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WHEN RECORDED RETURN TO:

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(Space above this line for Recorder's use)

DOCUMENT TITLE: Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Mt. Lake, LLC's Elk Ridge Estates Properties

REFERENCE NUMBERS: NA

GRANTORS: Mt. Lake, LLC

GRANTEES: Mt. Lake, LLC

ABBREVIATED LEGAL: Ptn. S22 T26N R45 EWM (Full Legal on Exhibit "A")

ASSESSOR'S TAX PARCEL NOS.: 56222.9086

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
MT. LAKE, LLC'S ELK RIDGE ESTATES PROPERTIES

KNOW ALL MEN BY THESE PRESENTS that Mt. Lake, LLC., a Washington limited liability company (hereinafter referred to as the "Declarant"), does hereby create and declare of public record certain protective covenants, conditions, and restrictions (hereinafter referred to as the "Covenants" or the "Declaration") to be impressed upon the real property described on Exhibit "A" with the intention that said protective covenants shall run with the land and shall bind each party hereto and all of their future grantees, assignees and successors, as follows: (note: Index is at document's end)
ARTICLE 1 GENERAL

1.1 **Fully Protected Residential Area.** The subject real property, (hereinafter referred to as the "Property", the "Project", "Parcels", or "Lots") is legally described on Exhibit "A". This exhibit is attached hereto and incorporated herein by this reference. The Property and each of the Parcels which comprise the Property shall be bound by these Covenants. The Parcels shall be used only for single family residences with the usual outbuildings.

1.2 **Intent.** The intent of the Declarant in establishing Elk Ridge Estates is to create properties in which owners can sustain and enjoy the natural forested environment, views and wildlife in a peaceful community while preserving property values. In addition to the specific requirements (building heights, etc.) the Architectural Control Committee (ACC) shall be empowered to rule on complex discretionary restrictions on a case-by-case basis. They will rule on what constitutes a good balance between tree/landscape retention verses view retention. As enjoyment of the view is an important part of ownership in this community, homeowners are advised that neither structures nor trees/landscaping on their property may materially impact another homeowner’s view. Upon completion of construction, the ACC will take photographs of a homeowner’s view for future reference. As time passes and trees/landscaping grow, the growth could result in a requirement that the homeowner trim branches, top some trees/landscaping, or remove them. Refer to article 2.13.

ARTICLE 2 USE RESTRICTIONS

2.1 **Governmental Restrictions.** Restrictions shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease. In the event of any conflict, the most restrictive provision of such law, rules, regulations, deeds, leases or Elk Ridge Estates restrictions shall be taken to govern and control.

2.2 **Subdivision of Parcels.** No parcels within the platted area shall be subdivided unless such subdivisions are annexed to or become a part of adjacent and contiguous Parcels so that no Parcel in one ownership shall be less than the original platted length and width.

2.3 **Residence Size and Set Back.** No residence shall be constructed or permitted on any Parcel unless such residence has a building footprint that will contain not less than 1800 square feet of finished living space for a
rancher style home, and not less than 3000 square feet of finished living space for a two story home. The square footage requirements set forth herein shall exclude garages, open porches, carports and the like. No residence (or outbuilding) that is entirely above ground, shall exceed two (2) stories or twenty-five (25') feet in height. The main purpose of this height restriction is to ensure that homes or outbuildings do not impair the view of any other Parcel. The residences shall not be set closer than seventy-five (75) feet from the front property line. Refer to the County’s set back standards. No mobile homes, modular or manufactured homes are allowed.

2.4 **Garages.** Each residence parcel shall have a garage, either attached or detached, which shall not be less than double car size.

2.5 **Additional Residences.** Each parcel of this subdivision may have a caretaker residence or guest cottage which need not meet the size or garage requirement as stated herein, provided such residence is permitted under the zoning ordinance of Spokane County and is located behind the main residence. Refer to article 2.12.

2.6 **Accessory Buildings.** Only two accessory buildings, including a barn, shall be permitted on any parcel of this subdivision. Any accessory building shall be located no closer than seventy-five (75) feet from any residential structure or any front property line, and not within twenty-five (25) feet of any other property line. Buildings shall not exceed 2 stories or twenty-five (25') feet in height above ground level, and 80% of the residence’s footprint.

2.7 **Special Purpose Structures.** Outside communication antennas, solar collection systems and other special purpose structures for the collection of information or energy shall be integrated into the architectural design of the residential structure. The special purpose structure shall be erected behind the primary residence, blend with the surroundings and shall be approved by the architectural control committee.

