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REQUEST OF Bennett & Ashenbrenner
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WILLIAM E. DONAHUE
AUDITOR
SPOKANE COUNTY, WASH.
DEPUTY SNELL

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PARK PLACE, A PLANNED UNIT DEVELOPMENT

3500

THIS DECLARATION is made on the date hereafter set forth by the owner whose name is subscribed hereto and hereinafter referred to as "Declarant".

RECITALS:

A. Declarant is the owner of certain property in the County of Spokane, State of Washington, which is fully described in Schedule "A" attached hereto and by this reference made a part hereof, and,

B. Declarant desires to develop a part of said property as planned unit development.

Based upon the above Recitals and the Covenants and Declarations hereinafter set forth, declarant hereby declares that all of the property described in Schedule "A" shall be held, sold, conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purposes of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title and interest in the described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

DEFINITIONS

Section 1. "Association" shall mean and refer to PARK PLACE HOME OWNERS ASSOCIATION: Its successors and assigns. The "Association" shall be incorporated under the laws of the State of Washington as a non-profit corporation.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, in Schedule "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association, it being understood that any such additions will require County review and approval.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common area is described in and set forth on the plat. Prior to the first conveyance of a lot the declarant shall convey the common area to the Association.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area. All lots are designated by a number or by a number and letter. (A lot is a "Unit" under FNMA guidelines.)

Section 6. A "Unit Estate" consists of all the components of

ownership held by the owner of an individual lot.

Section 7. "Declarant" shall mean and refer to NORTHWOOD PROPERTIES, INC., and ROTH DEVELOPMENT AND CONSTRUCTION COMPANY, INC., and their successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

Section 8. "208 Drainage Areas" shall mean any and all areas designated on the final plat, or as later deemed necessary for drainage of surface water run-off, including those areas located within the common areas as well as those on an owners lot for which the Association has an easement.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use the recreational facilities by any owner for any period during which any charge or assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) 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 agreed to by the members.

No dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3rds) of each class of members has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right to enjoyment of the common

area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP ASSOCIATION AND BY-LAWS

Section 1. Membership. Every owner of a lot which is subject to assessment shall automatically upon becoming an owner become a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of any lot which is subject to assessment. When all his ownerships cease (in case he owns more than one lot) his membership shall automatically cease.

Section 2. General Provisions. The owners of lots covenant and agree that the administration of the properties shall be in accordance with the provisions of this declaration, the By-Laws of the Association and the laws of the State of Washington, or as any of the above be from time to time amended.

Each owner, tenant or occupant of a lot (unit) shall comply with the provisions of this declaration, the By-Laws, the rules, decisions and resolutions, as lawfully amended from time to time, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages and/or for injunctive relief.

The By-Laws may provide (and may be enforced in respect to) other rules and regulations for the use, occupancy and management of the properties not inconsistent herewith.

The Association will be incorporated by the declarant as a Washington non-profit corporation. The By-Laws of the Association

shall conform to the non-profit corporation laws of Washington.

Section 3. Professional Management. The By-Laws of the Association may provide that the Board of Directors may employ professional management for the association, however, such contracts must provide that they may be revoked without penalty on advanced notice of sixty (60) days.

Section 4. Voting Classes. The Association shall have two classes of voting membership.

Class A. Class A members shall be all owners, with the exception of the declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member shall be the declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership at such time as the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE IV.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment and utility charges. The declarant, for each lot owned within the properties, hereby covenants and agrees to pay to the Association and each owner of any lot by acceptance of the deed therefore, whether or not it shall be so expressed in such deed, is

deemed to covenant and agree to pay to the association; (1) General annual assessments, (2) Special assessments for capital improvements and (3) Utility charges. The annual and special assessments and utility charges, together with interest, costs, and reasonable attorney's fees, shall be a charge upon the land and shall be a continuing lien upon the property against which each such assessment and charge is made. Each such assessment and charge, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment or charge fell due. The personal obligation for delinquent assessments and charges shall pass to his successors in title, and such delinquent assessments will continue as a lien against the property for which such assessment and charge was made and such property may be foreclosed upon in satisfaction of the lien.

Section 2. Purpose of Assessments. The assessments and utility charges for common areas levied by the association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the common area and of the yards of the homes situated upon the properties. That portion of the assessments levied for landscape maintenance performed by the association will be equal for all lots within the development irrespective of any discrepancy in the size of the lots or the nature and amount of landscaping involved.

