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WHEN RECORDED RETURN TO:

Margaret L. Arpin
Arpin Law Office
1117 East 35th Avenue
Spokane, WA 99203

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS**

Grantor: Valenov, L.L.C, a Washington Limited Liability Company
Grantees: Valenov, L.L.C, a Washington Limited Liability Company
Legal Desc: See Exhibit A- 19-24-44 NE1/4, 20-24-44
Parcel No: 44191.9010, 44191.9025, 44194.0310, 44194.0311, 44194.0312, 44194.0313,
44202.9003, 44202.9016, 44202.9017

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATIONS OF EASEMENTS ("Declaration"), is made on the date hereinafter set forth, by Valenov, L.L.C., ("Declarant"), with reference to the following facts:

RECITALS

A. Declarant is the owner of certain real property located in Spokane County, Washington, which property is more particularly described on Exhibit A attached and made part of this Declaration by this reference (the "Property"). The property is comprised of eight (8) Tracts, including those depicted in Record of Survey, recorded by Declarant in Book 102 of Surveys at page 4 in the records of Spokane County, Washington, showing the layout of the Tracts as well as certain easements and other attributes of the Property. The Record of Survey is made a part of this Declaration by reference.

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS- 1

R. E. Excise Tax Exempt
Date 6/11 2003
Spokane County Treas.
By [Signature]



B. Declarant intends by the document to impose upon the Property a general plan of improvement for the mutual benefit of all of the Tracts comprising the Property and the Owners thereof. This Declaration replaces and supercedes the Declaration dated August 15, 2002, recorded in the records of the Spokane County Auditor under Auditor's File Number 4772622 on September 13, 2002.

DECLARATION

NOW, THEREFORE, Declarant hereby declares that Tracts 1-8, as shown on the Record of Survey and/or described in Exhibit A, will be held, sold, conveyed, owned, hypothecated, encumbered, used, occupied and improved subject to the following easements, covenants, conditions, restrictions and charges, which will run with the Tracts and will be binding on all parties having or acquiring any right, title or interest in the Tracts or any part thereof and will inure to the benefit of each Owner thereof.

SECTION 1. DEFINITIONS

As use in this Declaration, the terms set forth below will have the following meanings:

1.1 "Architectural Control Committee" means the committee formed pursuant to Section 6 of this Declaration.

1.2 "Association" means the formal or informal homeowners association comprised of the Owners of the Tracts formed pursuant to this Declaration to manage and maintain the Common Areas and the affairs of mutual interest to Declarant and the Owners of the Tracts, as provided in Section 5 of this Declaration.

1.3 "Common Area" means those portions of the Property to be managed and maintained by the Association for the benefit of the Declarant and the Owners, consisting of (a) an easement for the private road and other Easements for the common use of Declarant and the Owners of the Tracts, as recorded in public records, shown of the Record of Survey or set forth in this Declaration, and (b) gates, lights, sprinklers, landscaping, drainage ponds and facilities and other areas held for the common use of Declarant and the Owners of the Tracts, as on and along the private road known as Honorof Lane.

1.4 "County" means Spokane County, Washington.

1.5 "Declarant" means Valenov, L.L.C

1.6 "Design Guidelines" will mean Architectural Design Guidelines which may be promulgated from time to time by the Architectural Control Committee.



1.7 "Dwelling" means a building located upon a Tract for single-family residential occupancy.

1.8 "Easements" means the easements in, on and over the Property as recorded in the public records (including without limitation, those Easements recorded under Spokane County Auditor's Recording No. 4735387), shown on the Record of Survey or set forth in this Declaration.

1.9 "Improvement" means every structure or improvement of any kind, including but not limited to, buildings, landscaping and any fence, wall, driveway, swimming pool, tennis or sport court, light fixture, entry gate, storage shelter or other product of construction efforts on or in respect to the Property.

1.10 "Mortgage" means a mortgage, deed of trust or contract of sale; "mortgagee" means a mortgagee, holder of a vendor's interest under a land sale contract, or a beneficiary of a deed of trust; "mortgagor" means a mortgagor, holder of a vendee's interest under land sale contract, or a grantor of a deed of trust.

1.11 "Owner" means the person or persons, including Declarant, owning any Tract (including the holder of a vendee's interest under a land sale contract). The rights, obligations and other entitlements granted to or imposed upon an Owner under this Declaration commence upon acquisition of the ownership of a Tract and terminate upon disposition of such ownership, but termination of ownership will not discharge an Owner from obligations incurred prior to termination. Declarant, tenants or holders of leasehold interests in any Tract or a person holding only a security interest in a Tract (including the holder of a vendor's interest under a land sale contract) will not be deemed Owners.

