



After recording return to:

SUMMIT PROPERTIES, INC.
12720 E. NORA AVE., SUITE E
SPOKANE VALLEY, WA 99216

Reference # (if applicable): _____
Grantor(s): (1) Summit Properties, Inc.
Grantee(s): (1) The Public (2) Summit Properties, Inc.
Legal Description (abbreviated): A portion of Se 1/4, Section 19, Township 25N, Range 45E, W.M.
Additional legal(s) on Exhibit A Attached
Assessor's Tax Parcel ID#: 55194.9077

**DECLARATION ESTABLISHING
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
SELKIRK ESTATES**

This Declaration is made this 18th day of October 2017 by SUMMIT PROPERTIES, INC., a Washington corporation, ("Grantor").

ARTICLE I: GENERAL PROVISIONS

1.1 **Real Property Description.** Grantor is the owner of all of the real property intended to be platted as a single-family residential development under the name "Selkirk Estates" located in Spokane County, Washington, and legally described on Exhibit "A" attached hereto ("Property").

1.2 **Development and Construction.** Grantor intends to complete any final actions necessary to operate, develop, market, and sell portions of the Property as separate Building Lots for single-family dwelling purposes. Upon recordation of this Declaration, Declarant submits and subjects the Property, together with all 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, provisions, liens, assessments, easements, privileges, rights, and obligations contained within this Declaration, all of which shall run with the land.

1.3 Conditions. Any purchaser of a Building Lot in the Property, or any other portion of the Property, acknowledges that said Building Lot or other portion of the Property is subject to governmental statutes, rules, regulations and requirements, including zoning and subdivision ordinances and regulations ("Governmental Requirements"). Any person or entity becoming an owner of any Building Lot or any portion of the Property assumes responsibility for complying with applicable Governmental Requirements and it shall be any owner's obligation to become familiar with and comply with all applicable Governmental Requirements.

ARTICLE II: DECLARATION

Declarant hereby declares that the Property, including each Building Lot or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the terms, covenants, conditions, easements, restrictions, and provisions stated in this Declaration, all of which are intended to further a general plan for the protection, maintenance, subdivision, improvement and sale of all portions of the Property. All of the terms, covenants, conditions, covenants, conditions, easements, restrictions, and provisions of this Declaration 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 any portion of the Property; and may be enforced against any Owner, tenant or occupant of any portion of the Property as and to the extent provided below in this Declaration.

Notwithstanding the foregoing, no provision of this Declaration shall be construed to prevent or limit Grantor's right to complete development of the Property, to construct improvements thereon, to hold, operate, and market portions of the Property, and to maintain model homes, construction, sales or leasing offices, or similar facilities (temporary or otherwise) on any portion of the Property; or Grantor's right to post signs incidental to construction, marketing, sales, or leasing.

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by 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 Selkirk 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 amendment hereto.

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

3.6 "Building Lot" shall mean each separate tax parcel within the Property intended for residential construction. Building Lots do not include separate tax parcels identified as Common Area tracts on the Plat.

3.7 "Common Area" shall mean all 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 Areas may be owned in the name of the Association and may include use rights in portions of the Property through easements, licenses, and similar arrangements. At the time of creating this Declaration, it is intended that the Common Areas for the Property will consist of the following:

a) Common Areas Tracts A, B, C and D are identified as Common Area Drainage Tracts on the Property. It is intended that landscaping improvements, irrigation facilities, and storm drainage equipment facilities and apparatus will be constructed and/or installed within these Common Area tracts.

3.8 "Declarant" shall mean and refer to Declarant, SUMMIT PROPERTIES, INC., a Washington corporation, the owner of the Property at the time of execution of this Declaration. Every reference to Declarant below in this Declaration shall be considered a reference to Summit Properties, Inc. The term Declarant shall also include any successor or assign of Summit Properties, Inc. included within the definition of Declarant as stated above in this section, so long as such initial Declarant executes a document in writing appointing such successor as a successor declarant and such written document assigning the declarant rights is recorded with the Spokane County, Washington Auditor.

3.9 "Declaration" as referred to below shall mean this Declaration as it may be amended from time to time and any reference to "Declaration" made after this Section 3.9 shall be considered to refer to this Declaration.

3.10 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including daily assessment amounts (Section 7.4) and interest thereon (Section 7.7) as provided in this Declaration or a Supplemental Declaration.

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

3.12 "Owner" shall mean the person or other legal entity, including Declarant, which acquires fee simple interest of record to a Building Lot that is covered by this Declaration, as well as purchasers under real estate contracts, but excluding those having an interest merely as security for the performance of an obligation.