Section 3. Maximum Monthly Assessment. Until July 1st of the

year immediately following the conveyance of the first lot to any owner, the maximum monthly general assessment shall be \$50.00 per lot.

(a) The Board of Directors may fix the general annual assessment at an amount not in excess of 10 percent (10%) of the previous year's assessment.

(b) From and after July 1st of the year immediately following the conveyance of the first lot to any owner, the maximum general annual assessment may be increased beyond the above determined percentage by a vote of two-thirds (2/3rds) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) Assessments shall commence as of the first day of the first month after the transfer of any one of the properties to be assessed from declarant to member.

Section 3.1. Initial Purpose of General Assessment. The initial purpose for the monthly general assessment shall be for the following

(a) Maintenance of swimming pool and tennis court.

(b) Maintenance of landscaping of all residential lots as well as all common areas.

(c) Upkeep and maintenance on security gate, fence, and natural areas.

(d) Snowplowing and maintenance of roadways and walkways within the development.

(e) Maintenance of all 208 Drainage areas for run-off.

The Board of Directors of the Association shall have the full discretion as to how the monthly general assessments are to be used but the above purposes shall serve as a guideline for the initial year of the development. Assessments shall not be levied for initial landscaping and improvements in common areas such as swimming pools, tennis courts, and the like.

Section 4. Exterior Residential Maintenance. Each owner shall have the responsibility of maintaining the exterior of their particular residence and all other buildings according to standards which are established by the Board of Directors of the Home Owner's Association. The color and the brand of any paint, stain, oil, or other preservative applied to the exterior of any residence must first be approved by the board. In the event the exterior of any residence falls below the standards established by the board and exterior maintenance is necessary, the Board of Directors shall have the authority to send written notice by certified mail, return receipt requested, to the owner of such residence setting forth the maintenance deemed necessary, and in the event such maintenance is not satisfactorily performed within forty-five (45) days of receipt of such notice, the board shall be entitled to perform or contract for the performance of all such necessary maintenance and assess that particular owner for the same, with such assessment to become a lien against the property, a collection of which shall be enforced pursuant to all other assessments created herein.

Section 5. Special Assessments for Capital Improvements. In addition to the general monthly assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole

or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Assessments shall not be levied for initial landscaping and improvements in common areas such as swimming pools, tennis courts, and the like.

Section 6. Notice and Quorum for Any-Action Authorized Under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the quorum at the subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both general monthly and special assessments, except as may otherwise be herein provided, must be fixed at a uniform rate for all lots and will be collected on a monthly basis. Utility charges are fixed as provided in Article XII.

Section 8. Date of Commencement of Monthly Assessments; Due Dates. The general monthly assessments provided for herein shall

commence as to any given lot on the first day of the first month following the conveyance of such lot to the owner, and as to all of the remaining lots still held by declarant as of the first day of the first month three (3) years from the date of the conveyance of the common areas to the Home Owner's Association or such later date as determined by the Board of Directors of the Association. The amount of each monthly assessment shall be fixed for a period of one year at a time with such annual assessment period commencing on July 1 and terminating on June 30 of any given year. The board of directors shall fix the amount of the monthly assessments for any given annual assessment period at least thirty (30) days in advance of such annual assessment period and written notice of the assessment amount shall be sent to every owner subject thereto. The actual due dates of the monthly assessments shall be as of the first day of any given month that the assessment is due. The assessment shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments or Charges: Remedies of the Association. Any assessment or charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the owner personally

obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments or charges provided for herein by non-use of the common area or abandonment of his lot.

Section 10. Subordination of the Lien to Mortgages. The lien of all assessments and charges provided for herein shall be subordinate to the lien of any first mortgage except as otherwise herein provided. Sale or transfer of any lot shall not affect the assessment or charge lien, and the sale or transfer of any lot pursuant to first foreclosure of a first mortgage or any proceeding in lieu thereof, shall not extinguish the lien of such assessments and charges as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments or charges thereafter becoming due or from the lien thereof.

ARTICLE V.

ARCHITECTURAL CONTROL

All architectural control will be completely under the authority of the declarant until such time as all lots in the project have been sold. Subsequent to that time the architectural control shall be vested in the Association and shall be governed by the Board of Directors as the Architectural Committee or by a committee composed of certain persons designated by it. All references made to the Architectural Committee set forth in this article shall refer to the declarant until such time as all lots have been sold and to the Association subsequent to that time.