2.8 **Fencing and Security Lighting.** Any fence constructed on a parcel shall conform to regulations as set forth by the architectural control committee. Dusk to dawn continuous burning of high intensity outside lights mounted high above the ground is subject to review by the Architectural Control Committee. No security lights are allowed which interfere with or greatly annoy neighbors. The use of motion detecting lights is encouraged.
2.9 **Temporary Structures.** No structure of a temporary character, trailer, basement, tent, mobile home, shack, garage, barn or other out building shall be used on any parcel as a residence, either temporarily or permanently.

2.10 **Reserved Areas.** No structures, planting or other materials shall be placed or permitted to remain which may change the direction of flow of natural drainage or drainage within road side ditches.

2.11 **Date for Completion of Construction.** Any dwelling or structure erected or placed on any residential parcel shall be completed as to external appearance, including finished painting within nine (9) months from date of commencement of construction. The front yard must be landscaped nine (9) months after occupancy.

2.12 **Building Materials.** All materials used in construction of any buildings shall be new, with the exception of used brick. Any detached garage or other accessory building, including guest cottage or caretaker residence, shall be constructed of the same materials as used on the exterior of the primary residential structure or of compatible materials as approved by the architectural control committee. No wood shakes, or sawn wood shingles and no galvanized or shiny roofs are allowed. The color combinations of exterior and roof materials must be subtle and tasteful. Earth color tones, beiges, greens and grays are acceptable. Extreme contrasts of paints, stains or masonry are unacceptable.

2.13 **Architectural Control.** Refer to article 1.1. No building or other structure or fence, shall be erected, placed or altered on any parcel until the construction plans and specifications and a plan showing the location of the structure or fence have been approved by the architectural control committee. The committee will review the quality of workmanship and materials, harmony or external design with existing structures, and location of the structure with respect to topography and finish grade. The architectural control committee shall initially consist of Delmar and Susan Steinle. If they are not in agreement with plans, they will consult with a licensed Realtor and/or licensed Architect. After the homeowner's association has been established and all parcels are sold, the association's bylaws shall specify membership on the architectural control committee. The architectural control committee shall issue a decision about plan(s) submitted by an owner within ten (10) business days of receipt of the plan(s). In the event the architectural control committee disapproves the design or location of the proposed building, the applicant shall have the right to submit said plans and specifications to three (3) arbitrators. Within ten (10) days of an election to arbitrate, the applicant
and the architectural control committee shall each select an arbitrator and shall notify the other party of the person so selected in writing by registered mail. The said arbitrators so selected shall thereafter, and within ten (10) days after their selection, name a third arbitrator, and together the three (3) persons so named shall constitute the arbitrators to make the determination as herein provided. In the event that either of the parties to this agreement shall, for a period of ten (10) days after the execution hereto, fail or refuse to name an arbitrator, the arbitrator named by the other party may select one for the party in default, and the said arbitrators so named shall select a third. The three (3) arbitrators shall review the plans and specifications to determine whether the proposed building location is in conformity and harmony to the topography and finished ground elevation. The decision of the majority shall be final and binding upon the parties. The costs of arbitration shall be paid by the applicant.

**MISCELLANEOUS RESTRICTIONS**

2.14 **Firearms and Fireworks.** Absolutely no shooting of firearms or fireworks shall be allowed in the Elk Ridge Estates project, irrespective of whether or not it is in compliance with any Spokane County zoning ordinance now or hereafter existing. No bow hunting or trapping is allowed. Bow and arrow target shooting is allowed provided that no one under 14 years of age may do so unless under the direct supervision of an adult, or unless such activities are conducted in a safe manner and are at least three hundred (300) feet from the parcel’s property line (in the arrow’s direction).

2.15 **Commercial Activity.** No commercial or manufacturing activity of any kind shall be conducted upon a parcel provided, however, this restriction shall not be construed to prevent a parcel owner from maintaining a home office for any purpose including, but not limited to, conducting accounting, computer assistance, real estate or other activities routinely conducted from the home, provided such activities are not prohibited by any Spokane County zoning ordinance. Additionally, no heavy equipment, materials or construction supplies used in connection with a trade or commercial business shall be kept, stored, dismantled, or repaired on any parcel or road within the subdivision.

