



RETURN ADDRESS:

Golden Eagle Estates, LLC
c/o J. Michael Blair
24907 N. Perry Rd.
Colbert, WA 99005

Document Title:

DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR GOLDEN EAGLE ESTATES

Grantor(s):

1. Golden Eagle Estates LLC, a Washington limited liability company

Grantee(s):

1. To whom it may concern

Legal Description:

See exhibit "A"
29 - 27 - 43 pt of NW ¼

Parcel Numbers:

37292.9113



DECLARATION ESTABLISHING COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR GOLDEN EAGLE ESTATES

This declaration is made this 12th day of August, 2004, by Golden Eagle Estates LLC, a Washington limited liability company, referred to as "Declarant." Declarant is the owner and developer of the real property referred to below.

ARTICLE I: GENERAL PROVISIONS

1.1 Real Property Description. Declarant is the developer and owner of all that real property located in the City of Spokane, Spokane County, Washington, legally described on Exhibit "A" attached hereto. Said real property is sometimes referred to below as the "Property" and sometimes referred to below as "Golden Eagle Estates."

1.2 Development. Declarant intends to develop and market the Property as separate Lots for single family home purposes. Upon Recordation of this Declaration, Declarant submits and subjects the Property, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of The Property as hereinafter defined), to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein, all of which shall run with the land.

Declarant intends and directs that the Association shall govern the property as housing for older purposes, as defined under Federal Fair Housing Act. As such, it is intended that, subject to permitted exceptions under HUD regulations, each dwelling constructed on each Building Lot within the Property is to be occupied by at least one person 55 years of age or older, and that no person under age 18 will be permitted to reside in any dwelling on any building lot within the Property.

1.3 Conditions. Any plans for development of the Property in existence prior to or following the effective date of this Declaration are subject to change at any time by Declarant, in its sole discretion, and impose no obligations on Declarant as to how said real property is to be developed or improved. Any purchaser of a Lot within the Property acknowledges that said Lot is subject to zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed.



Said purchaser acknowledges it is solely the purchaser's obligation to become familiar and comply with the same.

ARTICLE II: DECLARATION

Declarant hereby declares that the Property, and each Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale thereof, and to enhance the value, desirability and attractiveness thereof. The terms, covenants, conditions, easements and restrictions set forth herein shall run with the land, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in said real property or any Lot, parcel or portion thereof; shall inure to the benefit of and be binding upon Declarant, Declarant's successors in interest and each grantee or owner and such grantee's or owner's respective successors in interest, and may be enforced by Declarant, by any owner or such owner's successors in interest, against any other owner, tenant or occupant of said real property.

Notwithstanding the foregoing, no provision of this Declaration shall be construed so as to prevent or limit Declarant's right to complete development of the Property and to construct improvements thereon, nor Declarant's right to maintain model homes, construction, sales or leasing offices or similar facilities (temporary or otherwise) on any portion thereof, nor Declarant's right to post signs incidental to construction, sales or leasing, nor Declarant's right to modify plans for the Property.

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by the Declarant or an Association pursuant to Article IX hereof, and may be referred to herein as the "Committee."

3.2 "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

3.3 "Assessments" shall mean those payments required of Owners or Association Members, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

3.4 "Association" shall mean the Golden Eagle Estates Homeowners Association, a Washington non-profit corporation, its successors and assigns, established by Declarant to exercise the powers and to carry out the duties set forth



in this Declaration or any Supplemental Declaration.

3.5 "Association Rules" shall mean those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of the Association, the imposition of fines and forfeitures for violation of Association Rules and regulations, and procedural matters for use in the conduct of business of the Association.

3.6 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

3.7 "Builder" shall mean any Owner acquiring two or more Building Lots intended for resale. Provided, any person will not be regarded as a Builder with regarding to Building Lots intended to be used by them as their own residence.

3.8 "Building Lot" shall mean one or more lots within a Parcel as specified or shown on any Plat and/or by any Supplemental Declaration, upon which improvements may be constructed. With respect to Association voting rights, Building Lot shall also mean a lot so specified on any final plat or on any preliminary plat of the Property.

3.9 "Bylaws" shall mean the Bylaws of the Association.

3.10 "Common Area" shall mean all real property in which the Association holds an interest or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the Owners. Common Area may be established from time to time by Declarant on any portion of the Property by describing it on a Plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Common Area may include easement and/or license rights.

At the time of recording this Declaration, the Common Area is intended to consist of a common area detention pond and drainage tract for drainage, a private road to serve as primary means of access for ingress and egress to and from the Lots, to be known as Golden Eagle Estates Road, a perimeter fence and gate, and an entryway monument created at the entrance to the Property.

3.11 "Declarant" shall mean Golden Eagle Estates LLC, a Washington limited liability company, the developer of the Property as of the date of execution of this Declaration. The term "Declarant" shall also include the successors in interest of the Declarant, so long as such successor is expressly designated as the successor Declarant by the immediately preceding Declarant.

3.12 "Declaration" shall mean this Declaration as it may be amended from time to time.



3.13 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including interest thereon as provided in this Declaration or a Supplemental Declaration.

3.14 "Member" shall mean each person or entity holding a membership in the Association.