No building, fence, wall, dog run, or any other structure whatsoever shall be commenced, erected or maintained upon the properties, 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 compliance with guidelines adopted by the Declarant or the Association, as the case may be, and as to harmony of external design and location in relation to surrounding structures and topography by the Declarant or the Association. In the event the Declarant or the Association fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully complied with.

The Declarant or the Architectural Committee as established by the Association shall formulate general guidelines for development within the properties as well as for minimum building restrictions, including the size of the dwellings exclusive of garages, the maximum height, the quality of construction, or the authorization for temporary structures, and appropriate set backs.

ARTICLE VI.

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, Association or any owner shall have the right to enforce by any proceeding at law, in equity, or by arbitration all restrictions, conditions, covenants, reservations, use regulations, liens and charges now or hereafter

imposed by the provisions of this declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 1.1 Arbitration. In the event the Declarant, the Association, or any owner wishes to pursue arbitration to resolve any disputes or enforce any remedies available pursuant to these covenants, notice of the same shall be first given to the other party by registered mail, return receipt requested, with each party then using an agent of their own choice to represent them in the arbitration and those agents mutually choosing a third person with a majority decision of the three to be binding the parties involved in the arbitrated dispute.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

Section 3. Amendments. Except as may be limited by P.U.D. ordinances and the laws of the State of Washington, the lot (Unit) owners shall have the right to amend this declaration and the other project documents including the legal map, Owners' Association By-Laws, and Articles of Incorporation. Amendments of a material nature must be agreed to by unit owners representing at least sixty-seven percent (67%) of the total allocated votes in the association. In addition, approval must be obtained from eligible mortgage holders representing at least fifty-one percent (51%) of the votes

of unit estates that are subject to mortgages held by eligible holders. A change to any of the following would be considered as material:

- a. voting rights;
- b. assessments, assessment liens, or subordination of assessment liens;
- c. reserves for maintenance, repair and replacement of common areas;
- d. responsibility for maintenance and repairs;
- e. reallocation of interests in the general or limited common areas, or rights to their use;
- f. boundaries of any unit;
- g. convertibility of units into common areas or vice versa;
- h. expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project;
- i. insurance or fidelity bonds;
- j. leasing of units;
- k. imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
- l. a decision by the association to establish self management when professional management had been required previously by an eligible mortgage holder;
- m. restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
- n. any action to terminate the legal status of the project after substantial destruction or condemnation occurs;
- o. any provisions that expressly benefit mortgage holders, insurers or guarantors.

Section 4. Eligibility. Eligible mortgage holders are those holders of first mortgages on a lot who have requested the association

to notify them on any proposed action that requires the consent of a specified percentage of eligible mortgage holders. The term "mortgage holders" includes beneficiaries of deeds of trust.

Termination of the legal status of the project as a P.U.D. for reasons other than substantial destruction or condemnation of the properties shall require the consent of eligible mortgage holders representing at least sixty-seven percent (67%) of the votes. An addition or amendment to the documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve such additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

The directors of the association (including those appointed by declarant) shall have the authority on behalf of all owners to authorize the president of the association to execute an amendment to this declaration amending these provisions for the benefit of mortgages in order to bring them within the requirements of Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Veterans Administration ("VA"), or Federal Housing Administration ("FHA").

The directors also shall have the authority with the consent of all first mortgage holders to remove or modify any provision for benefit of mortgage holders which is hereafter no longer required by or is modified by the applicable secondary mortgage lenders above, so long as no unit owner is materially and adversely affected

thereby.

Section 5. Notice of Action. Any holder, insurer or guarantor or a mortgage on any unit of the project who sends a written request to the association, stating both its name and address and the unit number or address of the unit on which it has a mortgage will be given by the association timely notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owned by any owner of a unit subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the association; and

(d) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders.

ARTICLE VII.

EXTERIOR MAINTENANCE

In addition to maintenance upon the common area, the association shall provide exterior maintenance upon each lot which is subject to assessment hereunder as the general monthly assessment, as follows: Care of trees, shrubs, grass, walks, and other exterior improvements not considered a part of the residence or garage. All owners shall maintain the exterior of their buildings in a

neat, sanitary, and attractive condition. In the event any owner fails to do the same as to create a dangerous, obstructed, unsafe, unsightly, or unattractive condition, the board shall have the right to seek any remedies at law in equity which it may have, and the right, but not the duty, after notice and hearing pursuant to Article 4, Section 4 above, to enter upon such owner's lot and make such repairs as it sees fit, in which event the cost thereof shall be charged to the owner. Said cost shall be by special assessment and shall create a lien enforceable in the same manner as other assessments as set forth in this declaration.