3.13 "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.

3.14 "Regular Assessment" shall mean the assessment levied against each Owner to pay for the costs and expenses incurred or expected to be incurred by the Association in performing its obligations under this Declaration more particularly set forth in Section 7.2.1 below.

3.15 "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 Section 7.3 below.

ARTICLE IV: USE AND CONSTRUCTION RESTRICTIONS

4.1 Use of Individual Building Lots. No Building Lot or dwelling shall be constructed, occupied or used except for new, site constructed single family dwellings, and not to exceed 2 stories in height inclusive of the main level containing the garage entrance for the dwelling, but excluding any basement levels below that, by the owners, their tenants, and social guests. No dwelling on any Building Lot shall be constructed until it has been approved as required in Section 4.10. Absent the Architectural Committee's written approval to deviate from minimum requirements (which approval the Architectural Committee may grant under circumstances it deems, in its sole discretion, to be appropriate for any particular Building Lot), no dwelling on any Building Lot which has a single story in height above grade shall have less than 1,000 square feet of living area; and no dwelling having more than one story above grade shall have less than 1,400 square feet of living area. For purposes of this provision, living area does not include any portion of the garage, basement, or areas that are not fully enclosed within the exterior walls of the dwelling (such as a partially enclosed patio).

No trade, business, profession, commercial or manufacturing enterprise or activity (other than a home occupation) shall be conducted on any portion of any Building Lot, including any dwelling constructed therein. As used in this Section 4.1, 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, as may be further defined by Spokane County Regulations.

Provided, however, nothing in this Section shall prevent any homebuilder from using, or permitting any Builder to use, a dwelling within the Property to conduct business related to marketing and selling Building Lots and/or dwellings, on a temporary basis only until the last Building Lot or dwelling is sold.

4.2 Restrictions as to Building Materials Covering Outside Walls. No dwelling or structure shall be built on any Building Lot with materials for siding or roofing that have not been approved by the Architectural Committee.

4.3 Nuisances. No noxious, illegal or offensive activities shall be carried on in any Building 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 Building Lot, or that shall in any way increase any rate of insurance for any owner within the Property, or cause any insurance policy to be canceled 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 Property.

In the interest of public health and sanitation, and so that all of the Property 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, no Owner will use such Owner's Building Lot or Buildings Lots for any purpose that would result in the pollution of any waterway, including any intermittent stream that flows through or is adjacent to such Building Lot 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 Property. Any violation of this provision shall be considered a nuisance.

4.4 Vehicle and Equipment Restrictions. Campers, boats, personal watercraft, boat and personal watercraft trailers, recreational vehicles, commercial vehicles, or other types of non-passenger vehicles, equipment, implements, or accessories may not be kept or stored on any public or private streets within the Property or on any Building Lot, except as provided below:

(a) Campers, boats, personal watercraft, boat and personal watercraft trailers, recreational vehicles, recreational trailers, and other non-passenger vehicles, equipment, implements, or accessories may be stored or kept within an enclosed garage, or on the side of the dwelling, provided that it is enclosed behind some type of partial screening structure or fencing approved by the Architectural Committee in its discretion; and

(b) Campers, boats, personal watercraft, boat and personal watercraft trailers, recreational vehicles, recreational trailers, and other non-passenger vehicles, equipment, implements, or accessories may be temporarily kept on the public or private streets within the Property or on a paved driveway located on a Building Lot for a period not to exceed forty-eight (48) hours and only for purposes of cleaning, preparation for use and unloading.

No inoperable automobile, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any Building Lot, dedicated street or other area within the Property, other than temporarily for emergency repairs, unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans, service vans or standard size pickup trucks that are used for both business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be reasonably unobtrusive and inoffensive. No noisy or smoky vehicle shall be operated on the Property. No off-road unlicensed motor vehicle shall be maintained or operated within the Property, except as reasonably necessary to the execution and the rights and duties of Declarant under this Declaration.

No vehicles may be kept or parked on other than a temporary basis on any of the public or private streets within the Property. Parking for purposes other than actual loading or unloading or preparation for use shall not be considered temporary. In any event, parking a vehicle longer than forty-eight (48) hours without removal for a period in excess of Forty Eight (48) hours shall not be considered temporary.

