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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
NORTHWOOD SIXTH ADDITION

A Residential Subdivision, Spokane County, Washington

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration"), made on the date hereinafter set forth, by NORTHWOOD PROPERTIES, INC., a Washington corporation; and MYRN G. GIBSON, formerly known as MYRN G. ZIEGWIED, as her separate property (collectively "Declarant"), is made with reference to the following facts:

A. Declarant is the Owner of a certain tract of land located in Spokane County, Washington, which property is more particularly described as follows (the "Property"):

The East 863 feet of the North Half of the Southeast Quarter of Section 36, Township 26 North, Range 43 East, W.M., Spokane County, State of Washington.

B. Declarant has subdivided a portion of the Property (and intends to subdivide the balance of the Property in the future) into separate Lots and dedicated Streets, and has constructed or will construct thereon access roadways and certain common utility installations. The Lots will be sold to the general public (or to builders) for the construction of residential dwellings and the establishment of a planned residential community.

C. The development shall be hereinafter referred to as the "Project." Each Owner shall receive fee or equitable title to an individual Lot with the right to construct a residential Dwelling thereon. The Project utility services are all to be managed by third party government agencies or private entities. Accordingly, although the Project is adjacent to similar projects in the Northwood area, which are governed by homeowner's associations, the Owners of Lots within this Project will not become members of any formal association (unless such Owners elect to form a separate association under the terms of this Declaration).

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

Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the

Property, and the Project, and every part thereof, in accordance with the plan for the improvement of the Property and the division thereof into a residential subdivision. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants which shall run with the land and shall be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property or the Project.

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ARTICLE 1DEFINITIONS

1.1 "Declarant" shall mean and refer to NORTHWOOD PROPERTIES, INC., a Washington corporation, and MYRN G. GIBSON, formerly known as MYRN G. ZIEGWIED, as her separate property, and their successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing individual Lots in the Project.

1.2 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.

1.3 " Dwelling " shall mean and refer to any residential structure (and appurtenant improvements) constructed or to be constructed upon any individually owned Lot in the Project.

1.4 "Lot" shall mean and refer to any particular and separately designated parcel of land resulting from subdivision of the Project according to the Subdivision Plat, and sold or held for sale to members of the general public. The term "Lot" shall not, however, include either the dedicated or private Streets or any portion of the Property which has not been platted (until a final plat thereof shall be approved and filed).

1.5 "Owner" or "Owners" shall mean and refer to the record holder or holders of fee or equitable title to a Lot in the Project. This shall include any person having a fee simple title to any Lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot is sold under a contract of sale (which contract or a notice thereof is recorded), the contract purchaser, rather than the fee owner, shall be considered the "Owner."

1.6 "Project" or "Property" (synonymous) shall mean and refer to all property described in Paragraph A of the Recitals above, including all structures and improvements erected or to be erected thereon. However, this Declaration shall have no effect upon unplatted portions of the Property or the Project, unless and until a final plat with respect thereto is recorded, at which time this Declaration shall automatically encumber any such newly platted area.

1.7 "Streets" shall refer to those streets showing on the subdivision plat, for use as public roadways, including cul-de-sacs. Streets may be either dedicated to Spokane County or maintained as private roadways, as reflected on the Subdivision Plat.

1.8 "Subdivision Plat" shall mean and refer to the plat of Northwood Sixth Addition, recorded in Book ____, at Pages ____ and ____ as Plat No. ____, records of Spokane County, Washington, any future plat of the presently unplatted portion of the Property, and any modifications and amendments thereto.