The extent of exterior maintenance provided by the association may be expanded, reduced or modified by a vote of two-thirds (2/3rds) of each class of owners.

The association and its agent or contractors selected by it for purpose of maintenance shall and is hereby granted an easement over and across the lots within the properties to accomplish the above purposes.

ARTICLE IX

USE OF PROPERTIES

The use of a lot and improvement thereon by an owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and rules and regulations of the Board of Directors and following covenants and restrictions:

(a) The lot and improvements shall be maintained in good repair and overall appearance;

(b) Any owner who mortgages his lot shall notify the Board of

Directors, providing the name and address of mortgagee;

(c) The Board of Directors shall at the request of the mortgagee of the lot report any delinquent assessments due from the owner of such lot;

(d) No nuisances shall be allowed upon the properties nor shall any use or practice be allowed which is a source of annoyance to owners or which interferes with the peaceful possession and proper use of the property by its owners; each owner shall be responsible for the actions of his guests and invitees;

(e) No immoral, improper, offensive or unlawful use shall be made of the properties nor any part thereof and all valid laws, zoning ordinances and the regulations of all governmental bodies having jurisdiction thereof shall be observed;

(f) Regulations promulgated by the Board of Directors concerning the use of the properties shall be observed by the members, provided, however, that copies of such regulations are furnished to each member prior to the time the said regulations become effective. No rule shall violate the laws concerning discrimination nor restrict sale, transfer or conveyance of any lot.

(g) The assessments and charges shall be paid when due.

(h) All lots are to be used solely for single family residential occupancy.

(i) During the period of development and until all lots are sold, the declarant, its agents, employees, and contractors, shall be permitted to use any and all facilities within the development including any lots not sold which are reasonably required for

development and sales purposes.

(j) No owner shall lease or rent his unit except by an agreement in writing and such agreement shall specifically state that the agreement and the tenants rights are subject to the Declaration, By-Laws, rules and regulations of the association and all documents pertaining thereto. No unit may be leased or rented for less than thirty (30) days. No unit may be sold under any "time sharing" plan.

(k) Unless the declarant or the architectural committee shall approve, no owner shall permit any alteration of the exterior of any buildings, exterior painting, installation of any radio or television antennas or signal receptors or solar collectors on the exterior of the buildings or landscape changes or construction of any fence.

(l) Except when necessitated by construction, no owner shall permit any source from his lot or under his ownership or control or by his guests to emit noise levels to exceed 55 decibels beyond the property line, except where allowed by state law.

(m) The keeping of pets is restricted hereby and may be further restricted by the rules of the Association.

No pets except usual and ordinary household pets (i.e. dogs, cats, fish or birds) shall be permitted except with special written permission of the association under rare circumstances. The number of pets kept on any lot may be limited by the association.

No pets shall be permitted on the common area (i.e. off the owner's lot) except when on a leash.

NO PIT BULLDOGS SHALL BE PERMITTED ANYWHERE ON THE PROJECT BY ANY PERSON FOR ANY REASON AT ANY TIME. PIT BULL being defined as the American Stafford Shire Terrier by the American Kennel Club or the Stafford Shire Bull Terrier by the A.K.C., or the American Pit Bull Terrier by the United Kennel Club.

The association, acting through the board of directors, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the board, a nuisance to any other owner. Animals belonging to owners, occupants or their licensees, tenants or invitees within the properties must be either kept within an enclosure, an enclosed yard or on a leash being held by a person capable of controlling the animal. Furthermore, any owner shall be absolutely liable to each and all remaining owners, their families, guests, tenants, and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the properties by an owner or by members of his family, his tenants or his guests; and it shall be the absolute duty and responsibility of each such owner to clean up after such animals which have used any portion of the common area.

(n) No owner shall block nor permit his guest to block or obstruct or to litter the common driveways or entry gates nor walkways or other common areas.

(o) No motor vehicle shall be allowed to remain on blocks for more than 24 hours except within a private garage. No recreational vehicles shall remain on the common properties for more than 24 hours, nor parked in any driveway or yard area for more

than one week. Recreational vehicles include snowmobile, motorcycles, boats and/or trailers and motor homes.