2.16 **Refuse.** No parcel owner shall permit any dumping or accumulation of chemical products, refuse, garbage or abandoned or inoperative or unlicensed vehicles thereon, nor shall the premises be used as a storage area for any purpose other than the storage or materials used in connection with the operation of household or agricultural activities confined to the parcel.
Household garbage that is stored outdoors shall be in an animal proof can or enclosure and be stored out of sight. Any recreational vehicle, trailer, including camping trailers, camping vehicles, and boats shall not be parked or stored on any road within the subdivision or in front of any residence except on their driveway.

2.17 **Signs.** No signs of any kind shall be displayed to the public view on any parcel except one residence identification sign of not more than two (2) square feet, one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by builder to advertise the property during the construction and sales period.

2.18 **Household Pets.** Household pets are limited to no more than three (3) dogs, cats, or combinations thereof, plus their young of no more than 6 months of age. No exotic cats or animals are allowed. Outside cats must wear a bell. Dogs which have been classified as “vicious or potentially dangerous” by Spokane County Animal Control or Spokane County Ordinances shall not be allowed. No Chows, wolf hybrids, Pit bulls, Rottweilers, Doberman pinschers, or Presa canarios, nor dogs which are a mix of these breeds shall be allowed on the Parcels. All dogs shall be confined to a fenced area or tethered when not under the direct control of a responsible party. Dogs must be on leashes when not on their owner’s parcels. Said owners are required to clean up any dog feces left on or near the roads or trails. Owners of any parcel shall not allow dogs to bark in any manner as may greatly annoy or become a nuisance to their neighbors, regardless as to whether barking occurs in the daytime or night. No household pets are allowed which, if released into the natural environment, would cause significant damage to native flora or fauna.

2.19 **Noxious Activities.** No noxious, illegal or offensive activities shall be permitted upon any parcel nor shall anything be done thereon which may be or become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the other owners of their respective parcels or which may unduly stress wildlife. Excessively noisy vehicles are not permitted in the subdivision. Owners shall mitigate the level of all noise disturbances within the subdivision during the time frame of 10 PM to 7 AM.

2.20 **Domestic Animals.** The commercial boarding of any animal is prohibited. No swine or sheep are allowed. Any combination of horses, donkeys, mules, goats, llamas, alpacas or cows up to two (2) in number, plus the young of no more than one (1) year of age may be kept on any parcel. Any
combination of rabbits or poultry up to ten (10) plus the young of no more than 6 months may be kept on any parcel. Peacocks are not allowed. Hutches or runs must be kept at least one hundred (100) feet from any neighboring residence and one hundred (100) feet from the front of parcel lines.

2.21 **Timber.** In the interest of preserving and enhancing the health and perpetuation of the forest areas located within the Property, each owner agrees to use reasonable and responsible timber management practices. Except for clearing and maintenance of building sites for residences, outbuildings and animal enclosures, views, landscape areas and site improvements where agreed upon by the architectural control committee, as limited herein, and except for clearing of areas of trees deemed by a forester accredited by the Association of Consulting Foresters, Inc. as disease infested or fire damaged beyond repair, no clear-cutting of timber shall be permitted. Burning of timber slash shall be allowed only when deemed necessary by a forester accredited by the Association of Consulting Foresters, Inc. and as prescribed by local fire ordinances, under prudent weather and water conditions for controlled burning. Owners are warned that starting a forest fire will result in their liability for massive damages. Great caution must be exercised with any fire causing material, including cigarettes and the exhaust system of vehicles. There shall be no open burning of any kind (other than above diseased slash) within Elk Ridge Estates. The use of compost bins is encouraged.

2.22 **Runoff Sediment and Dust Control.** Each parcel shall do what is necessary to insure that no sediment-laden water due to construction or other activities shall run off his parcel, or into drainage facilities, such as road side ditches, culverts, or gravel galleries. Dust control during construction shall be provided as required.

**ARTICLE 3. HABITAT MANAGEMENT PLAN FOR THE SUBDIVISION**

3.0 **Introduction and Objectives.**

**Introduction.** The purpose of this Habitat Management Plan is to identify and review mitigation measures that, when implemented, could reduce both long-term and short-term negative impacts of site development on "priority habitats and species" on the described property. These measures have been reviewed and consented to by the current landowner as measures to be taken by future property owners.
Forage. In general, a deer will use about one to three square miles (640 to 1920 acres) of area during the winter. It is important to have approximately 60 percent of food and 40 percent cover with adequate dispersion. Since deer are primarily browsers (eating shrubs rather than grass), any activity that will increase shrubs preferred by deer will be valuable until the 60:40 ratio of forage to cover is exceeded.