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END OF ARTICLE 1 - DEFINITIONS

UTILITIES

2.1 Owner's Rights and Duties. The rights and duties of the Owners of Lots within the Project with respect to utilities shall be as follows:

(a) Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections are located or installed within the Project, which connections, or any portion thereof lie in or upon Lots owned by other than the Owner of a Lot served by said connections, the Owner of any Lot serviced by said connections shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon the Lots or to have the utility companies enter upon the Lots in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

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

2.2 Easements for Utilities and Maintenance. Easements over, under, and across the Property for the installation, repair, and maintenance of storm runoff, sanitary sewer, water, electric, gas, television receiving, telephone lines, and such other utilities as may be convenient to the Owners of Lots, and as may be hereafter reasonably required to service the Property, are hereby reserved by Declarant and its successors-in-interest and assigns, together with the right to grant and transfer the same; provided, however, that no such reservation or grant of an easement shall unreasonably interfere with the use or occupation of any Lot by its Owner, or with the construction of a Dwelling on any Lot.

2.3 Storm Sewer Maintenance. The easements described in Paragraph 2.2 above shall include, without limitation, perpetual, non-exclusive easements across the Property for collection of storm runoff which will be drained from the Project to other property. Each Owner of a Lot within the Project shall be responsible for the payment of an equal share of any cost of maintaining any portion of the storm collector system located within the Project or outside the Project, between the Project boundary and the Storm Sewer Pond owned and maintained by the Northwood Homeowners Association (except for portions of the collector system which may

be located in any public right-of-way). Such obligation to share in such costs may be enforced by lien rights against any non-participating Owner in the manner described in Paragraph 7.2 below. Further, each Owner of a Lot within the Project shall, pursuant to a separate agreement between Declarant herein and Northwood Homeowners Association, be responsible for payment of an equal share of the cost of operating, maintaining, and insuring the Storm Sewer Pond to which the storm runoff is directed. Such agreement shall provide that all costs relating to such Storm Sewer Pond shall be allocated equally among all Lots utilizing such Pond (including Lots within this Project, and other Lots within the jurisdiction of the Association), and such obligation shall be enforceable as a mortgage lien against any Lot failing to pay its share of such costs. However, the Lots within this Project shall have no voting rights in the Association, respecting such operation and maintenance, or otherwise.

2.4 Public Sewer Hook-Up. On behalf of itself and all future Owners of Lots within the Property, Declarant hereby declares that all Lots shall be and are subject to the obligation to hook on to the Spokane Valley or other public or quasi-public sanitary sewer system, which shall be available to the Property, and shall also be subject to the obligation to pay any then-current equalization or other charge required for hook-up into such system and any operation or maintenance charges thereafter.

2.5 Street Lighting. On behalf of itself and all future Owners of Lots within the Property, Declaration hereby declares that all Lots shall be and are subject to the obligation to pay an equal share of the electrical power expense pertaining to the operation of street lights within the Project, if street lighting shall be installed in the future. Declarant specifically contemplates that the bill for each Owner's share of such street lighting expense may be included on water billings submitted by Pasadena Park Irrigation District, or on such other utility billings as may be deemed appropriate from time to time. Declarant, however, makes no representation respecting the availability of street lighting at any time.

END OF ARTICLE 2 - UTILITIES

ARTICLE 3USE RESTRICTIONS

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

3.1 Use of Individual Lots. No Lot or Dwelling shall be occupied and used except for single family residential purposes by the Owners, their tenants, and social guests; and no trade, business, profession, commercial or manufacturing enterprise or activity (other than home occupations) shall be conducted therein. As used in this Paragraph, the term "home occupation" shall mean only an occupation, profession or craft, carried on within a Dwelling by the Owner, which activity does not change the residential character of the Dwelling, is conducted in such a manner as to not create any outward appearance of a business in the ordinary meaning of the term (such as the use of advertising signs or the parking of excessive customer or business vehicles in the vicinity), and does not infringe upon the right of other Owners to enjoy peaceful occupancy of their Dwellings.

3.2 Nuisances. No noxious, illegal, or offensive activities shall be carried on in any Lot or Dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot, or which shall in any way increase any rate of insurance for any Owner within the Project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same or otherwise conflict with the spirit of this Declaration in establishing a peaceful, residential community within the Project.