4.5 Signs. Except as provided below, and except for signs placed by the Declarant, no signs shall be displayed to the public view on any Building Lots or on any portion of the Property. "For Sale" or "For Rent" signs shall be allowed, provided they do not exceed five (5) square feet in size. The foregoing restrictions shall not be deemed to prohibit the display of (a) political signs no more than ninety (90) days in advance of the election to which they pertain and fifteen (15) days after the election or (b) the flag of the United States by an Owner or occupant

of a Lot if the flag is displayed in a manner consistent with federal flag display law, 4 U.S.C. § 1 et seq. and RCW 64.38.055.

4.6 Animals. No animals, livestock, poultry or birds of any kind shall be raised, bred or kept in any Building 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 outdoors, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times. Keeping dogs under reasonable control shall include keeping dogs contained within the Owner's Building Lot when not on a leash, either by sufficient fencing, an "invisible fence" type restraint system, or other equally effective means of containing the dog within the Building Lot. Outside an Owner's Building Lot, all dogs must be restrained on leashes.

Owners shall keep their dogs from barking excessively in any area where such barking can be heard from outside the Building Lot. Continued barking after receipt of three warnings from the Architectural Committee and/or an owner of another Building Lot who is being affected by the noise of such barking shall be considered excessive barking and a nuisance, entitling such affected owner and/or Architectural Committee to take appropriate action to assure that such excessive barking is eliminated. Barking no more than occasionally to alert the Owners of the need to let the dog into a dwelling, to warn of strangers coming to the Building Lot, and the like shall be permitted. Leaving a dog outside the dwelling for prolonged periods while the dog is frequently barking will be also be considered excessive.

NO PIT BULLDOGS, ROTTWEILERS, DOBERMAN PINSCHERS, WOLVES AND WOLF-CROSSES, CROSSES OF ANY OF THE FOREGOING AND DOG BREEDS DETERMINED BY THE ASSOCIATION'S OFFICERS TO HAVE SIMILAR REPUTATIONS FOR AGGRESSIVE TENDENCIES SHALL BE PERMITTED ANYWHERE IN SELKIRK ESTATES BY ANY PERSON FOR ANY REASON AT ANY TIME. For purposes of this provision, PIT BULLDOG is defined as including the American Stafford Shire Terrier as identified by the American Kennel Club and the Stafford Shire Bull Terrier as identified by the A.K.C., and the American Pit Bull Terrier as identified by the United Kennel Club.

Notwithstanding anything above in this Declaration to the contrary, service animals or other similarly designated animals (such as guide dogs), as may now or hereafter be designated, under laws or regulations regarding disabilities and/or handicapping conditions, shall not be considered as pets in interpreting or enforcing this Section 4.6, but shall be permitted within the Property to the full extent permitted or required under applicable law, rule, regulation or legal requirement.

4.7 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from each Building Lot 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, woodpiles, or storage piles shall be kept screened and concealed from view from the dedicated streets, except garbage cans may be placed curbside commencing with the day before pickup and must be removed from curbside no later than the day following pickup.

4.8 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, dwellings on Building Lots shall not be rented by the Owners thereof for transient or

hotel purposes, which shall be defined as (a) 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 and any subsequent amendments to this Section that may hereafter be adopted. Owners of Building Lots shall have the absolute right to rent out the dwellings (but not less than the entire dwelling) provided that the rental agreement is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration. Any failure on the part of any tenant to comply with this Declaration shall constitute a default under the terms of such rental agreement and a violation of this Declaration by the Owner of the Building Lot. Notwithstanding anything above in this Section to the contrary, it is Declarant's intention that the Property primarily consist of Owner-occupied dwellings at full development. Should the Declarant, during the Initial Development Period described in Section 5.1, or the requisite number of Owners required to amend this Declaration thereafter, decide to limit, restrict or otherwise regulate leasing of dwellings and/or Building Lots, such change shall be permitted so long as it does not operate to impair any existing lease or rental agreement covering any dwelling on any Building Lot.

4.9 Yard Landscaping. Within six (6) months of completion of construction of the exterior of each dwelling, the front yard of each Building Lot and any side yard fronting a flanking street shall be landscaped by each Owner in substantial conformity with those dwellings already built and landscaped and approved by the Architectural Committee. Thereafter, within one (1) year of completion of the exterior of each such dwelling, the remaining portions of the yard shall be landscaped in substantial conformity and harmony with the landscaping required in the front yard and in accordance with plans submitted to and approved by the Architectural Committee.