Cover. Two kinds of cover are vital to deer: thermal and hiding. Trees most valuable for thermal cover in the winter are conifers. They should provide a dense canopy and be large enough (at least pole size) to intercept snow and radiate heat down to the deer underneath. Patches of thermal cover should be at least two acres in size. The larger the average tree diameter, the more functional the patch will be as thermal cover. Hiding cover prevents predators from seeing deer; it can be shorter than thermal cover. Hiding cover should also be in patches at least 200 feet wide. Hiding cover should also be left between openings so that deer can travel from one opening to another.

Security. Deer need to have protection from human disturbances, predators, and the weather.

Objectives. Three major objectives are the focus of this Habitat Management Plan. The objectives are: to provide adequate information for current and future landowners regarding white-tail deer depredation on ornamental trees, shrubs, and gardens; to provide guidelines for sound resource management so as to provide continued use by wildlife; to provide sound mitigation measures which will provide long-term enhancement and protection of available white-tail deer winter range. The following mitigation projects are designed to provide protection from the long-term and short-term impacts associated with the development of this property.

LIST OF PROPOSED MITIGATION PROJECTS

1. Provide a wildlife corridor
2. Minimize installation of above ground power lines/poles
3. Provide protection of existing native vegetation
4. Identification and retention of existing snags
5. Provide incentive for the restriction of public access
6. Location of housing/buildings away from corridors
7. Limit timing of construction activities
8. Control of noxious weeds
9. Limit future silvicultural activities
10. Control of free-roaming dogs
11. Establish agreements with future property owners which will further reduce impacts to wildlife and priority habitats.

3.0.0 Description of Requirements. Future parcel owners are required to read and understand this "Habitat Management Plan."

3.1 Wildlife Corridor. A wildlife corridor will be provided to allow secure (optimal hiding cover) access to the southern 2/3 of the subdivision. This area is dominated by a dense mixture of native brush and conifer tree species, with a snowberry/nine bark (Syal/Phyma) habitat type. There are two proposed alternatives for the current landowner to choose from as development takes place. Both alternatives provide adequate access into the southern portions of the property while not restricting the current landowner's option to access. (Please refer to Map "A" for detailed locations of proposed corridors A and B) Existing vegetation in the designated corridor will be retained as much as possible. Construction activities should be limited in extent and timing. The corridor shall be demarcated with a minimum of one fence post every fifty feet along its boundary.

Alternative "A" wildlife corridor is located near the center portion of the property (See Map "A" for detailed location). The corridor would extend approximately 930 feet long and 150 feet wide. The width would gradually be reduced to 50 feet in the northern portion of the corridor. This tapering effect would allow for the corridor to be adjusted east or west to allow for development of a suitable building site on Lot #9 when the home is built. This corridor comprises 3.2 acres, more or less. Lot numbers affected by this corridor begin at the south property line and end near the center of Lot #9, on the north side of the ridge. The "Wildlife Corridor" is shown on the plat. Its boundary is marked by steel fence posts every 50 feet. All timber located within the designated wildlife corridor will be exempt from any future silvicultural activity. Brush and other natural vegetation shall not be removed from the wildlife corridor, unless required for one of the reasons stated for tree removal under "Limitations on Future Silvicultural Activities." Alternative Wildlife Corridor "B" was not selected.

3.2 Underground Utilities. All utilities shall be underground. No overhead wires are allowed. Above ground lines pose a continued threat to the loss of homes and wildlife habitat through the spread of catastrophic wild fire. Historically, this property was subject to the influences of periodic ground fires which served as a tool to thin trees and remove ground debris. Due to aggressive fire suppression activities, fuel accumulations on the ground are
readily abundant, and stand density is high. As a result of this condition, a fire which historically would have been confined to a low intensity ground fire will most likely result in a stand replacement fire.

3.3 **Provide Protection of Existing Native Understory Vegetation.** Additional seeding of the following vegetation is encouraged where native vegetation is lacking, or has been out competed by non-native, less palatable plant species.

- Service Berry
- Ceanothus (Buckbrush)
- Rose
- Birch
- Dogwood
- Poplar

Where road or utility construction has removed native vegetation, these species, along with grass, will be planted when practical if vegetation does not naturally seed in. Refer to article 2.21.