3.15 "Owner" shall mean the person or other legal entity, including Owners, which acquires fee simple interest of record to a Building Lot which is covered by this Declaration, as well as purchasers under real estate contracts.

3.16 "Person" shall mean any individual, partnership, corporation or other legal entity.

3.17 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Auditor, Spokane County, Washington, as the same may be amended by duly recorded amendments thereof.

3.18 "Property" shall mean the Property described in Section 1.1 and incorporated herein by this reference. The Property may be expanded in the future to include, in Declarant's sole discretion, additional property in addition to that described in Section 1.1, as may be annexed by means of one or more Supplemental Declarations. In addition, Declarant may, its sole election, withdraw any portion of the Property of which Declarant is the Owner, and which was previously included within the provisions hereof, upon recordation of a written Declaration of Deannexation.

3.19 "Regular Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner to the Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

3.20 "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner to the Association, pursuant to the provisions of this Declaration or a Supplemental Declaration.

3.21 "Supplemental Declaration" shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted with respect to any portion of the Property or additional real property or improvements which may be made part of the Property as provided herein.



ARTICLE IV: USE RESTRICTIONS

4.1 Structures - Generally. All structures (except for sales offices or similar facilities of Declarant) are to be designed, constructed and used in such a manner as shall be compatible with this Declaration, and shall meet the following minimum standards.

4.1.1 Use of Structure. Except as may be expressly provided in this Declaration, all Building Lots shall be improved and used solely for residential purposes. No Building Lot shall be improved, except with a single family dwelling unit designed to accommodate no more than a single family and its employees and occasional guests, and such other improvements as are necessary or customarily incident to a single family residence.

Subject to the provisions of Section 4.6 below, no dwelling unit shall be used for any purpose other than as a single-family residence, and no gainful occupation, profession, trade or other non-residential use shall be conducted on any Building Lot. Provided, however, nothing in this Declaration shall prevent the rental of property by an Owner for residential purposes on a long- or short-term basis, nor from using a portion of the residence for in-home office purposes as provided in this Declaration.

4.2 Covenants, Conditions, Restrictions and Easements Applicable to Lots. The following covenants, conditions, restrictions and reservation of easements and rights shall apply to all Building Lots and the Owners thereof (except those owned by Declarant):

4.2.1 Insurance Rates. Nothing shall be done or kept on any Building Lot which will increase the rate of insurance on any other portion of the Property without the approval of the Owner of such other portion, nor shall anything be done or kept on the Property or a Building Lot which would result in the cancellation of insurance on any property owned or managed by the Association or which would be in violation of any law.

4.2.2 No Further Subdivision. Subject to the rights reserved in paragraph 4.6 below, no finally platted Building Lot may be further subdivided, nor may any easement or other interest therein be granted.

4.2.3 Signs. No sign of any kind shall be displayed to the public view, except: (1) such signs as may be used by Declarant in connection with the construction, development, management or administration of the Property and sale of Building Lots and/or improvements thereon; (2) temporary construction signs used by Builders for customary notices to the public and advertising; (3) temporary "For Sale," "For Rent" and similar signs; and (4) such signs as may be required by legal



proceedings or as required under Washington state law.

4.2.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any portion of the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Architectural Committee), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Association.

4.2.5 Exterior Maintenance; Owner's Obligations. No improvement shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or so as to damage adjoining property or facilities, the Board, upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VII of this Declaration. The Owner of the offending property shall be personally liable, and such Owner's property shall be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, including reasonable attorneys' fees.

4.2.6 No Hazardous Activities. No activities shall be conducted on the Property, and no improvements constructed on any portion of the Property which are or might be unsafe or hazardous to any person or property.

4.2.7 No Temporary Structures. No house trailer, mobile home, motor home, tent (other than for short term individual use which shall not exceed two weeks in any six month period unless a longer stay is approved in writing in advance by the Architectural Committee, in its sole discretion), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except that tents may be used by the Owner or Owner's family in "camping out" overnight. Also excepted from this requirement is any sales office established by Declarant for the Property.



4.2.8 No Unscreened Items. No garbage cans, trash containers, firewood, boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, bicycles, dilapidated or unrepaired and unsightly vehicles or similar items, vehicles or equipment shall be placed or parked upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the Architectural Committee. To the extent possible, garage doors shall remain closed at all times.

4.2.9 Animals/Pets. No large animals, insects, exotic animals, pigeons, poultry or livestock shall be kept on the Property, and no other animal shall be kept on the Property unless the presence of such creatures does not constitute a nuisance, and does not otherwise violate any further conditions of this paragraph. Lot Owners shall be entitled to keep of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other common household pets, such as fish kept in aquariums and small birds kept indoors in cages, which do not unreasonably bother or constitute a nuisance to others.

Dogs shall be leashed and not allowed to run loose except under close supervision.

Any animals not restricted shall be properly sheltered inside home and cared for. The Homeowners Association retains the right to limit the number of non-restricted animals, by a majority vote, should it become apparent the number of animals has become an annoyance or nuisance.

4.2.10 Landscaping. At a minimum, within one year of completion of the exterior of the home constructed on their Building Lot, all Lot Owners shall landscape at least their front yards, which shall mean all portions of their yards between the front of the home and the front of the lot, running laterally from Lot line to Lot line.

