prevailing party shall also be entitled to recover all costs.

Section 5. Successors and Assigns. The covenants, restrictions and conditions articulated in this Declaration shall run with the land and shall accordingly be binding on all successors and assigns.

Section 6. Severability. The invalidity of any one or more phrases, clauses, sentences, paragraphs or sections hereof shall not affect the remaining portions of the Declaration or any part thereof. In the event that one or more of the phrases, clauses, sentences, paragraphs, or sections contained herein should be invalid, this Declaration shall be construed as if the invalid phrase, clause, sentence, paragraph, or section had not been inserted.

Section 7. Rule Against Perpetuities. In the event that any provision or provisions of this Declaration violate the rule against perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Declarant or twenty-one (21) years after the death of the last survivor of all the incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later.

Section 8. Operation and Maintenance. The CHERRY POINT Homeowner's Association shall be responsible for maintaining private streets, and common areas. Properties shall be operated and maintained pursuant to the CHERRY POINT Operation and Maintenance Manual on file with Spokane County. Individual lot owners are responsible for the maintenance and repair of all fencing installed on their respective lots.

ARTICLE VII
ASSESSMENTS

Section 1. Agreement to Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether it shall be so expressed in each deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges and (2) special assessments for capital improvements. If the Owner fails to timely pay assessments within thirty (30) days of the date specified by the Association, the annual and special assessments, together with any interest, costs and any reasonable attorneys fees incurred to collect such assessments, shall be a lien on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with any interest, costs and reasonable attorneys fees incurred in attempting to collect the assessment, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent

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assessments shall not pass to successors in title unless expressly assumed by them. The Association shall record such liens in the office of the Spokane County Auditor.

Section 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 of the Properties and for the improvement and maintenance of the Common Areas and Common Maintenance of Easement Areas.

Section 3. Annual Assessment. The initial annual assessment shall be $180.00 per Lot. In addition, Declarant may charge a reasonable fee which shall be allocated and paid to the Declarant/Association for Plat management services provided by the Declarant. This fee shall be $100.00, and shall be paid only once by the initial purchaser on a residence within the plat. Such allocation of funds to the Declarant as the Association shall cease when the Development Period expires and the homeowner controlled Association assumes collection costs, bookkeeping, and other management responsibilities which are particularly described within the By-Laws of the Association.

The annual assessment may be increased during the Development Period to reflect increased (1) maintenance costs, (2) repair costs, (3) plat management costs or (4) entry way or other common area improvements. All increases in the annual assessment during the Development Period must directly reflect increases in the above recited costs.

(a) After the Development Period expires, the maximum annual assessment may be increased each year not more than *ten* percent (10 %) above the maximum annual assessment for the previous year without a vote of the membership.

(b) After the Development Period expires, the maximum annual assessment may be increased by more than ten percent (10 %) only if two-thirds of the members of the Association, who are voting in person or by proxy at a meeting duly called for this purpose, consent to such an increase.

(c) After the Development Period expires, but not later than eight years from the date of recording this Declaration, in addition to the above, there shall be set up through the Association a reserve account for accumulating funds, prorated to all of the Lot Owners in an amount sufficient to pay for replacement and/or maintenance of the commonly owned aspects of the Plat.

(d) After the Development Period expires, the Board of Directors shall fix the annual assessment in accord with the above recited standards.

Section 4. Special Assessments for Capital Improvement.

A). In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a common 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 Maintenance or Easement Areas or any improvements upon the Common Areas not prohibited by this Declaration, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of

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the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of this Article shall be sent to all members not less than thirty (30) days in advance of the meeting. At the first meeting called, the presence of sixty percent (60%) of the members of the Association or of proxies entitled to cast sixty percent of the votes of the Association shall constitute a quorum. If the required Quorum is not present, another meeting may be called subject to the same notice requirement; the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting.

Section 6. Uniform Rate of Assessment. Annual, Reserve and Special assessments must be fixed at a uniform rate for all Lots (except as is provided in Article I, Section 4 hereinabove and below) and must be collected on an annual basis, Provided, However, that any unimproved Lot (ie. Lot owned by the Declarant) shall not be subject to any assessment or charge herein described. Lots owned by any home builder or contractor having purchased from Declarant or Declarant's successor, before or during construction of a home thereon, but not to exceed two (2) years from the date of purchase, shall be responsible for each said Lot's share of the following listed expenses only: Snow plowing, street cleaning and landscaping and entryway maintenance.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual assessments described in this Article shall commence on January 1, 2008. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter payments shall be made on January 1 of each year for that coming year. After the Development Period expires, the Board of Directors shall fix the annual assessment. Written notice of the annual assessment shall be sent to every Owner subject to such assessments. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of four percent (4%) over prime. Each Owner hereby expressly vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of such assessments as debts and to enforce lien rights of the Association by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Owner hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association and shall be for the benefit of the Association. The Association shall have the power to bid in an interest at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Owner is responsible for payment of all attorneys fees incurred in collecting past due assessments or enforcing the terms of assessment liens. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of their Common Areas or abandonment of their Lot.