3.4 **Identification and Retention of Snags.** Snags, standing dead or partially dead trees at least 4” diameter at breast height (DBH), are critical to many forest dwelling wildlife species. Snag uses include cavity nesting sites, external nesting sites, perching and roosting sites, denning and food caching sites, and providing food for a wide variety of bird and small mammal species. Hard snags, composed of sound wood and still commercially harvestable, are the desired snags to retain and provide long term habitat throughout the entire decaying process. Soft snags, those in the advanced stages of decay, and those snags deemed as hazardous may be felled to reduce the hazards to the owners/users of the property. Snags that are an obvious obstruction to a parcel’s view may also be felled. All others shall be retained whenever possible. A visual inspection revealed an abundance of both hard and soft snags throughout the property.

3.5 **Restriction of Public Access.** While the decision to allow access to the general public will remain with each respective property owner, parcel owners are encouraged to limit the timing and type of access into each parcel primarily during the late winter/early spring months (December to March). The purpose of this is to reduce the amount of stress on wintering deer caused by excess human disturbances.
3.6 **Locate Homes/Buildings Away From Wildlife Corridor.** Within the respective parcels (#1, #2, #9, and #10), new owners will be encouraged to keep homes and outbuildings (shops, garages, sheds) and dog runs or tethers as far as possible from the designated wildlife corridor. A minimum distance of 50 feet is recommended as spacing between homes/buildings and the wildlife corridor. Dog runs or tethers must be 50 feet from the wildlife corridor. No building, construction or landscaping of any kind shall be allowed in the wildlife corridor. This spacing is encouraged to consist of lawn/landscaping projects desired by the landowner.

3.7 **Limit Timing of Construction Activities.** To avoid undue stress on wintering white-tail deer, road construction, building site construction, exterior building construction and landscaping should be avoided if possible during the period of December 15th to March 15th. Again, the purpose of this is to avoid causing any undue stress on wintering deer.

3.8 **Control of Noxious Weeds.** This involves eradication of noxious weeds (primarily spotted knapweed). A visual inspection of this property revealed severe spotted knapweed invasion problems. Spotted knapweed most often infests roadsides, waste areas and dry rangelands. A highly competitive plant, knapweed will often out compete native, more palatable vegetation. This has already occurred in a limited extent adjacent to roadsides and along the ridge line located in the center of the property. Eradication of noxious weeds will be a continuing effort among all landowners and will be accomplished via herbicide treatments occurring in the spring or via hand pulling of the entire plant.

3.9 **Limitations on Future Silvicultural Activities.** The timber on this property can be divided into two distinct timber types. The southern 2/3 of the property is primarily stocked with ponderosa pine, with scattered Douglas-fir and western larch. Regeneration is well stocked with a mixture dominated by ponderosa pine with a steady encroachment of Douglas-fir. The northern 1/3 of the property is dominated by a dense overstory canopy of grand fir and western red cedar, with occasional occurrences of Douglas-fir and western larch. It is encouraged that landowners implement non-timbered buffer zones of 100 foot minimum radius around homes and outbuildings. Nothing in this document shall be construed as interfering with the buffer zone. Conventional silvicultural methods used for timer management purposes will not be used on the parcels. However, parcel owners shall reserve the right to remove trees for building site development, fire protection, or view enhancement. In addition, occasional sanitation cuts may be considered for severe disease or insect outbreaks or wildfire
damage. Those timber stands dominated by dense western red cedar/grand fir overstory will be exempt from future timber harvests. Please refer to map “A” for a detailed location of timber types. All timber located within the designated wildlife corridor will be exempt from any future silvicultural activity. Brush and other natural vegetation shall not be removed from the wildlife corridor, unless required for one of the reasons stated for tree removal.

3.10 **No Free Roaming Dogs.** The practice of allowing dogs to freely roam over each and every parcel will be strongly discouraged. Wintering deer (especially during harsh winters) cannot afford to expend the valuable energy escaping from neighborhood pets. During harsh winters, an otherwise harmless dog can easily kill a wintering deer by chasing/harassing. Wintering deer do not have the excess energy reserves needed to cope with this type of disturbance. All dogs shall be confined to a fence area or tethered when not under the direct control of the responsible party, (refer to article 2.18).

3.11 **Deer Depredation.** Recognize the occurrence and extent of deer depredation on ornamental trees, shrubs, flowers and gardens associated with common landscaping.

3.12 **Other “Habitat Management” Requirements.**

3.12.1 Discourage continuous burning of high intensity outside lights from dusk to dawn. Refer to article 2.8.

3.12.2 Prohibit the disposal of refuse and chemical products anywhere within the property. Refer to article 2.16.

3.12.3 Control the level of noise disturbances within the property during the time frame of 10 PM to 7 AM. Refer to articles 2.14 and 2.19.