4.2.11 Recreational Vehicles and Equipment. Recreational vehicles and equipment, including campers, toppers, motor homes, camp trailers, boats, motorcycles, snowmobiles and the like are not to be used in Golden Eagle Estates either in the Common Property or any Lot and such vehicles and equipment must be stored in an attached enclosed garage, except motor homes and large boats must be stored other than on Golden Eagle Estates property, although they may be present for no more than one day for the purpose of unloading or cleaning.

4.2.12 External Lights. All external lighting shall be non-glare and approved by the Architectural Committee prior to installation.

4.2.13 Vehicles. No vehicle in excess of 6,000 pounds gross weight (including campers, motor homes, business, boats, trucks and trailers of any



description) used for private purposes may be kept, parked, stored, dismantled or repaired outdoors on any residential Lot or on any street within Golden Eagle Estates.

No Owner shall permit any vehicle owned by him or any member of his family or by an acquaintance which is in an extreme state of disrepair to be abandoned or to remain parked upon his Lot or upon any street with Golden Eagle Estates for a period in excess of 24 hours. A vehicle shall be conclusively presumed to be in a state of extreme disrepair when, in the opinion of the Board, its presence offends the reasonable sensibilities of the occupants of Golden Eagle Estates. The Board may grant exceptions to any provision of this section for periods of not more than 7 days when requested by a Lot Owner, which exception may not be renewed.

4.2.14 Energy Devices. Energy generating and storage facilities, including, but not limited to, solar panels and their appurtenances, windmills and other wind-propelled equipment, fuel tanks, auxiliary generators, heat pumps and air conditioning compressors shall be designed and placed in aesthetic harmony with the other improvements to which they are appurtenant, and shall be insulated so as not to produce an unreasonable level of noise. All such devices must be approved by the Architectural Committee prior to starting any installation.

4.2.15 Firearms. The use of firearms or explosives is prohibited, except as required for construction work duly authorized by the Architectural Committee.

4.2.16 Clotheslines. No exterior clotheslines shall be erected or maintained and there shall be no outside laundering or drying clothes.

4.2.17 Conveyances to and from Municipalities. The Board shall have the power to convey any Common Area to any political subdivision thereof. The Board shall also have the power to receive a conveyance of any property interest from the above-referenced entities or any other individual or entity and to hold such property interest as Common Area.

4.3 Golden Eagle Estates Governmental Regulation: Strictest Standards Control. 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 laws, rules, regulations, deeds, leases or Golden Eagle Estates restrictions shall be taken to govern and control.

4.4 Water Pollution – Prevention. In the interest of public health and sanitation, and so that the above-described land and all other land in the same locality may be benefited by a decrease in the hazards of stream pollution and by the protection of water supplies, recreation, wildlife, and other public uses thereof, an Owner will not use his Lot or Lots for any purpose that would result in the pollution of any waterway that flows through or is adjacent to such Lots by refuse, sewage, or



other material that might tend to pollute the waters of any such stream or streams or otherwise impair the ecological balance of the surrounding lands.

4.5 Housing for Older Persons. The Property shall be operated and restricted to provide housing for older purposes as defined under the Federal Fair Housing Act. Accordingly, subject to permitted exceptions under HUD regulations, at least one person 55 years of age or older shall be intended to occupy each dwelling unit at the time it is purchased. At closing, each owner will be required to certify by Declaration sworn under penalty of perjury of the laws of the State of Washington or by Affidavit that at least one intended resident of such dwelling will be age 55 or older, and that no intended resident will be under age 18. Thereafter, no owners shall permit a resident therein who is under age 18. For purposes of this provision, temporary guests under age 18 shall be allowed. A person shall be considered a temporary guest if they do not stay in the residence for a continuous uninterrupted period of longer than 30 days, nor stay in the residence for a total of more than 60 days during any calendar year. Any person occupying a residence for a longer period of time than provided in either of the criteria stated in the preceding sentence shall be considered a resident therein and must be at least age 18.

The above restrictions shall apply to the first owners of each new dwelling built on each Building Lot, as well as each subsequent owner who may thereafter acquire ownership of such dwelling and Building Lot. Each owner shall also comply with reasonable requirements for completing affidavits, declarations, and surveys as may be requested by the Association certifying compliance with the restrictions in this section.

4.6 Exemption of Declarant. Nothing contained herein shall limit the right of Declarant to subdivide or re-subdivide any portion of the Property, including Common Areas, to grant licenses, to reserve rights-of-way and easements to utility companies, public agencies or others, as reasonable or appropriate, in the discretion of the Declarant, in the development, completion or marketing of the Property, and such rights are specifically reserved to the Declarant until all Building Lots are sold to third parties other than the Declarant or any successor Declarant.

ARTICLE V: GOLDEN EAGLE ESTATES SPOKANE
HOMEOWNERS ASSOCIATION

5.1 Organization of Golden Eagle Estates Spokane Homeowners Association. Golden Eagle Estates Spokane Homeowners Association, the "Association", shall be initially organized by Declarant as a Washington non-profit corporation under the provisions of the Washington Code relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration.