4.10 Alteration and/or Improvements to Property. With the exception of Declarant's work and actions to further the completion of the Property, no dwelling, building, fence, wall, obstruction, balcony, screen patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind, shall be commenced, erected, painted or maintained within the Property, nor shall any alteration or improvement of any kind be made thereto until the plans for the same (including all colors and finishes to be used) have been approved in writing by the Architectural Committee, described in Article 9 below and hereinafter referred to as the "Committee." Plans and specifications showing the nature, color, materials and location of such improvements or alterations shall be submitted to Declarant or the Committee, as applicable, for approval as to the external appearance of the proposed construction. Further, no construction shall be commenced on any Building Lot until the Declarant or Committee shall have approved in writing, the proposed construction item on the Building Lot. No permission or approval shall be required to rebuild in accordance with the original approved plans, including colors and finishes, or to rebuild in accordance with plans previously approved by Declarant or the Committee for that Building Lot.

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

4.12 Building Lots to be Kept in Good Repair. Each Owner shall keep all improvements on their Building Lots and the grounds surrounding such improvements in good order and repair, including but not limited to, the seeding, watering and mowing of all lawns, the

pruning and cutting of all trees and shrubbery, proper maintenance of septic systems, and the painting (or other appropriate external care) of all buildings, structures and other improvements; all in a manner and with such frequency as is consistent with good property management. All Owners shall be responsible for maintaining any portion of drainage improvements, including drainage swales, located within their Building Lots in accordance with all applicable legal and approved design requirements and in good operating condition.

Responsibility for maintenance of lawns, trees and shrubbery required by the preceding paragraph shall include responsibility for watering the same as needed to maintain them in a healthy condition, free from weeds and other noxious plant materials, and not permitting grasses to exceed four inches (4") in height. It shall also include responsibility for removal and replacement of dead, diseased or damaged trees, shrubs and other landscaping, subject to obtaining a tree removal permit if required by municipal ordinances.

If any Owner fails to properly perform his or her maintenance responsibility, the Association may, but is not obligated to, perform such maintenance responsibilities on behalf of such Owner and assess the Owner for a Limited Assessment; provided, however, that except when entry is required due to an emergency situation, the Association shall provide the Owner with reasonable notice and an opportunity to cure the problem prior to exercising this remedy.

4.13 Permitted Structures and Driveways. No structures or buildings of any kind shall be erected, altered, placed or permitted on any Building Lot other than one detached dwelling with an attached garage designed to house at least two automobiles; and, if approved by the Architectural Committee in its discretion, one small storage outbuilding, such as a tool storage shed. It is anticipated the Architectural Committee will not approve any outbuilding unless it determines, in its sole discretion, that the building is constructed of materials and designed to reasonably match those of the Dwelling on that Building Lot, no taller than eight (8) feet measured from ground level, no larger than 120 square feet, and that the Building Lot has adequate space and a suitable location for installation of such an ancillary structure without adversely impacting the Building Lot or the view or appearance of the Building Lot from areas outside the Building Lot. Driveways from garages will be fully improved to the street, with driveways to be of a hard surface material, such as asphalt or concrete.

4.14 Restrictions as to Roof Construction. All roofs shall be constructed of 30-year architectural composition shingles of good quality, or tile or comparable alternate product, as approved by Declarant or the Architectural Committee, as applicable.

4.15 Mail Boxes, Etc. Mail boxes, including clustered structures, shall be placed as and to the extent required by the U.S. Postal Service or other applicable mail delivery service. Except to the extent work is performed by a governmental agency such as the U.S. Postal Service, maintenance and repair of installed mail boxes shall be performed by the Association. The Declarant or Architectural Committee, as applicable, shall have the right to impose restrictions and rules regarding the maintenance and placement of newspaper receptacles. Except to the extent work is performed by a third party such as a newspaper publisher, maintenance and repair of each such receptacle shall be performed by the Owner utilizing such receptacle.

4.16 Fences, Walls. No fence, wall, hedge or mass planting that operates as a sight-obscuring line or structure may extend nearer to a street on the front yard side of the Building Lot than the edge of the house or garage constructed on such Building Lot that is closest to

such street. However, nothing in this subparagraph shall prevent Declarant's erection of a perimeter fence as Declarant shall determine along some or all of the perimeter of the Property; nor the erection of a necessary retaining wall or placement of a fence on a side yard facing a street by an Owner other than Declarant, so long as the fence is not extended toward the front yard side of the Building Lot any further than is permitted in the preceding sentence. No wire, cyclone or metal fencing of any kind shall be placed so as to be visible from outside any Building Lot. It is anticipated that any fence approved by the Architectural Committee will be required to be constructed of wood, vinyl, or such other comparable material as determined by the Architectural Committee in its sole discretion.