3.3 Vehicle and Equipment Restrictions. No trailer, camper, mobile home, recreational vehicle, commercial vehicle, bus, truck (other than standard size pickup truck), inoperable automobile, boat or similar equipment, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any Lot, or within any dedicated or private Street, other than temporarily (for purposes of loading and unloading of passengers or personal property), unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans, service vans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive to the Owners of Lots in the vicinity. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be maintained or operated upon the Property. No goods, equipment, material, supplies or vehicles used in connection with any trade,

service, or business, wherever conducted, shall be kept, parked, stored, dismantled or repaired outdoors on any Lot, or on any dedicated Street within the Project.

3.4 Signs. No signs shall be displayed to the public view on any Lots or on any portion of the Property; provided that "For Sale" or "For Rent" signs shall be allowed provided they do not exceed five (5) square feet in size.

3.5 Animals. No animals, livestock, poultry or birds of any kind shall be raised, bred, or kept in any Lot or Dwelling, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs, cats, or birds, may be kept, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times, and that they are caged or leashed when not on the Lot where they belong.

3.6 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property at each Owner's expense, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, wood piles, or storage piles shall be kept screened and concealed from view from the other Lots and from the dedicated Streets.

3.7 Right to Lease. Except for a Dwelling in possession of a lender following a default in a first mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, the respective Dwellings shall not be rented by the Owners thereof for transient or hotel purposes, which shall be defined as (a) any rental for any period less than thirty (30) days, or (b) any rental if the occupants of the Dwelling are provided customary hotel service such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Subject to the foregoing restrictions, the Owners of the respective Lots shall have the absolute right to rent out the Dwellings, provided that the rental agreement is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration, and that the failure of the tenant to comply with the Declaration shall constitute a default under the rental agreement.

3.8 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 3 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in the Project in reliance on one or more of

such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot agrees to hold Declarant harmless therefrom.

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END OF ARTICLE 3 - USE RESTRICTIONS

ARTICLE 4ARCHITECTURAL CONTROL

4.1 Prohibition of Alteration and Improvement. Subject to the exemption of Declarant under Article 7, no building, fence, wall, obstruction, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement, accessory or utility building, or structure of any kind, and no site preparation (excavation, clearing or other preliminary work) shall be commenced, erected, painted or maintained upon the Property, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Architectural Control Committee (the "Committee") appointed by Declarant or the Owners as provided in this Article.

4.2 Plans and Approval. Plans and specifications showing the nature, kind, shape, height, color, size, materials and location of such improvements shall be submitted to the Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation, all with reference to the architectural standards set forth in Paragraph 4.4, below. Further, no construction shall be commenced on any Lot, until the Committee shall have approved in writing the final location of all footings and foundations (as evidenced by physical staking) prior to placement of forms. No permission or approval shall be required to rebuild in accordance with plans and specifications previously approved by the Committee for that Lot. No landscaping of patios or yards visible from the street shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Committee.

All decisions by the Architectural Control Committee shall be by majority vote. Neither the Committee nor any of its members shall be liable to any Owner for any decision made by the Committee which is made in good faith and in accordance with this Article 4.

4.3 Appointment of Architectural Control Committee. The Committee shall consist of three (3) members who shall be appointed as follows:

(a) The Declarant may appoint all members of the Committee and all replacements until the fifth anniversary of the recordation of this Declaration. Thereafter, Declarant reserves to itself the power to appoint a majority of the members of the Committee, until ninety-five percent (95%)

of all Lots in the overall Project (including future Lots on the presently unplatted portion) have been sold or until the tenth anniversary of the recordation of this Declaration, whichever first occurs. Committee members appointed by the Declarant need not be Members of the Association. The initial members of the Committee shall be the following individuals:

Theodore G. Gunning
Dianne D. Gunning
Roy L. Wyatt

(b) After five (5) years from the date of the recordation of this Declaration, all members of the Committee who are not appointed by the Declarant shall be elected by the majority vote of the Owners of Lots within the Project (one [1] vote per Lot per position available). Voting shall be by written ballot delivered to each Lot (without a formal meeting) by any person desiring to hold the election, and each Owner shall have at least two (2) weeks from the date of delivery of the notification within which to respond. Unless and until such election is held, the Declarant shall be entitled to continue to appoint all members of the Committee. Committee members elected by the Owners shall be from the membership of the Association.