1.12 "Property" will have the meaning given in the Recitals to this Declaration.

1.13 "Record of Survey" will have the meaning given in the Recitals to this Declaration.

1.14 "Sold" or "Purchased" means that legal title has been conveyed or that a contract of sale has been executed and recorded under which the purchaser has obtained the right of possession.

1.15 "Tract" means any of Tracts 1-8 within the Property.

SECTION 2. PROPERTY RIGHTS

2.1 Use and Occupancy. Except as otherwise expressly provided in this Declaration or in the Record of Survey or recorded easements, the Owner of a Tract will be entitled to the exclusive use and benefit of such Tract.



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2.2 Minimum Tract Size. No tract will be subdivided to create any parcel which is less than ten (10) acres.

2.3 Right of Entry. Upon notice or complaint of a possible violation of the restrictions set forth in this Declaration, the Architectural Control Committee and its representatives may, with two (2) days written notice, enter upon any Tract for the purposes of determining whether or not the use of and/or Improvements on such Tract are then in compliance with this Declaration. No such entry will be deemed to constitute a trespass or conversion or otherwise create any right of action in the Owner of such Tract.

2.4 Easements. No structure, planting or other material will be placed or permitted which may damage or interfere with the use of any Easement or the installation or maintenance of any utilities or other improvements within an Easement, or which may change the direction of flow of drainage, or which may obstruct or retard the flow of water through drainage channels. The Easements and all improvements thereon will be maintained by the Association on behalf of the Owners of the Tracts, except for those improvements for which a public authority or utility company is responsible. Each Tract Owner will be responsible for the removal of any fencing or vegetation or other obstruction placed by that Owner in any Easement area upon the request of a utility or other person having rights to use an Easement or place or maintain improvements therein.

SECTION 3. USE AND ARCHITECTURAL RESTRICTIONS

3.1 Structures Permitted. Except to the extent expressly provided in this Declaration, no Improvements will be erected or permitted to remain on any Tract, except a Dwelling and outbuildings permitted under Section 3.2. Only one Dwelling will be permitted on any Tract. Dwellings will not exceed three stories in height and will have, at minimum, a two-car garage. One or more Tracts may be used as a single building site. No manufactured home or mobile home will be constructed or placed on any Tract.

3.2 Outbuildings. Not more than two outbuildings, or one outbuilding and one detached garage, are permitted on each Tract. Outbuildings may include a guesthouse (provided the guesthouse is not rented to others), shop buildings, private greenhouse, storage unit, structure for storage of a boat and/or other recreational vehicle for personal use, or other similar outbuilding, provided the Improvement is in conformance with the other provisions of this Declaration and applicable governmental regulations, agreements, or land use approvals, is compatible in design and decoration with the Dwelling constructed on such Tract, does not obstruct or infringe on the view from or privacy of any Dwelling located on another Tract, and has been approved by the Architectural Control Committee. Attached garages, play houses, dog houses, pump houses, tennis courts, sport courts, private swimming pools, gazebos and similar structures are excluded from the limit on the number of outbuildings. No quonset type outbuildings are allowed.



3.3 No Commercial Use. Tracts will only be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration. No commercial structure or building of any kind may be erected on any Tract, nor will any trade, craft, business, profession, commercial goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Tract; PROVIDED that home occupations and business are permitted as allowed by the Spokane County Zoning Code, provided such activities are not designated by exterior signs and do not create significant additional vehicle traffic. Nothing in this Section will be deemed to prohibit: (a) any contractor or homebuilder from construction of Dwellings and outbuildings on any Tract or storage of construction materials and equipment on such Tracts in the normal course of construction in accordance with the other provision of this Declaration; or (b) the right of any Owner to maintain a professional personal library, keep personal business or professional records or accounts, handle personal business or professional telephone calls or confer with business or professional associates, clients or customers in his Dwelling, provided such activities are not designated by exterior signs and do not create significant additional vehicle traffic.

3.4 Minimum Dwelling Size. The ground floor of the main structure of a Dwelling, exclusive of open porches, decks, and garages, will not be less than two thousand four hundred (2,400) square feet for a one story Dwelling, nor less than sixteen hundred (3,500) total square feet for a Dwelling of more than one story. For purposes of this provision, a Dwelling with a daylight basement will be considered a Dwelling of more than one story. The Architectural Control Committee, upon application of any Owners, may waive and discharge any violation of this section which it finds to have been inadvertent.