5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association and no Owner shall have more than one membership in the Association. Memberships in the Association, shall be appurtenant to the Parcel, Building Lot or other portion of the Property owned by such Owner. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

5.3 Voting. Voting in the Association shall be carried out by Members, including Declarant, who shall cast the votes attributable to the Building Lots which they own. The number of votes such Member may cast on any issue is determined by the number of Building Lots which the Member owns. As of the date hereof, the Property, in accordance with the Plat, consists of twenty-one (21) Building Lots. Provided, each Lot Owner other than the Declarant or a Builder shall have one vote for each Building Lot owned, and the Declarant and each Builder shall have seven (7) votes for each Building Lot then owned by any of them. When more than one person holds an interest in any Building Lot, all such persons shall share the vote attributable to the Building Lot, but fractional will not be allowed. The right to vote may not be severed or separated from the ownership of the Building Lot to which it is appurtenant, except that any Owner may give a revocable proxy to any person. Any sale, transfer of conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the new Owner.

5.4 Power and Duties of the Association. The Association shall have the powers of a corporation organized under the corporation laws of the State of Washington applicable to non-profit corporations, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Washington law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, and the affairs and the performance of the other responsibilities herein assigned, including without limitation:

5.4.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

5.4.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any



breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

5.4.3 Delegation of Powers. The authority to delegate its power and duties to committees, provided any such committee shall contain at least two Directors of the Association; and to contract for the maintenance, repair, replacement and operation of the Common Area.

5.4.4 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

5.4.4.1 Lines, cables, wires, conduits or other devices for the transmission or provision of electricity or electronic signals for lighting, heating, power, telephone, television, communications or other purposes;

5.4.4.2 Sewers, storm drains, underground irrigation pipes, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and

5.4.4.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, public and private streets or land conveyed for any public or quasi-public purpose including, but not limited to, bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years following execution of this Declaration.

5.4.5 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, including the repair and replacement of all improvements within any portion of the Common Area.

5.4.6 Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

5.4.7 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Common Area or against the



Association and/or any other property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association, in its discretion.

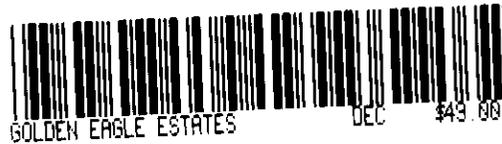
5.4.8 Water and Other Utilities. Acquire, provide and/or pay for water, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area, and to manage all domestic, irrigation and amenity water rights and rights to receive water held by the Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

5.4.9 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Washington, and maintain in effect any insurance policy the Board, in its discretion, deems necessary or advisable, including, without limitation fire and casualty insurance, public liability insurance, directors' and officers' liability insurance, and such other insurance, including motor vehicle insurance and Worker's Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonest of any employee or other person charged with the management or possession of any Association funds or other property.

5.4.10 Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Declaration, provided, at least two Directors of the Association shall serve at all times on this Committee.

5.4.11 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Spokane County Auditor, as more fully provided herein.

5.5 Personal Liability. To the fullest extent permitted by law, no Member of the Board, member of any committee of the Association, officer of the Association, the Declarant, nor the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the released persons, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct. If a released person has so acted, the Association shall indemnify and hold harmless said person from any damage, loss or prejudice aforesaid, including actual defense costs and attorney's fees.



ARTICLE VI: RIGHTS TO COMMON AREAS

6.1 Use of Common Area. The Common Area is to be owned by the Association. Accordingly, every Owner shall have a right to use the Common Area, which right shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:

6.1.1 The right of the Association, as it may hold or control such Common Area, to levy and increase Assessments;

6.1.2 The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area recreational facilities (but not including access to private roads and paths within the Property) by an Owner for any period during which any Assessment or charge against such Owner's Building Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of the Association Rules; and

6.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by this Declaration.

6.1.4 The right of the Association or the Declarant, to create easements and construct improvements on all Common Areas, including but not limited to providing utility and private drainfield or drainfield access, private streets, crossings, walkways, trails and other recreational improvements deemed desirable by the Association and/or Declarant.

6.2 Designation of Common Area. Declarant shall designate and reserve Common Area in this Declaration, and Declarant shall have authority to add to such Common Area through Supplemental Declarations and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein.

6.3 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Building Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments.

6.4 Maintenance of Drainage Facilities. Except for repair of any damage which is the obligation of an individual owner pursuant to Section 6.3, grading, landscaping and other improvements to the designated drainage tracts within the



Property (the "Drainage Improvements") have been required to be completed in conformance with plans approved by the Spokane County Engineer's Office. The Association shall be responsible for maintaining the Drainage Improvements, including paying the cost thereof through assessments imposed on all Building Lots presently within or hereafter annexed into the Property. Maintenance of the Drainage Improvements constitutes an obligation running with all portions of the Property, including any additional real property subsequently annexed. Notwithstanding anything in this Declaration to the contrary, provisions regarding maintenance of the Drainage Improvements imposed hereunder, or by any separate covenants required by Spokane County, shall not be subject to amendment or modification without the approval of Spokane County. Maintenance shall include obligations established in the Operation and Maintenance Manual ("O&M Manual") prepared by Metro Engineering, Inc. dated April 22, 2003, which has been prepared for maintenance of the stormwater system within the Property. Compliance with the O&M Manual will include establishment and accumulation of reserves for anticipated maintenance and repair obligations as provided in such Manual.

ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed or real estate contract to any property in Golden Eagle Estates, each Owner of such property hereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of this Declaration or other applicable instrument.

7.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

7.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he or she remains an Owner.

7.2 Regular Assessments. All Owners, not including the Declarant, are obligated to pay Regular Assessments to the treasurer of the Association on a schedule of payments established by the Board.

7.2.1 Purpose of Regular Assessments. The proceeds from Regular



Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorneys' fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, including all improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements for the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expense").

7.2.2 Computation of Regular Assessments. The regular annual assessment for calendar years 2004 and 2005 shall be \$400.00. During those years only, Declarant shall pay any shortfall in meeting actual amounts required in connection with obligations to be paid by regular assessments, without provision for any reserve fund accumulation. Thereafter, the Association shall compute the amount of its expenses on an annual basis. The computation of Regular Assessments for 2005 and thereafter shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association.

7.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner, for any given fiscal year after 2005 shall be computed as follows: Each Owner, other than the Declarant, shall be assessed and shall pay an amount computed by multiplying the Association's total advance estimate of expenses by the fraction produced by dividing the finally platted Building Lots attributable to the Owner by the total number of finally platted Building Lots in the Property.

7.3 Special Assessments.

7.3.1 Purpose and Procedure. Pursuant to the obligation of Declarant in Section 7.2.2 to cover assessment requirements above the amount specified for Owners, there shall be no special assessments required of any Owners through the end of 2005. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year after 2005 is or will be inadequate to meet the expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of improvements upon the Common Area, attorneys' fees and/or litigation costs, other professional fees, or for any other reason, the Board shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment against the Property which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the budgeted gross expenses of the association for the fiscal year, without the vote or written assent of the Owners representing a majority of the votes of the Members of



the Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

7.3.2 Consistent Basis of Assessment. Every Special Assessment levied by and for the Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessments for the Association.

7.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the governing instruments for Golden Eagle Estates, including any actual costs, consultant charges and attorneys' fees. This shall expressly include the authority to levy assessments against any Building Lot Owner in violation of any of the requirements imposed on such Building Lot Owner under this Declaration. Such assessment may be made in an amount up to fifty dollars (\$50.00) per day (or its equivalent value as compared with January 1, 2004 dollars, as adjusted periodically by the Board in its reasonable discretion), for each violation which remains uncorrected after thirty (30) days' written notice given to such Owner from the Association.

7.5 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all members of the Association.

7.6 Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment period, the "fiscal year", shall commence on January 1 of each year and terminate December 31 of such year. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in advance.

7.7 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There shall accrue with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days shall accrue interest at twelve percent (12%) per annum calculated the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments,



together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Building Lot.

7.8 Estoppel Certificate. The Association, upon at least five (5) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the owner. Any such certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot.

7.9 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws of the Articles, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular assessment, shall be sent to all Members of the Association and to any person in possession of a Building Lot in the applicable Tract, not less than fifteen (15) days nor more than fifty (50) days before such meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast fifty percent (50%) of the total votes of the Association shall constitute a quorum. If such quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at the subsequent meetings shall be forty percent (40%) of the quorum required at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

ARTICLE VIII: ENFORCEMENT OF ASSESSMENTS; LIENS; PROCEEDINGS

8.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such assessments by commencement and maintenance of a suit pursuant to paragraph 8.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.



8.2 Assessment Liens.

8.2.1 Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot pursuant to this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including costs and reasonable attorney's fees incurred. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recordation of a claim of lien with the Spokane County Auditor. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

8.2.2 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Spokane County Auditor a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction or relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

8.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, its attorney or other person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of the Washington Code applicable to the exercise of powers of sale permitted by law, as though the Association were a beneficiary designated under a deed of trust executed on Deed of Trust form LPB #22, as in effect as of the date of recording this Declaration. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Washington as trustee for the purpose of conducting such sale or foreclosure.

8.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after the following have been



completed: a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien; and to the person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of the Spokane County Auditor.

8.5 Subordination to Certain Trust Deeds and Mortgages. The lien for the Assessments provided for herein in connection with a given Building Lot shall be subordinate to the lien of a deed of trust or mortgage given and made in good faith and for value that is of record as an encumbrance against an Owner's Building Lot prior to the recordation of a claim of lien for any Assessments. Except as provided in this paragraph with respect to a trustee or mortgagee who acquires title to or a security interest in a Building Lot, the sale or transfer of any Building Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

ARTICLE IX: ARCHITECTURAL CONTROL

9.1 Approval of Plans by Architectural Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to quality of workmanship and materials, and harmony of external design and location in relation to surrounding structures and topography by an Architectural Committee.

9.1.1 There shall be three (3) members of the Committee.

9.1.2 Declarant will appoint all of the original members of the Committee until the fifth anniversary of the recordation of the Declaration.

9.1.3 After five (5) years from the date of the recordation of this Declaration, the Association shall have the power to appoint all of the members of the Committee, who shall also be Members of the Board.

9.1.4 Once the power to appoint members of the Committee has vested in the Owners, the Declarant shall not reacquire such power.