(c) Each member of the Committee shall serve until he or she retires or is replaced. Any vacancy on the Committee caused by retirement, death, incapacity, or any other reason shall be filled by the remaining Committee members until a replacement is appointed or elected as provided in this paragraph.

4.4 Architectural Standards. It is the intent of this Declaration to avoid a mixture of architecture which would create disharmony of design and appearance as determined by the Architectural Control Committee. In furtherance of this objective, and subject to the waiver power of the Committee as set forth in Paragraph 4.5 below, the following standards shall apply:

(a) No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Lot other than one detached Dwelling for single family occupancy only, with a private garage. Notwithstanding the foregoing, the Owner of two adjacent Lots may construct his Dwelling across the line between his Lots, or otherwise without regard for the setback requirements pertaining to that line.

(b) All roofs shall be constructed of good quality natural or manufactured wood shakes/shingles or tile consistent with the architectural design of the balance of the Dwelling.

(c) All siding shall be of rough-sawn cedar, redwood, or other high-quality material (excluding, for example, T-111 plywood siding and other single-wall construction).

(d) Colors shall be limited to subdued tones specifically approved by the Committee.

(e) All Dwellings shall have enclosed garages of at least 20 feet by 22 feet in size, completely sealed interior walls and ceilings, and with fully improved driveways to the Street; provided that said driveways shall be of a hard surface material, such as exposed aggregate, asphalt, or concrete; and provided, further, that all such driveways shall be no wider than 16 feet within the first 15 feet adjacent to the dedicated Street.

(f) The design and placement of mailboxes, newspaper receptacles and street address labelling shall be a part of and in aesthetic harmony with the landscape and construction plans submitted and approved under this Article 4. No commercial newspaper "tubes" shall be allowed.

(g) All accessory buildings shall be placed within the rear or interior side yard area of each Lot and shall not be of a material inconsistent with the architecture, materials or color scheme of the Dwelling on that Lot.

(h) The design of the Dwelling and its placement on the Lot shall reflect a minimum impact on the existing slopes, vegetation and views, and shall minimize the impact on the view of adjoining Lots (present or proposed), whether currently occupied or not. Judgments of the Committee as to impact on view shall be final.

(i) No building shall be located on any Lot nearer than 40 feet from the front Lot line, nor nearer than 25 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 12 feet from each side Lot line (or 5 feet from the interior side Lot line for a corner Lot) and shall have a total of at least 30 feet of combined set back from both side Lot lines. No Dwelling on a corner Lot shall have its principal orientation to the side street, the side street being that which provides the longest lineal frontage for that Lot.

(j) No fence, wall, hedge or mass planting, other than foundation planting, may extend nearer to a street than the minimum setback line of the Dwelling as constructed. However, nothing in this subparagraph shall prevent the erection of a necessary retaining wall, the top of which does not extend more than three (3) feet above finished.

grade at the back of the retaining wall. No wire, cyclone or metal fencing of any kind shall be placed so as to be visible from any dedicated Streets. However, a chain link dog run may be allowed so long as it is enclosed within a yard fence otherwise approved by the Committee.

(k) No radio, citizens band, or other communication antenna shall be erected upon any Lot or Dwelling, except for standard television antennas which are unobtrusive and inoffensive, as determined by the Board. Any television receiving radar dish which is constructed on a Lot shall be substantially concealed from view from all neighboring Lots and the Streets, by landscaping or other structural barrier as may be approved by the Committee.

(l) No trailer, basement, tent, shack, garage, barn, camper or other outbuilding or any structure of a temporary character erected or placed on any Lot shall at any time be used as a residence.

(m) All exterior lighting shall be low intensity and shall be limited to landscaping or structural accent lighting.

(n) 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.