(p) The speed limit on the properties is 20 miles per hour. There shall be no parking in the private streets except in designated parking areas and for emergencies.

ARTICLE X

EASEMENTS

Section 1. There is hereby created a blanket easement upon, through and across and over and under all of said properties for ingress, egress, installation, replacing, repairing, and maintaining all utilities and service lines and systems including, but not limited to water, sewer, gas, telephone, electricity, garbage, fire, police, emergency services, and heat pump lines and a master antenna system and/or cable television system. By virtue of this easement, it shall be expressly permissible for the companies providing electrical, water, sewer, gas, cable television service, telephone service, alarm systems, and/or heat pump lines to install, erect and maintain all necessary pipes and conduit underground and other necessary equipment at, above, or below grade on said properties and to affix and maintain electrical, cable television and/or telephone wires, gas lines, heat pump lines, circuits and conduits on, above, across, and under the roofs and exterior walls and through party walls of duplexes or other buildings and to meters and shut-offs at or inside and/or outside said buildings. An easement is further granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency service

to enter upon the lots and common areas in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by this Association to enter into or to cross over the common area and the lots, and to enter any building during reasonable hours and upon request, when occupied, (except in an emergency when request may be dispensed with) to inspect and to perform the duties of maintenance and repair of the building or common area as provided herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, gas lines, heat pump lines or other utilities may be installed or relocated or on said properties except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility or organization furnishing a service covered by the general easement above request that a specific easement be provided by a separate recordable document, Declarant shall have the right to grant such easement on said properties provided it not be broader than the terms hereof. The easement provided for in this article shall in no way affect any other recorded easement on said premises.

ARTICLE XI

BLANKET EASEMENT TO CORRECT DRAINAGE

For a period of five (5) years from the date of conveyance of the first lot within the properties, the Declarant reserves a blanket easement and right for themselves, their successors, and the Association on, over and under the ground within the properties to

maintain and to correct drainage or surface water in order to maintain reasonable standards of health, safety, and appearance.

Such right expressly includes the right to cut any trees, bushes, or shrubbery, make any gradings of the soil or to take any other similar action reasonably necessary, following which the declarant, their successors or the association shall restore the affected property to its original condition as near as practicable. Reasonable notice of intent to take such action shall be given to all affected owners, unless an emergency appears to exist which precludes such notice.

ARTICLE XII

CHARGES FOR UTILITY SERVICES

Section 1. Direct Charges. Charges to the individual lots for natural gas, power, electricity, and sewer as well as for domestic water used directly by any given lot will be made directly by the utility company providing the same to the lot owner beginning with the first occupancy of the unit placed on said lot. Charges for telephone, cable television and individual security services will be similarly charged directly to owner for the service.

Section 2. Charges to Be Paid Through the Association. Water for all of the common areas and for general association use, sewer and garbage service except where other arrangements have been made will be collected from the individual lot owners and paid to the entity furnishing such service by the association. Utility charges will be imposed by the association and create a lien upon the lots using the service.

Section 3. Solid Waste Disposal - Garbage. If the Association elects to require the owner of each occupied lot to provide garbage disposal containers for the use of the unit located on the individual lots, charges may be made directly by the utility providing the service.

Section 4. Sewer Charges. Once a unit is occupied, the County of Spokane will commence to charge each individual unit a sewer service charge for the unit occupied, at the initial rate of Twelve and 00/100 Dollars (\$12) per month, and as changed from time to time by Spokane County Utilities Department. At such time as the subdivision sewer system is connected to the general sewer system plant for the Spokane Valley, the owners may be required to pay an additional assessment as well as monthly fees as determined and charged by Spokane County.

Pasadena Park Irrigation shall be initially responsible for providing water to the development, but shall not be responsible for water delivery except to the meters for the various units and common areas. As Pasadena Park Irrigation District is not responsible for the construction, repair or maintenance of the water lines within the properties, the Association shall be responsible for such construction, repair, and maintenance shall be considered as a common expense and included within the monthly or special assessments as determined by the Association.