3.5 Construction of Improvements. The construction of an Owner's Dwelling or any other building, including painting, all exterior finish, and hard surface driveways, will be completed within twelve (12) months from the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to extraordinary weather conditions, this period may be extended for a reasonable length of time, upon written approval from the Architectural Control Committee. The building area and roads will be kept tidy, clean and in workmanlike order during the construction period. The Owner of each Tract will be responsible for any and all damage to roads and utilities caused by construction. All construction activities will be in conformance with construction rules that may be adopted from time to time by the Architectural Control Committee. No trailer, basement, tent, shack, garage, barn or other outbuilding or any structure of a temporary character erected or placed on the Tract will at any time be used as a residence during construction or otherwise, except as provided in this Declaration.

3.6 Landscaping. All front yard landscaping must be completed within six months (not including the months of November through February) from the date of occupancy of the Dwelling constructed on a Tract. This period may be extended for a reasonable length of time for undue hardship due to extraordinary weather conditions, upon written approval from the Architectural Control Committee. Landscape completion will also include provisions for adequate roof and surface water drainage to prevent erosion and unreasonable discharge onto adjoining Tracts. No tree five



inches or more DBH (Diameter Breast Height) will be felled or removed from any Tract without prior consent of the Architectural Control Committee; PROVIDED, that an Owner is permitted to remove any tree he or she planted without first obtaining said consent.

3.7 Setbacks. Except as may otherwise be agreed in writing between the Owners of adjoining Tracts, no building or other Improvement will be located closer than one hundred feet from any common lines between the Tracts. If one Owner seeks to build one residence on two or more adjacent Tracts, these setback requirements will be applied to the exterior boundary of the area of common ownership. In addition, each Tract will be subject to: (a) the setback, maximum height and minimum side yard requirements which are established by any governmental entity with jurisdiction over such Tract; and (b) any land use review procedure established by any governmental entity with jurisdiction over such Tract for review and approval of variance from such requirements. No Improvement will be constructed or maintained in violation of any setback, maximum heights or minimum yard requirements, except with the written consent of the Architectural Control Committee and any applicable County approvals.

3.8 Exterior Plan, Materials and Finish. Exterior plans, materials and colors must comply with the terms of the Design Guidelines or be approved for use in advance by the Architectural Control Committee. The Architectural Control Committee will have the sole right and authority to waive or enforce the provisions of the Design Guidelines.

3.9 Offensive or Unlawful Activities. No noxious or offensive activities will be carried on upon any Tract, nor will anything be done to or placed on any Tract which reasonably interferes with or jeopardizes the enjoyment of other Tracts. No unlawful use will be made of a Tract, or any part thereof, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property will be observed. Without limiting the generality of the foregoing, no heat pump, ventilating or air conditioning equipment, or other equipment operating continuously for prolonged period of time, the operation of which produces noise at a level higher than eighty (80) decibels, will be allowed on or in any Tract or Dwelling, provided however that equipment used for construction of any Improvement, landscaping or periodic maintenance on the Tract will be allowed.

3.10 Animals. No Tract shall be used for the raising of animals for profit, with the exception of horses, llamas, alpacas, or goats provided that the same is limited to one animal for each acre of the Tract, and dogs. This provision does not exclude the keeping or raising of animals for the Owner's personal use. The Owner of the Tract shall fence or otherwise enclose animals so as to prevent them from accessing other Tracts or the Common Areas.

3.11 Maintenance of Improvements. Each Owner will maintain the Improvements and landscaping located on that Owner's Tract in a clean and attractive condition, in good repair and in such fashion as not to create a hazard of any kind. Such maintenance will include, without limitation, painting and staining, repair, replacements and care of roofs, gutters, down spouts, exterior building surfaces, surface water drainage, driveways, walks and other exterior improvements and glass



surfaces. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes will be the responsibility of each Owner and will be restored within a reasonable period of time. If any Owner fails to maintain his Dwelling or Tract, or to provide other maintenance or repair as provided herein in a manner which the Association deems necessary to preserve the appearance and value of the Property, the Association may notify the Owner of the work required and request that it be done within sixty (60) days, from the giving of such notice.

3.12 Storage of Equipment. Except as may otherwise be provided in this Declaration, boats, trailers, truck-campers, motor homes and like equipment shall not be parked or stored on Common Areas. Further, boats, trailers, truck-campers, motor homes and like equipment shall not be parked or stored on any Tract for more than thirty (30) days per calendar year unless reasonably screened from the view of other Dwellings, except that such equipment owned by a resident Owner will be allowed to be parked in the driveway servicing the Dwelling.