4.5 Waiver by Architectural Control Committee. Notwithstanding the guidelines set forth in Paragraph 4.4, the Committee shall have the right, by majority vote, to waive any of the architectural standards relating to colors, materials, and type of construction, provided the Owner is able to satisfy the Committee that the proposed colors, materials, and/or type of construction are at least equivalent (in quality and attractiveness) to the above standards and would not otherwise be inconsistent with the overall harmony of design and appearance of the Project.

4.6 Remedies. Strict compliance with the provisions of this Article 4 is hereby declared to be of paramount importance to the physical appearance and well being of the Project. Accordingly, in addition to any other remedy that may be available at law or in equity, any party seeking enforcement of this Article 4 shall be entitled to specifically enforce the terms hereof by injunction or otherwise, including, without limitation, the right to compel any structure which does not comply with the requirements of this

Article 4 to be removed to the extent necessary to ensure compliance.

4.7 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 and side yard landscaping (and, in the case of a corner Lot, rear yard landscaping) pursuant to approved plans and specifications, within nine (9) months from the date of commencement of construction, and in any case prior to the expiration of three (3) years from the closing of the initial sale of that Lot by Declarant to the initial buyer. The Owner of each Lot shall, as soon as reasonably possible after occupying the Dwelling, continue landscaping rear yard areas, pursuant to the approved landscape plans.

END OF ARTICLE 4 - ARCHITECTURAL CONTROL

ARTICLE 5PRIVATE STREETS

Each Owner of a Lot having frontage on a private Street within the Project (as designated on the Subdivision Plat), and regardless of whether frontage is also available on a dedicated Street, shall have an equal undivided fee title interest in such private Street along with all other such Owners having frontage on such private Street, and such undivided interest shall be deemed appurtenant to each such Lot and shall be transferred and encumbered along with each such Lot, whether or not such interest is identified in any conveyance or encumbrance thereof. Each such Owner shall also have a non-exclusive easement over and across such private Street (and any extension thereof, as created by future platting), for purposes of ingress, egress, and utility installation between his Lot and the dedicated Street. Additionally, each such Owner shall be responsible for an equal share of all costs of operation, maintenance, repair, and snow removal for such Street, which work shall be conducted according to majority vote of all Owners having a interest in and who shall be serviced by such private Street (one vote per Lot). Such obligation shall become a lien against each such Lot, enforceable as a mortgage in favor of each remaining Lot Owner.

END OF ARTICLE 5 - PRIVATE STREETS

ARTICLE 6OPTIONAL COMMUNITY ASSOCIATION

6.1 Purpose of Community Association. At any time after recordation of this Declaration, and if Declarant (while Declarant remains an Owner of any Lot) shall agree in writing, the Owners may form a Community Association, which may have, among other things, for its purposes, the contracting for utility services, the ownership and/or maintenance of community utilities, the establishment of common areas and facilities, the enforcement of covenants, restrictions and easements existing upon or created for the benefit of the Property, and the fostering of acquaintances and friendships among the Owners.

6.2 Method of Formation. A Community Association formation may be initiated by Declarant (for so long as Declarant remains an Owner of any Lot), and one or more record Owners. Said Owner(s) must give thirty (30) days' written notice to all other record Owners by personal delivery or by registered or certified mail delivered to the respective Lots or other known addresses. The notice shall state that said Owner(s) propose to form a Community Association and shall fix a time and place for a meeting of Owners, to be held in Spokane County, Washington, not less than ten (10) nor more than forty (40) days after the date of said notice, to vote upon said proposal, and to arrange for preparation and adoption of Association constituent documents (Articles of Incorporation, Bylaws, etc.). Each Owner shall have the right to vote at such meeting in person or by proxy. If the Owners of three-fourths (3/4) of all Lots voting in person or by proxy at a meeting called for such purpose, vote in favor of a Community Association, and if Declarant (while an Owner) agrees in writing to the formation of the Association, the Community Association shall be established.