Section 5. Water Charges. Water used for domestic use shall be metered at every given lot within the development with the owner of each such unit being charged directly by Pasadena Park Irrigation

District. Water used for the common areas and for fire protection will be on separate meters and charged to the association by Pasadena Park Irrigation District which costs shall be passed on to the owners through the general monthly assessments. The installation of the individual meters for domestic water use for any given unit shall be included in the cost of the house constructed, and shall not be charged separately to the owner. The meters for the common areas and for fire protection shall be paid by the declarant or the association and shall be included in the monthly or special assessments. If because of negligence, an occupant shall cause otherwise unnecessary repair or service, the owner of the lot shall be charged an extra utility charge (also a lien) equal to the cost of repair. The negligence of the occupant shall be determined solely by the association after due examination of the evidence and due deliberation.

The consumption fee for the water for the common areas and fire protection shall be treated as a utility charge and as a general assessment and shall become a lien upon each unit after first occupancy. The consumption fee will be an equal charge for all lots within the development.

ARTICLE XIII INSURANCE

Section 1. Casualty Insurance on Insurable Common Area.

The association shall keep all insurable improvements and fixtures of the common area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the association may deem desirable. The association may also insure any other property whether real or personal, owned by the association, against loss or damage by fire and such other hazards as the association may deem

desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the common area shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association and common expenses shall be included in the common assessments made by the Association.

Section 2. Liability Insurance Pertaining to Common Areas.

The Association may obtain general comprehensive liability insurance insuring the Board, the Association, the Owners, Declarant and Managing Agent, if any, against any liability to the public or the owners of the units and their invitees or tenants incident to the ownership of the common areas.

Section 3. Casualty Insurance on Dwelling Units. Each owner shall be responsible for obtaining their own casualty and fire insurance for their dwelling units and all other improvements upon the property, and they shall be required to obtain such insurance in an amount equal to the replacement value of all such improvements in an amount and form satisfactory to the Board of Directors without deduction for depreciation or coinsurance.

Section 4. Replacement or Repair of Property - Common Area.

In the event of damage to or destruction of any part of the common area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a

reconstruction assessment against all lot owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot owner.

Section 5. Replacement and Repair of Properties - Units. In the event the casualty or fire insurance is in the name of the individual owner of any given lot which is damaged or destroyed, the Association may, in its discretion, require that such owner rebuild the unit immediately and the owners failure to do so will entitle the Association to the reconstruction assessment individually against such owner, the enforcement and collection of which shall be the same as any and all other assessments provided for herein.

Section 6. Manner of Apportioning Assessments for Insurance.

Premiums for fire and casualty coverage of common area property and general liability coverage insuring the Board, the Association, the Owners, Declarant and Managing Agent, if any, against liability incident to the ownership and management of the common area shall all be borne equally by all lot owners and thus included in the regular common assessments of the owners as levied by the Association.

Section 7. Mandatory Reconstruction. All units within the development must have adequate insurance to fully rebuild in case of fire or other disaster and each unit owner must agree immediately to rebuild or repair to avoid an unpleasant or unsightly situation for the other unit owners. All provisions of Section 5 of this article shall apply whether or not there is blanket coverage in effect. In case the owner fails or refuses to comply with such

requirements, the association may elect to restore the sight to a level acceptable to the association and levy a reconstruction assessment on the lot such as is provided for in Section 5 above.

Section 8. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE XIV

INSPECTION OF DOCUMENTS

Section 1. Availability. The association shall make available to unit owners and lenders, and to holder, insurers, or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the project and the books, records, and financial statements of the association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Financial Statement. Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement of the association for the immediately preceding fiscal year, if one be available and if none be available, any mortgage holder may prepare one at his own expense.

ARTICLE XV

CONDEMNATION

Any condemnation proceedings shall be handled as follows:

(a) In the event any of the property be subject to

condemnation proceedings in whole or in part, the board of the association shall provide each owner and each first mortgagee written notice of any such proceedings.

(b) The association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority. Each unit owner does hereby appoint the association as attorney-in-fact for such purposes.

(c) In the event of taking or acquisition of part or all of the properties by a condemning authority, the award or proceeds of settlement shall be payable to the association for the use and benefit of the unit owners and their mortgages as their interests may appear.

(d) First mortgagees' first security liens shall not be disturbed by such proceedings. All unit owners agree to submit to binding arbitration among themselves all matters in which, because of the proceedings, the owners may have conflicting interests.

XVI

RESERVATION OF RIGHTS

The declarant reserves the right to itself to utilize the sewer line which it is installing to service the above property, insofar as there is surplus capacity, to service any other property owned by itself or others, so long as no financial burden is put on the owners of the lots within PARK PLACE.