3.13 Vehicles in Disrepair. No Owner will permit any vehicle which is in a state of disrepair to be abandoned or to remain parked upon any Tract except in an enclosed garage. A vehicle will be deemed in a "state of disrepair" when it is not operational and unregistered.

3.14 Signs. No signs will be erected or maintained on any Tract except for the following signs:

3.14.1 Political Signs. The temporary placement of political signs on any Tract by the Owner thereof not exceeding five square feet in size;

3.14.2 Security System Signs. Security system signs not exceeding one (1) square feet in area and mounted on a wall, fence, or structure;

3.14.3 For Sale Signs. One "for sale" sign, not exceeding five square feet, placed on a Tract on behalf of the Declarant or the Owner of the Tract;

3.14.4 Street Address Signage. A sign on an address column identifying the street address of the Dwelling, consistent in appearance with identification signage for other Dwellings in the vicinity and at a location and in accordance with specifications approved by the Architectural Control Committee; or

3.14.5 Project Signage. Signage erected by or on behalf of the Declarant, in its sole discretion, in connection with construction and sale of Tracts, including, without limitation, directional signs and signs identifying Tracts.

3.15 Rubbish and Trash. No Tract will be used as a dumping ground for trash or rubbish of any kind. All garbage and other debris and waste will be kept in appropriate sanitary containers for proper disposal and out of public view.



3.16 Garbage and Refuse Disposal. All rubbish, trash and garbage will be regularly removed from the Property, and will not be allowed to accumulate thereon. Trash, garbage and other waste will not be kept except in sanitary containers. All equipment, garbage cans, wood piles, or storage piles will be kept screened and concealed from view of other Dwellings, streets and the Common Areas, except on days designated for garbage collection.

3.17 Service Yards and Antennas. Service yards (for garbage, fuel tanks, clotheslines, and the like), and exterior antennas, aerials and satellite dishes larger than two feet in diameter, located on a Tract will be completely screened such that the elements screened are not visible at any time from the ground floor level of any Dwelling located on any other Tract.

SECTION 4: COMMON AREA.

4.1 Access Easements. Declarant expressly reserves for the benefit of Declarant and the Owners, reciprocal, nonexclusive easements for access, ingress, and egress over all of the Common Areas, and for the use and enjoyment thereof. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successor, purchasers and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the property, for walkways, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Tract. Such easements over the Common Areas will be appurtenant to, binding upon and will pass with the title to every Tract conveyed.

4.2 Repair and Maintenance Rights and Duties of Association. The Association will operate and maintain the Common Areas and pay all costs thereof, and may contract for such maintenance and repair as may be necessary to keep the Common Areas in good condition. Maintenance and repair of roadways will include, but not be limited to, grading, replenishment of gravel, filling of potholes, plowing with reasonable prudence when it snows, repairing breakage or damage to the road surface and the like, as well as repair and maintenance of any ditches and culverts as needed to ensure proper drainage of surface water. Repair of damage to the Common Areas in excess of normal wear and tear will be the responsibility of the Owner causing such damage (whether caused directly by such Owner or by contractors or others acting on behalf of such Owners), and will be performed promptly at the sole cost of the responsible Owner. Declarant is hereby designated as the authorized agent for the purpose of ordering road maintenance, repair, snow plowing, etc., as needed, for a period of three years from the date of recording of this Declaration. The designated agent must obtain a concurrence of a majority of all Tract Owners before incurring any single expense in excess of the sum of \$1,000.00 in any calender year.

4.3 Maintenance Easement. Declarant expressly reserves for the benefit of the Association and all agents, officers and employees of the Association, nonexclusive easements over the Common Areas as necessary to maintain and repair the Common Areas. For the purposes of performing any maintenance, repair or replacement as authorized by this Declaration, or for purposes of making emergency repairs necessary to prevent damage to the Property or to other Dwellings, or for any

other purpose reasonably related to the performance by the Association of its responsibilities under this Declaration, the Association (and its agents and employees) will have an irrevocable easement over and onto all portions of the Common Areas.

4.4 Common Area Expense. Each Owner of a Tract, including the Declarant, will share equally all expenses incurred by the Association for maintenance, repair and improvements to the Common Areas. Common Area expenses will be billed to Owners monthly, or more often as determined by the Association. Common Area expenses will be due within thirty (30) days after billing. Each Owners's obligations to pay Common Areas expenses will commence with the first regular billing following a purchase of a Tract.