9.2 Specification of Reasons of Disapproval. The Architectural Committee shall have the right to disapprove any plans and specifications submitted hereunder



because of any of the following:

9.2.1 The failure of such plans or specifications to comply with any of the Golden Eagle Estates restrictions.

9.2.2 Failure to include information in such plans and specifications as may have been reasonably requested.

9.2.3 Objection to the exterior design, appearance or materials of any proposed structure.

9.2.4 Incompatibility of any proposed structure or use with existing structures or uses upon other Lots in the vicinity.

9.2.5 Objection to the location of any proposed structure upon any Lot or with reference to other Lots in the vicinity.

9.2.6 Objection to the grading plan for any Lot.

9.2.7 Objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any proposed structure.

9.2.8 Objection to parking areas proposed for any building on the grounds of (a) incompatibility to proposed uses and structures on such Lots or (b) the insufficiency of the size of parking areas in relation to the proposed use of the Lot; or

9.2.9 Any other matter which, in the judgment of the Architectural Committee would render the proposed structure, structures or uses inharmonious with the general plan of improvement of Golden Eagle Estates or with structures or uses located upon other Lots in the vicinity.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

9.3 New Construction; No Manufactured Homes. All homes within the Property shall be newly constructed on-site. No mobile, manufactured or modular homes shall be permitted on any Lot.

9.4 Unapproved Construction: Remedies. If any structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot,



otherwise than in accordance with plans and specifications approved by the Architectural Committee pursuant to the provisions of this Article 9, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article 9 and without the approval required herein, and upon written notice from the Architectural Committee, any such structure so altered, erected, placed or maintained upon any Lot in violation hereof shall be removed or realtered, and any such use shall be terminated, so as to extinguish such violation. If fifteen (15) days after the notice of such a violation the Owner of the Lot upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, the Association shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question. The lien provided in this Section 9.3 shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Lot in question unless a suit to enforce said lien shall have been filed in a court of record in Spokane County prior to the recordation among the land records of Spokane County of the deed (or mortgage) conveying the Lot in question to such purchaser (or subjecting the same to such mortgage).

9.5 Certificate of Compliance. Upon completion of the construction or alteration of any structure in accordance with plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such structure and the Lot on which such structure is placed, and stating that the plans and specifications, the location of such structure and the use or uses to be conducted thereof have been approved and that such structure complies therewith. Preparation and recording of such certificate shall be at the expense of such Owners. Any certificate of compliance issued in accordance with the provisions of this Section 9.4 shall be prima facie evidence of the facts therein stated, and as to any title insurer, such certificate shall be conclusive evidence that all structures on the Lot, and the uses or uses described there comply with all the requirements of the Article 9, and with all other requirements of this Declaration as to which the Architectural Committee exercises any discretionary or interpretive powers.

9.6 Dwelling Cost, Quality and Size. No dwelling shall be permitted on any Lot at a cost of less than \$150,000.00 exclusive of the price or cost of the land based upon cost levels prevailing on the date these covenants are recorded, it being the intention and purpose of the covenants to assure that all dwellings shall be of a quality of workmanship and materials substantially the same or better than that which can be produced on the date these covenants are recorded at the minimum cost stated herein. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1,500 square feet for a one-story dwelling, nor less than 1,400 square feet for a dwelling with a day light basement. All structures must incorporate at least a two-car garage with a finished



driveway or private drive. All driveway or private drive plans and finishes must be approved by the Architectural Committee.

9.6.1 No home will exceed 1 ½ stories or height constructed above natural grade. In addition to the dwelling, the Architectural Committee may permit one additional outbuilding on any Building Lot, not to exceed 150 square feet. All buildings and structures must receive prior approval of the Architectural Committee.

9.6.2 The design and placement of light posts and street address labeling shall be a part of and in aesthetic harmony with the landscape and construction plans submitted and approved under this Article.

9.7 Building Location. The design of the Dwelling and its placement on the Lot shall reflect a minimum impact on the existing slopes, vegetation and view, and shall minimize the impact on the view of adjoining lots, whether currently occupied or not.

9.7.1 No building shall be located on any Lot nearer than 25 feet from the front Lot line, nor nearer than 15 feet from a side street line and shall otherwise be in full compliance with the setback requirements of the Spokane County Zoning Ordinance. Each Dwelling shall also be set back at least 5 feet from each side Lot line and shall have a total of at least 10 feet of combined set back from both side Lot lines.

9.8 Restriction Against Raising Height of Grade. Neither the buyer nor any person or persons claiming, under him shall or will at any time raise the grade of any Lot or Lots herein conveyed above the grade established or to be established by Declarant unless approved by the Architectural Committee.

9.9 Restriction Against Excavation and Grading. No excavation for stone, gravel, or earth shall be made on any Lot except for walls, basements, or cellars of dwellings; provided, however, that Declarant reserves the right at any time prior to sale of any Lot to excavate and grade on the conveyed Lot, and to remove material from or deposit material on such Lot in connection with the work of laying out and improving but provided further, that Declarant may waive this privilege as to any Lot on which a buyer may desire to erect a building before that date.

9.10 Restrictions as to Building Materials – Covering Outside Walls. No residence or structure shall be built on any Lot which shall use materials for siding or roofing which have not been approved by the Architectural Committee. No residence or structure of any kind that is commonly known as "boxed" or "sheet metal" construction shall be built nor shall aluminum or vinyl siding be allowed.