3.12.4 Limit the type and extent of motorized transportation within the area set aside as wildlife habitat (i.e. motorcycles, ATV’s, snowmobiles and 4 X 4 vehicles). Refer to article 2.19.

**ARTICLE 4. DESCRIPTION OF PROJECT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS AND OBLIGATIONS**
4.1 **Description of Project.** The project consists of the underlying Property with the residential Dwellings and all other improvements and systems located or to be located hereon, regardless of the ownership thereof.

4.2 **Division of Property.** The Property and its management responsibility are hereby divided as follows:

4.3 **Parcels and Dwellings.** Each of the Parcels as separately shown, numbered and designated on the Subdivision Plat shall be conveyed to and owned by an individual purchaser or purchasers, subject to the requirements and restrictions set forth in this Declaration. Each Owner shall have the right to construct a Dwelling on his Parcel, subject to the restrictions set forth herein below. The Owner of each Parcel, by virtue of such ownership, shall automatically become a Member in the Association.

**ARTICLE 5 ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS**

5.1 **Association to Manage Project.** The term “Association” as used in this document shall mean “Lake Mt. Lake Homeowners’ Association”, (UBI #602-789-932, Dec. 21, 2007). The Owners of all the Parcels covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles, and the Bylaws of the Association, subject to the standards set forth in this Declaration and all applicable laws, regulations and ordinances of any governmental or quasigovernmental body or agency having jurisdiction over the Project. Notwithstanding the generality of the foregoing, the primary function of the Association shall be the enforcement of the restrictions set forth in this Declaration, the maintenance of the private roads, drainages, easements, and recreational areas and facilities in the Project, and the enforcement of liens for assessments.

5.2 **Membership.** The Owner of a parcel shall automatically be a Member of the Association upon becoming an Owner 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 bylaws of the Association.

5.3 **Transferred Membership.** Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Parcel to which it is appurtenant, and then only to a new Owner.
5.4 **Voting Requirements.** Except where 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 prescribed percentage of the total voting power of the Association.

5.5 **Commencement of Voting Rights.** Voting rights attributable to any parcel shall not vest until the Parcel shall also be subject to assessment obligations to the Association, pursuant to Article 6 below.

5.6 **Membership Meetings.** Regular and special meetings of the 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.

5.7 **Board of Directors.** The affairs of the Association shall be managed by a Board of Directors, which shall be established, and which shall conduct regular and special meetings according to the provisions of the bylaws of the Association.

**ARTICLE 6 MAINTENANCE AND ASSESSMENTS**

6.1 **Creation of the Lien and Personal Obligation of the Assessments.** The Declarant, for each Parcel owned within the Project, hereby covenants, and each Owner of any Parcel by acceptance of a deed or contract therefore, whether or not it shall be so expressed in such deed of contract, is deemed to covenant and agree to pay to the Association: (1) regular assessments or charges, and (2) special assessments for capital improvements and unexpected expenses, such assessments to be established and collected as provided herein and in the bylaws of the Association. The regular and special assessments, together with interest, costs, and actual attorney’s fees, shall be a charge and a continuing lien upon the Parcel against which each assessment is made, the lien to become effective upon levy of the assessment. Each such assessment, together with interest, costs, and actual attorney’s fees, shall also be the personal obligation of the person who was the Owner of such Parcel at the time when the assessment fell due. No Owner of a Parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any part of the Project or by the abandonment of his parcel.

6.2 **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all the
residents in the entire Project, and shall include (as part of the regular periodic assessments) an adequate reserve for maintenance, repairs and replacement of those areas and facilities owned and managed by the Association, and which must be replaced on a periodic basis. Specifically, and without limiting the generality of the foregoing, the assessments shall be used to cover the expenses of administering the Association, of enforcing the covenants, conditions, and restrictions of the Declaration, of providing for the insurance for the Association, and for providing for the maintenance of landscaped areas, roads, lighting and other areas used by all the members.

6.3 **Regular Assessments.** Until the first day immediately following the closing of the sale of the first Parcel in the Project, the regular annual assessment per Parcel shall be such amount as is set forth in the Project budget prepared by Declarant, payable in periodic installments as determined by the Board. After it’s sale closes, each Parcel’s share shall be prorated based on the time remaining in that year. Thereafter, the Board shall determine and fix the amount of the annual assessment against each Parcel at least sixty (60) days in advance of the beginning of each calendar year.

6.4 **Special Assessments.** In addition to the regular assessments authorized above, the Board may levy, in any year, a special 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 capital improvement within the Project, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated regular assessment. Special assessments may also be levied against an individual Parcel and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Parcel into compliance with the provisions of this Declaration and the bylaws, including attorney’s fees and costs.