4.4.1 Common Area expenses will include the actual expenses of the Association, including costs of insurance, costs for water, electricity and other utilities necessary for the operation of the Common Areas, costs of maintenance, repair, replacement or improvement of the Common Areas, and any reasonable reserve for such purposes as found and determined by the Association. The first billing of Common Area expenses to any Owner will include \$100.00 for a reserve account.

4.4.2 Common Area expenses chargeable to a Tract, together with interest, costs, and attorneys' fees, will be a charge and a continuing lien upon the Tract, and will also be the personal obligation of the person who was the Owner of such Tract at the time when the expenses fell due. No Owner of a Tract may exempt him or herself from liability for his or her contribution toward the Common Area expenses by waiver of the use or enjoyment of any of the Common Areas.

4.4.3 In addition to the regular Common Area expenses authorized above, the Association may levy special assessment (without limitation as to amount or frequency) against an individual Tract and its Owner to reimburse the Association for costs incurred in bringing that Owner and his or her Tract into compliance with the provisions of this Declaration including actual attorneys' fees and costs.

4.4.4 The sale or transfer of any Tract will not affect any lien for payment of Common Area expenses, or relieve the Tract from any liability therefore, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Tract pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage given in good faith and for value will extinguish the lien of all such Common Area expenses as to payments which became due prior to such sale or transfer (except for Common Area expense liens arising prior to the recordation of the mortgage). Sale or transfer pursuant to mortgage foreclosure will not, however, affect the personal liability of the Owner from unpaid Common Area expenses. Any liens of Common Area expenses extinguished pursuant to this paragraph will be deemed to be Common Area expenses collectible from all of the Tracts, including the Tract for which the lien was extinguished.



4.4.5 If any Common Area expense billed to an Owner is not paid and received by the Association or its designated agent when due, such Common Area expense will thereafter bear interest at the rate of twelve percent (12%) per annum until paid. Additionally, a late charge of Twenty dollars (\$20) will be assessed for each month or fraction thereof from the due date until paid. Unpaid Common Area expenses will be a lien on each respective Tract, prior and superior to all other liens except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (b) the lien or charges of any mortgage of record made in good faith and for value. Such a lien may be enforced by sale by judicial foreclosure as a mortgage by the Association, or its attorney, or in any manner permitted by law. The Association, acting on behalf of the Tract Owners, will have the power to bid at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent and attorneys' fees will be maintainable without foreclosing or waiving the lien securing the same.

SECTION 5. ASSOCIATION

5.1 Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, any Articles and Bylaws adopted by the Association, together with the general and implied powers of the Association under the laws of the State of Washington which are necessary for the peace, health, comfort, safety and general welfare of its members, subject only to the limitations upon the exercise of such power as are expressly set forth in this Declaration.

5.2 Membership. The Owner of a Tract will automatically, upon becoming the Owner of that Tract, become a member of the Association, and will remain a member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association will automatically cease. Membership in the Association will not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Tract to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Tract should fail or refuse to transfer the membership registered in his name to the purchaser of his Tract, the Association will have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller will be null and void.

5.3 Voting Requirements. Except where otherwise expressly provided in this Declaration, any action by the Association which must have the approval of the Association membership before being undertaken will require the vote or written assent of the majority of the members of the Association.

5.4 Membership Meetings. Regular meetings of the Association will be held annually or more frequently upon approval by the members of the Association. The first meeting will be held at a time and place designated by Declarant by written notice to each Owner, and will be held within six months following the sale of the third Tract to a third party. Subsequent meetings of the Association will occur on an annual basis during the month in which the initial meeting of the Association occurred, unless another annual date is agreed to by the Association. At each meeting, the members



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shall elect one of themselves to act as chairperson for the succeeding year. The chairperson will give at least seven days' written notice of each meeting and may call special meetings as required, and will call special meetings at the request of a majority of the members of the Association. All meetings will take place at a location in Spokane County, Washington, specified in the notice. Notice of any meeting may be waived by any Owner at any time. No Owner who is present at a meeting may object to the adequacy of the notice given. The chairperson will conduct meetings of the Association and will be responsible for issuance of bills for Common Area expense, and payment of Common Area expenses from funds collected.

5.5 Proxies. Any Owner may give a proxy to any other Owner, so long as the proxy is in writing and signed by such Owner. A proxy will expire on the earlier of: (a) eleven months after the date of the proxy; or (b) the date of sale of such Owner's Tract or Dwelling by such Owner. Each Owner will have one vote for each Tract or Dwelling owned by such Owner. If there is more than one owner of any Tract, such Owners will together be considered a single Owner with respect to such Tract. All actions of the Owners will be by majority vote. Voting for members of the Architectural Control Committee will be conducted on an at-large basis.