9.11 Restrictions as to Roof Construction. Roofs shall be covered with fiberglass laminated shingles, GAF Grand Sequoia (or equal) and of such construction



as approved by the Architectural Committee.

9.12 Fences, Walls. Other than the Common Area perimeter fence to be constructed around the Property by Declarant, no boundary fence, wall, hedge or mass planting may be constructed. However, nothing in this subparagraph shall prevent the erection of a necessary retaining wall.

9.13 Antennas. 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 in accordance with the Guidelines and specifically approved by the Architectural Committee. To the extent reasonably possible, any permitted device shall be placed so as not to be visible from any street or road.

9.14 Requirements as to Seeding and Planting. When any building shall be constructed on any Lot, the owner of such Lot shall submit to the Architectural Committee landscaping plans as to lawn, trees, and planting materials and shall comply with such landscaping as is approved by the Architectural Committee. No litter or rubbish shall be allowed on the premises and no irrigation shall be introduced without the approval of the Architectural Committee. Prior to occupancy, front yard landscaping must be completed and back yard completion must take place within 12 months after occupancy. Back yard area shall be considered the entire lot behind dwelling. Undesirable weeds having a tendency to spread across property lines shall be kept under control.

9.15 Construction Completion Requirements. Any Dwelling or other structure erected or placed on any Lot shall be completed as to external appearance, including finished painting and front yard landscaping pursuant to approved plans and specifications, all within nine (9) months from the date of commencement of construction; in any case prior to the expiration of one year from the closing of the initial sale of that Lot by Declarant to the initial buyer (subject to the Declarant's option to repurchase, as described in Paragraph 9.15, below).

9.16 Mandatory Reconstruction. All buildings must have adequate insurance to fully rebuild in case of fire or other disaster and the Owner must agree immediately to rebuild or repair to avoid an unpleasant and unsightly situation for the other Owners.

In case the Owner fails or refuses to comply with the above requirements, the Association may elect to restore the site to a level acceptable to the Association and levy a reconstruction assessment on the Lot.

9.17 Option to Repurchase. Declarant hereby reserves to itself, and its successors and assigns, the right to repurchase any lot in the Project from the initial buyer, subject to the following terms and conditions:



9.17.1 The right to repurchase shall arise upon the expiration of one (1) year from the closing of the initial sale of a particular Lot by Declarant to the initial buyer (regardless of subsequent resale by the initial buyer to a third party purchaser), and shall expire six (6) months thereafter.

9.17.2 Notwithstanding the foregoing, the right to repurchase shall not arise if, prior to the expiration of the one (1) year period, the Owner shall have made substantial progress in completing construction of an approved Dwelling thereon. In such event, the commencement of the option period shall be extended for so long as the Owner shall proceed with due diligence to complete construction in a reasonable expeditious manner.

9.17.3 If the right to repurchase arises as provided herein, Declarant may elect to exercise its option to repurchase within the six (6) month option period, by delivering to the then Owner of that Lot (either by personal service, mailing to the last known address of the then Owner, or posting on a conspicuous place on the Lot) a notice of such election. Within thirty (3) days after delivery of such notice, Declarant shall deliver to the then Owner, cash in an amount equal to the cash consideration paid by the initial purchaser to Declarant (without interest), and the then Owner shall deliver to Declarant a Warranty Deed and policy of title insurance, showing Declarant's title in the condition which existed immediately prior to the original sale by Declarant. All costs of closing, including the premium for title insurance and the costs of removing any liens from the title to the Lot, shall be borne by the then Owner, and all taxes and other customarily prorated items shall be prorated to the closing date.

9.17.4 Declarant hereby declares that the intention of this provision is to discourage speculation in unimproved Lots within the Project and encourage an expeditious completion of the project. Accordingly, this right to repurchase shall be binding upon and inure to the benefit of Declarant and the initial purchase, and each of the respective representatives, successors and assigns, and shall constitute a covenant running with the land, and a burden upon each particular Lot.

9.17.5 Should the initial Buyer wish to sell his or her Lot to a third party purchaser, Declarant reserves the right to repurchase the Lot from the initial Buyer under the terms and conditions set forth in 9.15.3.

9.17.6 Notwithstanding the foregoing, the running of the initial one (1) year period described in subparagraph 9.15.1 above shall be suspended for any period during which any Owner of a particular Lot is prevented from commencing and completing construction of a Dwelling thereon by events or circumstances which are beyond the reasonable control of such Owner. Provided, however, any such Owner claiming the benefit of the suspension shall notify Declarant in writing, within thirty (30) days of the commencement of any suspension period, setting forth the reason



why the period should be suspended. The then Owner shall have the burden of establishing a reasonable basis for claiming the benefit of such suspension. The suspension period shall cease when the conditions supporting the suspension no longer exist.

9.17.7 If any legal action is instituted to enforce the provisions contained in this paragraph 9.15, the prevailing party shall be entitled to recover reasonable attorney's fees and court costs.

ARTICLE X: ANNEXATION OF ADDITIONAL PROPERTIES

10.1 By Declarant. Declarant intends to develop the Property described in Section 1.1, and may, in Declarant's sole discretion, deem it desirable to annex additional real property to the Property covered by this Declaration. Additional real property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarant, its successors or assigns, at any time, and from time to time, without the approval of any Owner or the Association. The use and development of such additional real property shall conform to all applicable land use regulations, as such regulations are modified by variances.