4.17 Antennas and Dishes. No radio, citizens band, or other communication antenna shall be erected upon any Building Lot or dwelling except for standard television antennas and/or dishes that are reasonably unobtrusive and inoffensive or as may be required to be permitted by law. With regard to the foregoing, each Owner shall have the right to install a "Protected Antenna" (as defined by the provisions of 47 C.F.R. § 1.4000 (FCC Rule) as it now exists or is hereafter amended or replaced, or any other federal, state or local law, code, rule or regulation that preempts, prohibits or limits restrictions on, or conditions to, the installation, maintenance or repair of telecommunications equipment desired by an Owner. Notwithstanding the foregoing, any owner intending to install a Protected Antenna shall submit the proposed location and installation information therefore to the Architectural Committee which shall, to the maximum extent permitted by law, have the right to condition approval on location of such Protected Antenna so as to minimize its visibility and obtrusiveness from areas outside the Building Lot and no antenna or dish, including a Protected Antenna shall be installed without prior submission and request for approval of the proposed installation to the Architectural Committee. Except as provided above, the Architectural Committee has the right, in its discretion, to approve, deny, regulate and condition all other kinds of antennas, dishes, and receiving or transmitting devices of any kind as it deems appropriate, in its sole discretion.

4.18 Temporary Structures. No trailer, basement, tent, shack, garage, barn, camper or other outbuilding or any structure of a temporary character erected or placed on any Building Lot shall at any time be used as a dwelling.

4.19 Exterior Lighting. All exterior lighting shall be non-glare and approved by the Architectural Committee prior to installation.

4.20 Completion Time. The Owner of any Building Lot other than Declarant shall commence construction of a dwelling therein with 18 months of becoming an Owner (as defined in Section 3.12 of this Declaration). The exterior of each dwelling, including the garage, shall be completed within 12 months of the commence of construction thereon. For purposes of this provision, commencement of construction shall be considered to have started when a building permit is issued by applicable government authorities. Commencement of construction may be extended for either commencement of construction or completion of construction in the discretion of the Architectural Committee for up to six additional months for reasons shown by the Owner which the Architectural Committee determines justify such extension.

**ARTICLE V: SELKIRK ESTATES
HOMEOWNERS ASSOCIATION**

5.1 **Organization of Selkirk Estates Homeowners Association.** Selkirk Estates 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. Notwithstanding anything in this Declaration to the contrary, so long as Declarant owns any Building Lot in the Property (the "Initial Development Period"), Declarant shall have the right to perform all functions to be performed under this Declaration by the Association as well as all functions to be performed by the Architectural Committee. This shall include, without limitation, administration of the Declaration, performance of architectural control functions, levying and collection of Assessments, and similar matters. The rights reserved to Declarant in this Section 5.1 shall continue until the sooner of such date as Declarant gives written notice that it is relinquishes this right or on such date as Declarant has sold all Building Lots in the Property to Owners other than Declarant.

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. Memberships in the Association, shall be appurtenant to the Building Lot 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 that they own. The number of votes such Member may cast on any issue is determined by the number of Building Lots that the Member owns. Each Owner, including Declarant, shall have one vote for each Building Lot owned. When more than one person or entity holds an interest in any Building Lot, all such persons/entities shall share the vote attributable to the Building Lot, but fractional voting 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.

This Declaration and the By-Laws may be amended during the initial Twenty (20) year period if seventy-five percent (75%) of the members vote to amend particular provisions of either instrument, Provided however, this Declaration may be amended during the Development Period by an instrument signed by the Declarant. The provisions expressly referring to the Declarant may not be amended without the Declarant's approval. All amendments must be filed with the office of the Spokane County Auditor.

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, except to the extent limited in Article VII, and to enforce 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, 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, after the Initial Development Period described in Section 5.1, 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 fees.

ARTICLE VI: RIGHTS TO COMMON AREAS

6.1 Use of Common Area. 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. The Common Area cannot be mortgaged or conveyed without the consent of the Owners of at least two-thirds (2/3) of the Building Lots, excluding Declarant. If ingress or egress to any dwelling is through the Common Area, any conveyance or encumbrance of such portion of the Common Area will be subject to such Building Lot Owner's easement. In furtherance of the development plan for the Property, Declarant and the Association shall have the right to create easements and construct improvements on the Common Area, including but not limited to providing utility and private drainfield or drainfield access, crossings, walkways, trails, open space, and other improvements deemed desirable by the Association and/or Declarant.