SECTION 6. ARCHITECTURAL CONTROL COMMITTEE

6.1 Architectural Review. No improvement will be commenced, erected, placed, altered or maintained on any Tract until the plans and specifications, including, without limitation, site plans, building plans (including elevations), grading plans and landscape plans, which plans will include the proposed exterior lights, and exterior color and/or exterior material samples, showing the nature, shape, height, materials, colors and proposed location of the Improvement have been submitted and approved in writing by the Architectural Control Committee. It is the intent and purpose of this Declaration to achieve a high standard of quality of workmanship and materials and assure harmony of external design with existing Improvements and location with respect to topography and finished grade elevations.

6.2 Procedure. In all cases which require Architectural Control Committee approval or consent pursuant to this Declaration, the provisions of this Section apply. The procedure and specific requirements for Architectural Control Committee approval or consent may be set forth in Design Guidelines adopted from time to time by the Architectural Control Committee.

6.3 Committee Decision. The Architectural Control Committee will use all reasonable efforts to render its decision on an application for approval of the design of an Improvement or any other proposal submitted to it for approval or consent within fifteen (15) working days after it has received a complete written application therefor. A complete application will specify the approval or consent requested and be accompanied by all material reasonably required or desired by the Architectural Control Committee to make an informed decision on such application. If the Architectural Control Committee fails to render approval, conditional approval, or disapproval of such application within thirty (30) days after the Architectural Control Committee has received a



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complete application, approval will not be required and the related provisions of this Declaration will be deemed to have been fully satisfied. In addition, any suit regarding failure of an Owner to comply with the architectural review and approval provisions of this Section, or failure to construct an Improvement in accordance with the plans approved by the Architectural Control Committee, must be commenced within one year after completion of construction of the Improvement, or such suit will be barred and such Improvement will be deemed to have been constructed in accordance with this Section. "Working days" will mean weekdays when major banks are open for business.

6.4 Committee Discretion. The Architectural Control Committee may, in its sole discretion, withhold consent to any proposed Improvement if the Architectural Control Committee finds the proposed Improvement would be inappropriate for the particular Tract or incompatible with the design standards that the Architectural Control Committee intends for the Property. Consideration of siting, shape, size, color, design, height, solar access, impairment of view from other Tracts, effect on the enjoyment of other Tracts, disturbance of existing terrain and vegetation and any other factors which the Architectural Control Committee reasonably believes to be relevant including Design Guidelines as may be amended from time to time, may be taken into account by the Architectural Control Committee in determining whether or not to approve, deny approval, or condition its approval of any proposed Improvement.

6.5 Composition. Until the earlier of: (a) six months following the conveyance of the last Tract owned by Declarant to a third party; or (b) notification by Declarant to the Owners of Declarant's determination to relinquish control of the Architectural Control Committee (the "Turnover Date"), the Architectural Control Committee will consist of between one and three persons (who need not be Owners) appointed from time to time by Declarant. Thereafter, the Architectural Control Committee will consist of three Owners elected by the members of the Association in accordance with Section 6.6. Prior to the Turnover Date, Declarant will have the right to remove or replace any member of the Architectural Control Committee at any time with or without cause.

6.6 Elections. A meeting of the Association to elect members of the Architectural Control Committee will occur not more than thirty (30) days after the Turnover Date, as described in Section 6.5. At such meeting, the Owners of Tracts will elect three Owners to serve as members of the Architectural Control Committee, one for a term of one year, one for a term of two years, and one for a term of three years. Immediately after such election, the members of the Architectural Control Committee appointed by the Declarant will resign. Except for the officers elected at the meeting after the Turnover Date, all members of the Architectural Control Committee will serve three year terms, with one new member elected annually. Any member may serve more than one term. In the event that a member dies, resigns, or ceases to be an Owner, the resulting vacancy will be filled by designation of the Architectural Control Committee. The members so appointed will serve the remainder of the replaced member's term.