The Association shall have the right to suspend the voting rights of an Owner for any period during which any assessment against the Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of the terms of either this Declaration, the Article or the By-Laws of the Association.

Section 9. Subordination of the Lien to Mortgage. The lien for assessments, provided for in this Article, shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien created pursuant to this Article as to payments which become due prior to such sale or transfer.

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APPENDIX A
PROPERTY DESCRIPTION

CHERRY POINT shall mean and refer to parent lots parcel #35262.0794 and #35262.0795 and future child parcels and annexations; including any adjacent property to utilize Cherry Point private utilities.

Legal being;

Lot C

That portion of lots 5 and 16, Block 7 of OLD HOME PARK, as per plat recorded in Volume "F" of Plats, Page 16, lying southwesterly of the southwesterly right-of-way of Glenrose Drive and Glenrose Road, Spokane County, Washington. Containing 26,354 square feet and subject to easements existing and
of record.

Lot D

That portion of lots 6 and 16, Block 7 of OLD HOME PARK, as per plat recorded in Volume "F" of Plats, Page 16, lying southwesterly of the southwesterly right-of-way of Glenrose Drive and Glenrose Road, Spokane County, Washington. Containing 35,531 square feet and subject to easements existing and of record.

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APPENDIX B
PRIVATE WATER AND SEWER MAINTAINANCE

Section 1. The Cherry Point Neighborhood Association Inc. (CPNA Inc.) shall pay all costs associated with water use from the private water line. (detailed city project #2007119)

Section 2. All taps from the private water line (detailed city project #2007119) to finished parcels shall have a private water meter installed at the owner/builders expense. Each owner is to pay the Cherry Point Neighborhood Association according to the usage assessed at the master meter prorated at the individual's private usage rate. Excess water usage costs (emergency, common area usage, etc.) will be divided evenly between the active members, utilizing the private water line.

Section 3. The Cherry Point Neighborhood Association shall pay sewer and Water line maintenance, as maintenance needs arise; with accumulated association fees, or special assessment should the need arise. (special assessment details described in Article VII of this agreement)

Section 4. There may be no obstruction of maintenance easements, including but not limited to; fences, ditches, trees, vehicles, landscaping, or anything perceived as an impediment to access by an emergency, or maintenance vehicle, by the CPNA Inc.

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No sale or transfer, however, shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All property dedicated to and accepted by local public authority shall be exempt from the assessments provided for in this Article. Property owned by Declarant shall also be exempt from such assessment.

Section 11. Management by Declarant During the Development Period. As soon as practical after this Declaration is filed of record, Declarant will establish the Association, a bank account for the Association and a set of books in which to record the income and expenses of the Association. The Declarant shall exclusively manage the Association, its books and records during the Development Period and until the Association is turned over to the property owners in the subdivision, as is described above.

Section 12. Potential Off-Site Cost Assessments. The plat conditions as mandated by Spokane County may require additional costs. These costs, if incurred are to be paid, equally by the lot owners and if not promptly paid, the Homeowners Association may levy a specific assessment against the lots and owners that have not paid.

IN WITNESS WHEREOF the undersigned, being the Declarant herein, have hereunto set their hands and seal this 11th day of October, 2007.

EXIT CONSTRUCTION DIVISION, LLC.

Eddie M Hudson

BY: , member

Judy L. Flemmer Sec. LLC

Jerald F. Chase

JERALD F. CHASE

Jerald F Chase

A. DE ARTH
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES 01-03-10

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this 11th day of October, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Eddie M. Hudson + Jerald F. Chase, to me known to be a member of EXIT CONSTRUCTION DIVISION, LLC. the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the seal of said company.

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

Notary Public in and for the State of Washington,

1/3/10

Unofficial Document

residing in Spokane.
My commission expires 1/3/10.

STATE OF WASHINGTON)
) SS
COUNTY OF SPOKANE)

On this day personally appeared before me JERALD F. CHASE, the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 11th day of ~~September~~ october, 2007.

Notary Public in and for the State of Washington
residing at Spokane
My Commission Expires 1/3/10

A. DE ARTH
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES 01-03-10

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State of Washington

SS:

County of Spokane

On this 9th day of December 2009, before me personally appeared **Judy L. Flemmer,** to me known to be the **Secretary of EXIT CONSTRUCTION DIVISION, LLC**, and **Gerald F. Chase is a member of EXIT CONSTRUCTION DIVISION, LLC**, the company that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed for the uses and purposes mentioned, and on oath stated the they are authorized to execute the said instrument therein mentioned.

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

Notary Public in and for the State of Washington.
Residing at Spokane Co.
My Appointment expires: 4-20-11

Notary Public
State of Washington
JULIA T JENSEN
MY COMMISSION EXPIRES
April 20, 2011

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