IN WITNESS WHEREOF, the undersigned, being the declarant herein, has herunto set its hand and seal this ____ day of May, 1987.

NORTHWOOD PROPERTIES, INC.
A Washington Corporation

By: *Theodore G. Gunning*
THEODORE G. GUNNING, President

By: *Diane D. Gunning*
DIANE D. GUNNING, Secretary

ROTH DEVELOPMENT & CONSTRUCTION
COMPANY, INC.

By: *Gary W. Roth*
GARY W. ROTH, President

Appeared before me, THEODORE G. GUNNING and DIANE D. GUNNING to me known to be the president and secretary respectively of NORTHWOOD PROPRIETIES, INC., as well as GARY W. ROTH to me known to be the president of ROTH DEVELOPMENT And CONSTRUCTION COMPANY, INC., who executed the foregoing instrurment, and acknowledged the said instrument to be the free and voluntary act and deed for the purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.



WITNESS my hand and official seal hereto affixed the 29 day

[Signature]

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

Unofficial Document

PARK PLACE
SCHEDULE "A"

LEGAL DESCRIPTION

Those platted and unplatted portions of the N1/2 of the N1/2 of the SE1/4 of Section 31, Township 26 North, Range 44 East, W.M., Spokane County, Washington, lying southerly of Columbia Drive, described as follows:

COMMENCING at the east 1/4 corner of said Section 31; thence S00°12'51"E, along the east line of said section, 664.42 feet to the south line of said N1/2 of the N1/2 of the SE1/4; thence N89°51'01"W, along said south line, 396.00 feet to the west line of the east 396.00 feet of said SE1/4 and the POINT OF BEGINNING; thence continuing N89°51'01"W, along said south line, 924.39 feet to the southwest corner of the N1/2, NE1/4, of said SE1/4; thence N00°14'18"E, along the west line of said N1/2, NE1/4, SE1/4, 37.50 feet to the southeast corner of Block 4 of Columbia Park, per plat recorded in Book "D" of Plats, Page 29; thence N89°51'01"W, along the south line of said Block 4, 240.31 feet to a point on the east line of the west 90.00 feet of said Block 4; thence N00°12'59"E, along said east line, 140.00 feet; thence N89°51'01"W, 90.00 feet to a point on the west line of said Block 4; thence N00°12'59"E, along said west line, 247.72 feet to a point on the south line of Columbia Drive and the point of curve of a nontangent 520.12 foot radius curve to the right, the center of circle of which bears S18°29'17"E; thence along the south line of said Columbia Drive the following five (5) calls: (1) along the arc of said curve, through a central angle of 18°34'18", 168.59 feet; (2) S89°54'59"E, 629.65 feet to the point of curve of a 1,118.47 foot radius curve to the left; (3) along the arc of said curve, through a central angle of 10°29'54", 204.94 feet; (4) N79°35'07"E, 232.00 feet to the point of curve of a 1,779.37 foot radius curve to the left; (5) along the arc of said curve, through a central angle of 00°54'26", 28.18 feet to a point on the west line of the east 396.00 feet of said SE1/4; thence S00°12'51"W, along said west line, 520.10 feet to the POINT OF BEGINNING.

EXCEPT that portion of Block 4 of Columbia Park, per plat recorded in Book "D" of Plats, Page 29, described as follows:

COMMENCING at the southeast corner of said Block 4; thence N87°51'01"W, along the south line of said Block 4, 240.31 feet to a point on the east line of the west 90.00 feet of said Block 4; thence N00°12'59"E, along said east line, 94.04 feet to the POINT OF BEGINNING; thence continuing N00°12'59"E, along said east line, 45.96 feet; thence N89°51'01"W, 90.00 feet to a point on the west line of said Block 4; thence N00°12'59"E, along said west line, 247.72 feet to a point on the south line of Columbia Drive and the point of curve of a nontangent 520.12 foot radius curve to the right, the center of circle of which bears S18°29'17"E; thence along the south line of said Columbia Drive the following two (2) calls: (1) along the arc of said curve, through a central angle of 18°34'18"W, 168.59 feet; (2) S89°54'59"E, 164.88 feet to a point on the east line of said Block 4; thence S00°14'18"W, along said east line, 109.65 feet; thence S48°50'30"W, 320.39 feet to the POINT OF BEGINNING.

Containing 11.00 acres.