10.2 By the Association. In addition to the provisions concerning annexations by Declarant specified in Section 10.1 above, additional real property may be annexed to the Property, subject to the same conditions by the Association upon the exercise by Members of at least two-thirds (2/3) of the votes of the Association.

10.3 Rights and Obligations of Owners of Annexed Property. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any additional real property, all provisions contained in this Declaration shall apply to the additional real property in the same manner as if it were originally covered by this Declaration.

10.4 Method of Annexation. The addition of additional real property to the Property authorized under Sections 10.1 and 10.2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the annexed property, which shall be executed by Declarant or the Owner thereof and which shall annex such property to the Property.

10.5 Deannexation. Declarant may delete all or a portion of the real property described in Section 1.1, or any previously annexed real property, from the Property and from coverage of this Declaration and jurisdiction of the Association, so long as Declarant has an interest in such property to be deleted, and provided that a Supplemental Declaration of Deletion of Property is recorded in the Office of the Spokane County Auditor in the same manner as a Supplemental Declaration of Annexation. Members other than Declarant as described above shall not be entitled



to deannex all or any portion of the Property except on the favorable vote of two-thirds (2/3) of all members of the Association and written approval of Declarant so long as Declarant owns any portion of the property described in Section 1.1 or any other real property which is then part of the Property.

ARTICLE XI: EASEMENTS

11.1 Easements of Encroachment: There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Building Lots due to minor unintentional wrongful placement or settling or shifting of the improvements including but not limited to structures, walkways, paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the improvements. Provided, however, in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph.

11.2 Easements of Access: All Owners of Building Lots will have a perpetual easement for access, ingress and egress over the Common Area, including but not limited to any private streets, cul-de-sacs and walkways. This easement shall run with the land. Such easements may be used by the Declarant, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

11.3 Drainage and Utility Easements. Declarant expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, and Common Areas, resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Declarant hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property, as appropriate, to utility companies



and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Building Lot in the Property to an Owner.

11.3.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any improvements upon any drainage or utility easement areas as shown on the Plat of Golden Eagle Estates or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose. Provided, however that the Owner of such Building Lots and the Declarant, the Association or designated entity with regard to the landscaping easement described in this Article, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the Architectural Committee, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes. Provided further, that any damage sustained to improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot whose improvements were so damaged.

ARTICLE XII: MISCELLANEOUS

12.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run for a term of twenty (20) years from the date this Declaration is recorded, unless amended as herein provided. Thereafter, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by members holding at least two-thirds (2/3) of the voting power of the Association and such written instrument is recorded with the Spokane County Auditor.

12.2 Amendment. Except where a greater percentage is required by express provision of this Declaration, and except as provided in Section 6.2 regarding the Drainage Improvements which shall not be amended or modified without the consent of Spokane County, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Owners representing more than two-thirds (2/3) of the votes of Owners of Building Lots. Provided, so long as Declarant owns any portion of the Property, including any Building Lot, any amendment shall also require the written consent of the Declarant. Any such amendment shall be effective upon its recordation with the Spokane County Auditor.



12.3 Trust Deed and Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any deed of trust or mortgagee under any mortgage covering a Building Lot, made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such deed of trust or mortgage, such Building Lot shall remain subject to this Declaration, as amended.

12.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph.

12.5 Enforcement and Non-Waiver.

12.5.1 Right of Enforcement. Except as otherwise provided herein, any Owner of any Building Lot shall have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.

12.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action by the Declarant, the Association or any Owner of a Building Lot(s) within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Declarant, the Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

12.5.3 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law or equity.

12.5.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

12.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.



12.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Washington.

12.7 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 12th day of August 2004.

GOLDEN EAGLE ESTATES LLC

By: [Signature]
Title: Managing Member

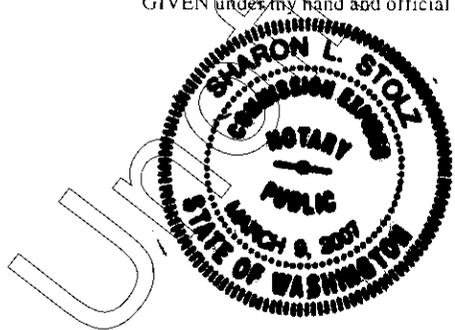
STATE OF WASHINGTON, }
County of Spokane } ss.

ACKNOWLEDGMENT

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared J. Michael Blair

_____ to me known to be the individual _____ described in and who executed the foregoing instrument, as a the managing member of Golden Eagle Estates, LLC and acknowledged to me that he signed and sealed this said instrument as his free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 12 day of August 2004



[Signature]
Notary Public in and for the State of Washington
residing at Spokane
My appointment expires: 3-9-2007



EXHIBIT "A"

SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 27
NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON;
EXCEPT THE NORTH 200 FEET OF THE WEST 200 FEET THEREOF;
AND EXCEPT HATCH ROAD.

TO BE KNOWN AS GOLDEN EAGLE ESTATES SUBDIVISION.

Unofficial Document