6.2 Drainage Facilities. The initial Common Areas include drainage facilities within Common Area tracts, as shown on the face of the Plat or to be shown on Plats of subsequent phases of the development of additional property that may be annexed into the Property. Construction of the drainage facilities and improvement of the Common Area drainage tracts within the Property ("Drainage Improvements") have been required to be completed in conformance with plans approved by the County of Spokane County's Engineer's Office. The Owners of Building Lots within the Property, with such Owners having the right to do so through the Association, shall be responsible for maintaining the Drainage Improvements, including paying the reasonable cost for maintenance. It is anticipated that Owners of Building Lots will provide for payment of such costs through Assessments imposed on Building Lot presently within or hereafter annexed into the Property, as part of General Assessments imposed as provided below in this Declaration. In the event all of any the Property ever ceases to be governed by the Association, or for any other reason the Association fails or refuses to provide for maintenance of the Drainage Improvements, such obligations shall devolve to and become the direct obligation of the Owners of the Building Lots within the Property, including any additional real property subsequently annexed. Maintenance of the Drainage Improvements shall include obligations established by the Operation and Maintenance Manual dated October 20, 2017 ("Stormwater Conveyance and Drainage Pond Operations & Maintenance Manual for the Selkirk Estates Residential Development") as provided by the design engineer, Parametrix, Inc. Compliance with the O&M Manual will include establishment and accumulation of reserves for anticipated maintenance and repair obligations as provided in such O & M Manual.

Notwithstanding anything in this Declaration to the contrary, provisions regarding maintenance of the Drainage Improvements imposed hereunder, or by any separate covenants, easements, or similar instrument required by Spokane County, shall not be subject to amendment or modification without the approval of the Spokane County.

ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed or real estate contract to any Building Lot or other portion of the Property, and except as provided in the next sentence, each Owner of such portion of the Property hereby covenants and agrees to pay when due all Assessments or charges made against 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. Notwithstanding the foregoing, Declarant shall not be obligated to

pay any portion of Regular or Special Assessments with regard to any portion of the Property, including Building Lots, owned by Declarant.

7.2 "Annual Assessment". The annual assessment shall initially be \$240.00 per Lot, to be paid at the closing of the sale of any lot from Declarant to any builder and/or consumer buyer (no prorations will be made except for the closing of lots by a 3rd party bulder in 2017. Provided however the full 2018 dues will be collected on any 2017 calendar year closings). Each said builder or purchaser from Declarant shall pay a full calendar year's dues at the time of closing, regardless of the date of closing on the lot! A reasonable fee which shall be allocated and paid to the Declarant for Plat management services provided by the Declarant to the Association or by a professional management firm. Such allocation of funds to the Declarant shall cease when the Development Period expires and the Association assumes collection costs, bookkeeping, and other management responsibilities which are described with particularity in the By-Laws of the Association.

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

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 attorney 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, amounts incurred as a result of violations of this Declaration, to the extent for any reason are not recovered in Limited Assessment payments, 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 Assessment amount for calendar years 2018 and 2019 shall be \$240.00 per year per Building Lot owned by Owners other than the Declarant. Thereafter, the Association shall compute the amount of its expenses on an annual basis. The computation of Regular Assessments for 2020 and thereafter shall take place not less than thirty (30) or more than sixty (60) days before the beginning of each fiscal year of the Association. Provided, in the event Regular Assessment amount computations are not made for any year, the amount computed for the immediately preceding year shall continue to apply.

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 other than the Declarant, there shall be no Special Assessments required of any Owners of any Building Lots through the end of 2019. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year after 2019 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, attorney 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 the Property, including any actual costs, consultant charges and attorney 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. In addition to a Limited Assessment amount for all actual costs as referred to above in this Section 7.4, the Limited Assessment may also include an additional amount of up to \$50.00 per day (or its equivalent value as compared with January 1, 2013 dollars, as adjusted periodically by the Board in its reasonable discretion utilizing changes in a published consumer price index of its choosing), for each violation which remains uncorrected after thirty (30) days' written notice given to such Owner from the Association. Notwithstanding anything above to the contrary, a Limited Assessment may be assessed against an Owner for damage to any Building Lot or portion of the Common Area within the Property caused by reason of the negligence or willful misconduct of such Owner, such Owner's resident tenant, or such Owner's family and guests, both minor and adult.