6.3 Dues and Assessments/Covenants. The Articles, Bylaws and/or equivalent documents of the Community Association may provide for dues and assessments to finance the Association. If dues and assessments are provided for, the documents shall provide that delinquent dues and assessments shall constitute a lien upon the Lot(s) of the Property owned by the delinquent member of the Association, enforceable by a foreclosure as a mortgage. Upon recording, such documents will be considered as additional covenants having the same force and effect as the other provisions herein and shall be binding upon all Owners.

END OF ARTICLE 6 - OPTIONAL COMMUNITY ASSOCIATION

ARTICLE 7GENERAL PROVISIONS

7.1 Enforcement. Any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Project 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 this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

7.2 Lien Rights. Any reasonable costs incurred by any Lot Owner in order to bring another Lot into compliance with the requirement of this Declaration shall become a lien against the non-conforming Lot, forclosable as a mortgage, and any such amount shall bear interest at the rate of eighteen percent (18%) per annum until paid; subject, however, to the following:

(a) Written notice of the non-conforming condition shall be delivered to the Owner of the subject Lot, and such Owner shall be given sixty (60) days to bring his Lot into compliance (or to begin reasonable and diligent efforts to bring his Lot into compliance);

(b) A lien shall not be effective until a Notice of Lien shall have been filed with the Auditor's Office of Spokane County, after the expiration of such sixty (60) day period;

(c) The lien shall automatically terminate unless a foreclosure action shall have been commenced by Declarant or by the Owners of at least two (2) Lots in the Project, within sixty (60) days following recordation of the Notice of Lien.

7.3 Invalidity of Any Provision. Should any provision of this Declaration be declared invalid or in conflict with any law, the validity of all other provisions shall remain unaffected and in full force and effect.

7.4 Future Platting. Declarant hereby reserves the right to plat the presently unplatted portion of the Property. The configuration of the Plat shall be in the sole and absolute discretion of Declarant; provided, however, that once such plat shall become finalized and recorded, all Lots within such plat shall become subject to the provisions of this Declaration.

7.5 Amendments. This Declaration may be amended at any time and in any manner by the approval of Declarant (while Declarant remains an Owner) and by the vote or written assent of the Owners of three-fourths (3/4) of all Lots (one [1] vote per Lot, including Lots owned by Declarant), pursuant to notice and a meeting given in the manner described in Article 5 above.

7.6 Limitation 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 Lots is essential to the establishment and welfare of the Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

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

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

(c) Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof; or

(d) Prevent Declarant from maintaining and/or operating such construction or other vehicles on the Property as may be reasonably necessary for the completion of the work.

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

END OF ARTICLE 7 - GENERAL PROVISIONS

CONSENT TO RECORDATION OF DECLARATION

FARMERS & MERCHANTS BANK OF ROCKFORD, which is the holder of a First Deed of Trust covering the Property described in the foregoing Declaration, hereby acknowledges that it has read and approves the Declaration, and agrees that the lien of said Deed of Trust shall be subject to the Declaration to the same extent as though the Declaration were executed and recorded prior to the Deed of Trust.

DATED this 7th day of ^{April} ~~March~~, 1988.

FARMERS & MERCHANTS BANK OF
ROCKFORD

By: *Duane J. Brandon Jones*
Executive Vice President (Title)

By: _____ (Title)

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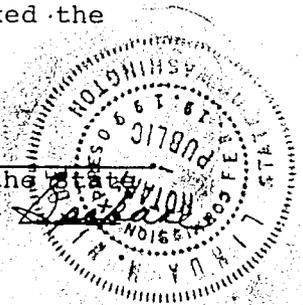
STATE OF WASHINGTON)
:ss.
County of Spokane)

On this 7th day of April, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DUANE L. BRANDENBURG and _____, to me known to be the Executive Vice President and _____ of Farmers & Merchants Bank, the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said Corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Linda N. Stibe

Notary Public in and for the State of Washington, residing at _____



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ELECTIONS DIVISION

REQUEST BY *Led. Henning*

APR 8 9 59 AM '88

WILLIAM E. DONAHUE
AUDITOR
SPOKANE COUNTY, WASH
DEPUTY

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SNELL

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