6.5 **Allocation of Assessments.** Each Parcel, including Parcels owned by Declarant, shall bear an equal share of each regular and special assessment (except for special assessments imposed against an individual Parcel and its Owner under the preceding subparagraph).

6.6 **Date of Commencement of Assessment; Due Dates.** The regular assessments provided for herein shall commence as to all Parcels in the Project on the first day of the month following the closing of the sale of the first Parcel in the Project. Due dates of the assessments during the first months following this first Parcels’ closing will be given at least one (1) month prior to the due date. After this period, due dates of “regular”
assessments shall be put forth in the annual notice. This notice will set forth the amount of the regular assessment and the due dates on which the assessment installments shall become due.

6.7 **Transfer of Parcel by Sale or Foreclosure.** Sale or transfer of any Parcel shall not affect the assessment lien. However, the sale or transfer of any parcel pursuant to mortgage foreclosure, judicial or non-judicial, shall extinguish the liability for such assessment, or the lien thereof, except according to statute, and civil action for collection is preserved. Such unpaid dues or charges shall be deemed to be common expenses collectable from all of the Parcels including such mortgagor. In a voluntary conveyance of a Parcel the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments due the Association and such grantee shall not be liable for, nor shall the Parcel conveyed be subject to a lien for any 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 such statement.

6.8 **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 ten (10) days after the due date, an automatic late charge shall be assessed and additional sums shall be assessed for each month or fraction thereof from the due date until the assessment and all late charges are paid. The amount of the late charge and the additional charges shall be as set beforehand by the Board and will include interest. Each assessment shall constitute a lien on each respective Parcel 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 charge of any mortgage or deed of trust 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 deed of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the Parcel Owners, shall have the power to bid for the parcel at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to
recover a money judgment for unpaid common expenses, rent and attorney’s fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including acting attorney’s fees and costs and may temporarily suspend the Association membership and voting rights of a Parcel Owner who is in default in payment of any assessment, after notice and hearing according to the bylaws.

ARTICLE 7 DUTIES AND POWERS OF THE ASSOCIATION

7.1 Duties and Powers. In addition to the duties and powers enumerated in the bylaws and Articles, or elsewhere provided herein, and without limiting the generality thereof, the Association shall:

7.1.2 Maintenance. Maintain, repair, replace and manage all roads, drainages, easements and all property that may be acquired by the Association.

7.1.3 Enforcement. Enforce the provisions of this Declaration by appropriate means, including without limitation, the expenditures of funds of the Association, the employment of legal counsel, and the commencement of actions.

7.1.4 Insurance. Maintain such policy or policies of insurance as are required by this Declaration or as the Board deems necessary and desirable in furthering the purpose of and protecting the interests of the Association and its Members.

7.1.5 Employ a Manager. Have the authority to employ a manager or other persons and to contract with independent contractors or managing persons to perform all or part of the duties and responsibilities of the Association, subject to the Bylaws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the Project.

7.1.6 Adopt Rules. Adopt reasonable rules not inconsistent with this Declaration, the Articles, or the bylaws relating to the particular areas within the Project, and the conduct of Owners and their tenants and guests with respect to the Property and other Owners.

7.2 Association Easements and Access to Parcels. For the purposes of performing the maintenance authorized by this Article or for any other purpose reasonably
related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agent and employees) shall have an easement over and onto all portions of the Project, and shall also have the right, after notice, and during reasonable hours, to enter any Parcel.

7.3 **Reservation of Easements.** Easements for utilities are hereby declared and reserved under, and over an area lying twenty (20') feet on the interior of all perimeter Parcels. On common boundary lines between Parcels this will be twelve (12') feet on either side of the property line.

**ARTICLE 8 POTABLE WATER, SEWAGE SYSTEMS AND BASEMENTS**

8.1 **No Community Water or Sewage System.** All parcel purchasers are advised that when building any structure within the subject Project, the purchasers, their heirs, successors and assigns should utilize adequate construction methods to safeguard against and prevent flooding, basement leakage, and the indiscriminate flow of groundwater and/or springs.

Subject to specific application approval and issuance of permits by the appropriate health officer, each Parcel is authorized to use an individual on site sewage system. On site waste water disposal systems shall be approved by the Spokane Regional Health District prior to release of building permits and these systems may be a specifically designed type.