6.7 Majority Action. A majority of the members of the Architectural Control Committee will have the power to act on behalf of the Architectural Control Committee, without the necessity of a meeting, provided that all members of the Architectural Control Committee have been delivered prior written notice of the proposed action. The Architectural Control Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

6.8 Liability. Neither Declarant, the Architectural Control Committee, nor any member thereof, will be liable to anyone submitting plans to them for approval, or to any Owner or occupant of any Dwelling by reasons of a mistake in judgment, negligence or disapproval or failure to approve plans. Every person who submits plans to the Architectural Control Committee for approval agrees, by submission of such plans, and every Owner agrees not to bring any action or suit against Declarant, the Architectural Control Committee, or any member thereof to recover damages of any nature. The Architectural Control Committee's review and approval or disapproval of plans and specifications will not be relied upon by the applicant as an indication of compliance with applicable building codes or regulations, or of structural soundness of such Improvement, such review having been made solely to assure that the Improvements contemplated would be aesthetically compatible with existing Dwellings on the Property. The scope of the Architectural Control Committee's review is not intended to include any review or analysis of structural, geophysical, engineering or other similar consideration, nor any compliance with applicable building codes, rules, laws and/or ordinances.

6.9 No Warranty of Enforceability. While Declarant has no reasons to believe that any of the restrictive covenants contained in this Section or elsewhere in the Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Tract in reliance on one or more of such restrictive covenants will assume all risks of the validity and enforceability thereof and, by acquiring the Tract, agrees to hold Declarant harmless therefrom.

6.10 Non-Waiver. Consent by the Architectural Control Committee to any matter proposed to it or within its authority will not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

6.11 Effective Period of Consent. The Architectural Control Committee's consent to any proposed Improvement will automatically be revoked one year after issuance, unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the Architectural Control Committee.

SECTION 7. ENFORCEMENT



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7.1 Non-Qualifying Improvements. In the event an Owner constructs, attempts to construct, or permits to be constructed on such Owners's Tract an Improvement, or removes or commences to remove any trees or vegetation contrary to the provisions of this Declaration, the Architectural Control Committee may notify the Owner in writing of any such specific violations of this Declaration and may require the Owner to remedy or abate the same within sixty (60) days of the date of such notice in order to bring the Owners's Tract or Dwelling, including Improvements thereon and the Owner's use thereof, into conformance with this Declaration. If the Owner is unable or unwilling to comply with the Architectural Control Committee's specific directives for remedy or abatement, or the Owner and the Architectural Control Committee cannot agree on a mutually acceptable solution within the framework and intent of this Declaration, and within the notice period stated above, then the Declarant, prior to the Turnover Date, and thereafter the Association, upon notification by the Architectural Control Committee of such non-qualifying Improvement, will have, in addition to any other rights or remedies provided in this Declaration, at law or equity, the right to bring suit or action against the Owner to enforce this Declaration.

7.2 Other Violations. Except as provided in Section 7.1, should any person violate or attempt to violate any of the provisions of this Declaration, the Declarant, prior to the Turnover Date, and thereafter the Association, at its option, but without obligation, will have the full power and authority to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any of such provisions, either to prevent the violation of such provisions, to require performance of such provisions, or to recover damages sustained by reason of such violation. Failure by the Declarant or the Association to enforce any covenant or restriction herein contained will in no event be deemed a waiver of the right to do so thereafter.

7.3 Expenses and Attorneys' Fees. If the Declarant or the Association files a notice of lien, the lien amount will also include the recording fees associated with filing the notice, and the cost of preparing the lien. If the Declarant or the Association brings any suit of action to enforce this Declaration, or to collect any money due hereunder or to foreclose a lien, the prevailing party in such suit or action will recover such an amount as the court may determine to be reasonable as attorneys' fees and expenses of litigation at trial, including a foreclosure report, and upon any appeal or petition for review thereof.

7.4 Non-Exclusiveness and Accumulation of Remedies. An election to pursue any remedy provided for a violation of this Declaration will not prevent concurrent or subsequent exercise of any other remedy permitted hereunder. The remedies provided in this Declaration are not exclusive, but will be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law.



SECTION 8. MISCELLANEOUS PROVISIONS

8.1 Amendment and Repeal. This Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed in whole or in part: (a) by Declarant alone for as long as Declarant owns at least one Tract or; (b) thereafter by the vote or written consent of not less than two-thirds (2/3) of the Owners. Any such amendment or repeal of this Declaration will become effective only upon recordation in the real property records of Spokane County of a certificate of a member of the Architectural Control Committee (and of Declarant, if applicable) setting forth in full the amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required by this Declaration.

8.2 Duration. This Declaration will run with the land and will be and remain in full force and effect at all times with respect to all Tracts included within the Property, and the Owners thereof for an initial period of twenty (20) years, commencing with the date on which this document is recorded. Thereafter, the Declaration will continue to run with the land and be and remain in full force and effect at all times with respect to all Tracts included within the Property, and the Owners thereof, for successive additional periods of ten years each. The continuation from the initial or any additional period into the next following period will be automatic and will not require any notice, consent or other action whatsoever; provided, however, that this Declaration may be amended or repealed at any time pursuant to Section 8.1.