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. Thirty (30) 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 January 1st of each calendar year beginning January 1, 2018 and due each and every January 1 thereafter. There shall accrue with each delinquent 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 attorney 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 Section 7.8 may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot.

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 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 Section 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 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 any Assessments provided in this Declaration in connection with a Building Lot shall be subordinate to the lien of a deed of trust or mortgage that is recorded with the Spokane County, Washington Auditor as an encumbrance against an Owner's Building Lot, after such lienholder's receipt of an estoppel certificate confirming that no assessments are then owing pursuant to Section 7.8 and also before the recordation of a claim of lien for any Assessment pursuant to Section 8.2.2. Except as provided in this Section 8.5, 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. Nothing in this Declaration makes failure to pay any Assessment a default under any mortgage or deed of trust.

ARTICLE IX: ARCHITECTURAL COMMITTEE

9.1 Creation. While Declarant continues to own or have any contract right to purchase any Building Lot within the Property, Declarant shall have all right and authority to appoint all members of the Architectural Committee and to perform all functions of the Architectural Committee hereunder, unless Declarant shall sooner relinquish such authority to the Association in a written document signed by an authorized representative of the Declarant. Thereafter, the

Association shall have an Architectural Committee comprised of at least three members, at least two of whom shall also be members of the Board.

9.2 Review of Proposed Construction. The Architectural Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. The Board shall have the power to determine, by rule or other written designation consistent with this Declaration, which types of improvements shall be submitted for Architectural Committee review and approval.

9.3 Architectural Committee Decisions. Decisions of the Architectural Committee and the reasons therefore shall be transmitted by the Architectural Committee to the Applicant at the address set forth in the application for approval within thirty (30) calendar days after filing all materials required by the Architectural Committee, failing which, the application shall be considered approved.

9.4 No Waiver of Future Approvals. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent. The decision of the Architectural Committee shall be final.

9.5 Architectural Approval not Equivalent of Government Approval. Each Owner acknowledges that approval of any item or matter by the Architectural Committee is not the equivalent of receipt of any applicable governmental approval, or evidence of compliance with any laws, ordinances, or other legal requirements. Each Owner shall be and remain solely responsible for complying with all such governmental requirements, including obtaining and fulfilling obligations under appropriate permits for construction, alteration, and remodeling of any improvements on their Building Lot.

9.6 Right to Adopt Design Guidelines. The right is reserved to the Architectural Committee to adopt and revise, from time to time, design guidelines, consistent with the use and construction restrictions stated in Article 4, and providing further detail and specification regarding colors, materials, landscape specifications, and similar matters. Any person acquiring ownership of a Building Lot shall have a right to receive a copy of the current design guidelines at the time of acquisition of their Building Lot. Any person acquiring ownership of any such Building Lot shall be entitled to rely upon the provisions in the design guidelines received on the date of their acquisition of such Building Lot, so long as such dwelling and initial structure are completed within the time limits specified under Section 4.20. Thereafter, design guideline changes will govern and control further modifications or additional construction of improvements on such Building Lot; provided, no modification shall prevent repair or reconstruction of any improvement which complied with design guidelines at the time of original installation.

ARTICLE X: ANNEXATION OF ADDITIONAL PROPERTIES

10.1 By Declarant. Declarant may, in Declarant's sole discretion, deem it desirable to annex additional real property to the Property. Additional real property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarant, at any time, and from time to time, without the approval of any Owner or the Association so long as the Declarant is the owner of any building lot then included within the property.

10.2 By the Association. Once Declarant is no longer the Owner of any Building Lot then included in the Property, additional real property may be annexed to the Property, upon the vote or written consent of Members holding at least two-thirds (2/3) of the voting power 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 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 and the Owner thereof and which shall annex such property to the Property. The addition of additional real property to the Property under Section 10.2 shall be made by Amendment to this Declaration meeting the requirements of Section 12.2.

10.5 Deannexation. Declarant may delete all or a portion of the real property described on Exhibit "A," 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 Building Lot then included as 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 Section 11.1.

11.2 Easements of Access: All Owners of Building Lots will have a perpetual easement for access, ingress and egress over the Common Areas that may be designated as pathways, trails, or other routes created for access or travel. This easement shall run with the land. Such easements may be used by Declarant, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, 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 other than Declarant.

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 the Property 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 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 (except front yard areas as prohibited under Section 4.16); with all of the foregoing being subject to approval of the Architectural Committee in its discretion, and 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. Finally, the Owners of Building Lots within which portions of drainage facilities or improvements are located, including drainage swales, shall cause such items to be maintained in accordance with all applicable legal and approved design requirements and in good operating condition.