8.2 **Private Wells.** Each parcel purchaser shall be responsible for maintaining their own well and water system for the delivery of water to their residence. The Declarant shall not be responsible for the quantity or potability of the water after the well is turned over to the parcel owner.

8.3 **Utility Services.** To the extent electric, gas, television receiving or telephone lines or other utility connections are located or installed within the Project, which connections serve more than one Parcel, the Owner of each Parcel served by said connection shall be entitled to the full use and enjoyment of such portion of said connection as services his parcel.

8.4 **Utility Service Maintenance.** To the extent electric, gas, television receiving or telephone lines or other utility connections are located or installed within the Project, which connections, or any portion thereof, are in or upon Parcels owned by others than the owner of the Parcel served by said connections, the Owner of any Parcel served by said connections shall have the right, and hereby is granted an easement to the full extent necessary therefore, to enter upon Parcels or to have the utility companies enter upon the Parcels in or
upon which said connections, or any portion thereof lie, to repair, replace, and generally maintain said connections as and when necessary.

8.5 **Easements for Utilities and Maintenance.** Easements over and under the property for the installation, repair, and maintenance of electric, gas, television receiving, telephone lines and other utilities and facilities, such as may hereafter reasonably be required to service the property, are hereby reserved by Declarant and its successors-in-interest and assigns, including the Association, together with the right to grant and transfer the same; provided, however that no such reservation or grant of easement shall unreasonably interfere with the use of occupation of any Parcel by its Owner, or the construction of a dwelling upon any parcel.

8.6 **Utility Connection Costs.** All owners are responsible for the connection, maintenance, and expense of all utilities including water pumps and pressure tanks, water lines from well, electricity, gas, phone, cable-tv hookup and installation fees.

8.7 **Basements.** Once the home location is established, a qualified geotechnical engineer shall be employed by the future home owner or builder to check the feasibility of constructing a basement (if one is planned).

**ARTICLE 9 MISCELLANEOUS PROVISIONS**

9.1 **Enforcement.** The Association, or an Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to so do thereafter.

9.2 **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

9.3 **Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date that this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be
amended during the first twenty (20) year period by an instrument signed by not less than 12 of the Parcel Owners, and thereafter by an instrument signed by not less than 10 of the Parcel Owners. No such waiver, termination, or modification shall be effective until the proper instrument in writing shall be executed and recorded in the office of the Auditor for the County of Spokane, State of Washington; provided however, that this provision shall have no application so long as Declarant or Delmar and/or Susan Steinle shall be the Owner of at least three of the Parcels in Elk Ridge Estates.

9.4 **Conveyance.** Each Owner accepting a deed, lease or other instrument conveying any interest in any Parcel, whether or not the same incorporates or refers to these restrictions, agrees for himself, his heirs, successors and assigns to observe, perform and be bound by these restrictions and to incorporate the same by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto.

9.5 **Exceptions.** Exceptions to any of the above-listed covenants and restrictions shall be granted by the Board of Directors when and only when two-thirds (2/3) of the Board determine such exception is in the best interest of the Association and the purposes of these covenants and restrictions.

9.6 **Calendar Year.** The year for record keeping and other business and related transactions of the Association shall be a calendar year.

9.7 **Limitations of Restrictions on Declarant.** Declarant is performing certain work in connection with the subdivision of the Property and the construction of community improvements thereon. The completion of that work and the sale of Parcels are essential to establishment of 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 this Declaration shall be understood or construed to:

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

9.7.2 Prevent Declarant or its representative 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, lease or otherwise; or

9.7.3 Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof.
PROPERTY LEGAL DESCRIPTION:
The N ½ of the NW ¼ of Section 22, Township 26 North, Range 45 East W.M. Spokane County, Washington; EXCEPT the South 330 feet of the West 396 feet of said N ½ and EXCEPT the East 206 feet of the South 50 feet of the NW ¼ of the NW ¼ of said Section 22, Comprising 73.7 acres, more or less.
DECLARANT:

Mt. Lake, LLC.

By: [Signature]

By: [Signature]

State of Washington

County of Spokane

I certify that I know or have satisfactory evidence that DELMAR A. STEINLE is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: 01-04-2008

[Signature]

Print Name: [Signature]

Notary Public in and for the State of Washington, residing at [Address].

My Commission Expires: [Date]

State of Washington

County of Spokane

I certify that I know or have satisfactory evidence that SUSAN M. STEINLE is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: 01-04-2008

[Signature]

Print Name: [Signature]

Notary Public in and for the State of Washington, residing at [Address].

My Commission Expires: [Date]
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