11.4 Easement for Perimeter Fence. An easement is reserved for the benefit of Declarant and the Association to enter on any portion of any Building Lot on which any perimeter fence that is included as part of the Common Area improvement is or may hereafter be erected or maintained. This easement will extend five feet on either side of such perimeter fence in order to provide access for maintenance, inspection, repair, reconstruction and any other work deemed reasonable or appropriate by the Declarant or Association, as applicable.

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 in whole or part by an amendment in accordance with Section 12.2.

12.2 Amendment. Except where a greater percentage may be required by express provisions in this Declaration, the provisions in this Declaration may be amended at any time, in whole or part, as follows:

a. Amendment. This Declaration and the By-Laws may be amended during the initial twenty (20) year period if seventy-five percent (75%) of the members vote to amend particular provisions of either instrument, Provided However, this Declaration may be amended during the Development Period by an instrument signed by the Declarant. The provisions expressly referring to the Declarant may not be amended without the Declarant's approval. All amendments must be filed with the office of the Spokane County Auditor.

b. Any amendment to Section 6.2 shall also require prior written approval from the Spokane County.

Any amendment, once approved as provided above, shall be made an instrument, in writing, signed and acknowledged by the President and Secretary of the Association, certifying and attesting that such amendment has been approved as required above. Any such instrument amending this Declaration and meeting the requirements above shall be effective upon its recordation with the Spokane County, Washington Auditor.

12.3 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 Section 12.3.

12.4 Enforcement Rights; Failure to Enforce Is Not a Waiver of Future Violations.

12.4.1 Right of Enforcement. Each Owner of any Building Lot (including the Declarant), as well as the Association, shall have the right to enforce any and all provisions of this Declaration with respect to any portion of the Property and any Owner, other than the right to impose and collect assessments. The right to impose and collect assessments is granted to and enforceable by the Declarant during the Initial Development Period, and thereafter by the Association.

12.4.2 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

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.

12.4.3 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.

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

12.4.5 Non-Waiver. The failure to enforce any of the provisions in this Declaration at any time shall not constitute a waiver of the right to enforce any such provision with respect to any future event or violation.

12.5 Limitation of Restrictions on Declarant. Notwithstanding anything in this Declaration to the contrary, rights are reserved to Declarant to perform Declarant's intended work in connection with improvements, development and marketing of the Property and the construction of the improvements thereon. The completion of that work in the sale of Building Lots is recognized as beneficial to the establishment and enhancement of the Property as a residential community. In order that Declarant's work may be completed in an expeditious and cost-effective manner, nothing in this Declaration will be interpreted to:

12.5.1 prevent Declarant, its contractors, or subcontractors, from doing on the Property or any Building Lot, whatever is reasonably necessary or advisable in connection with completion of Declarant's intended work; or

12.5.2 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 appropriate for the conduct of Declarant's business in completing its work, establishing the Property as a residential community, and marketing and disposing of the same in Building Lots by sale, lease or otherwise; or

12.5.3 prevent Declarant from maintaining such sign or signs on any portions of the Property as may be necessary or appropriate, in Declarant's reasonable discretion, for the sale, lease or disposition of the Property or any portion thereof.

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 section, 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.

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

BLA PARCEL "A"
55194.9077

Parcel A as shown on a Record of Survey (ROS) filed under Auditor's Number 6476484, located in the Southeast Quarter of Section 19, Township 25 North, Range 45 East, Willamette Meridian, County of Spokane, State of Washington.

EXCEPT that portion thereof described as follows:

COMMENCING AT the Southeast Corner of said Section 19,

Thence North 89°16'10" West, 1709.96 feet along the South line of said Southeast Quarter to the Southwest Corner of Parcel C of said ROS;

Thence North 00°43'50" East, 206.21 feet along the West line and to the Northwest Corner of said Parcel C;

Thence South 74°31'30" East, 200.24 feet along the North line of said Parcel C to the POINT OF BEGINNING;

Thence continuing along said North line the following 4 courses;

- 1) South 74°31'30" East, 174.76 feet;
- 2) North 88°45'23" East, 83.55 feet;
- 3) North 83°00'39" East, 185.50 feet;
- 4) North 68°02'13" East, 94.85 feet;

Thence South 82°03'37" West, 194.95 feet;

Thence North 87°37'47" West, 331.24 feet to the **POINT OF BEGINNING**.