8.3 Joint Owners. In any case in which two or more persons share the ownership of any Tract, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration will be a joint and several responsibility, and the act or consent of any one or more of such persons will constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them will be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Association, and the vote or right of consent involved will then be disregarding completely in determining the proportion of votes or consents given with respect to such matter.

8.4 Lessees and Other Invitees. Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner will comply with all of the provisions of this Declaration restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Tract and other areas within the Property. The Owner will be responsible for obtaining such compliance and will be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

8.5 Non-Waiver. Failure by the Declarant, the Association, the Architectural Control Committee or by any Owner to enforce any covenant or restriction contained in this Declaration will in no event be deemed a waiver of the right to do so thereafter.



8.6 Severability. Each provision of this Declaration will be deemed independent and severable, and the invalidity or partial invalidity of any provision will not affect the validity or enforceability of the remaining part of that or any other provision.

8.7 Number. As used herein, the singular includes the plural and the plural the singular, and the masculine and neuter will each include the masculine, feminine and neuter, as the context requires.

8.8 Captions. All captions used in this Declaration are intended solely for convenience of reference and will in no way limit any of the provisions of this Declaration.

8.9 Notices and Other Documents. All notices and other communications under this Declaration will be in writing and will be deemed to have been given on the date of delivery when delivered by personal service or facsimile transmission, or three business days after delivery to the United States Mails, postage prepaid, certified or registered mail, return receipt requested, addressed to the party to which such notice is directed at its last address provided to the Association. A minimum of thirty (30) days advance notice will be given as to any matter requiring a vote of the Owners.

8.10 Limitation of Duties and Liability of Declarant. Neither the Declarant nor the Association nor the Architectural Control Committee will have any duty to enforce any provision of this Declaration. Declarant will not be liable to any Owner on account of any action or failure to act of Declarant in performing its duties or rights hereunder, provided the Declarant has, in accord with actual knowledge possessed by it, acted in good faith.

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Unofficial Document

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the 1st day of April, 2003.

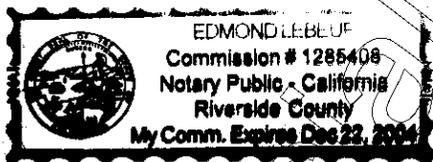
VALENOV, L.L.C., a Washington Limited Liability Company

By [Signature]
FRANK HONOROF
Its: Managing Member

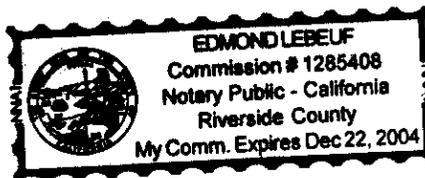
STATE OF CALIFORNIA
)ss.
County of RIVERSIDE)

On this 1st day of APRIL, 2003, before me, a Notary Public, personally appeared Frank Honorof, known to me to be the Managing Partner of VALENOV, L.L.C. a Washington Limited Liability Company, and the person who executed the foregoing instrument on behalf of VALENOV, L.L.C. a Washington Limited Liability Company, and acknowledged to me that VALENOV, L.L.C. a Washington Limited Liability Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year in this certificate first above written.



Edmond Lebeuf
Notary Public for CALIFORNIA
Residing in RANCHO MIRAGE
My Commission expires: DEC. 22, 2004





ARPTN

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\$38.00

EXHIBIT "A"

PARCEL "A"

The Southwest Quarter of the Northeast Quarter of Section 19, Township 24 North, Range 44 East of the Willamette Meridian;

EXCEPT the following described tract conveyed to Elbert D. Becker:

BEGINNING at the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 19, said corner being 1333 feet South of the North Quarter of said Section 19;
 Thence East along the North line of the Southwest Quarter of the Northeast Quarter a distance of 809.7 feet to a point;
 Thence South 845 feet;
 Thence West 486.5 feet;
 Thence South 17°40' West a distance of 1124.8 feet to a point on the West line of the North Half of the Southeast Quarter of said Section 19;
 Thence North a distance of 1916.7 feet to the place of beginning;

Situate in the County of Spokane, State of Washington.

PARCEL "B"

The East Half of the Northeast Quarter of Section 19, Township 24 North, Range 44 East of the Willamette Meridian;

EXCEPT that portion described as follows:

BEGINNING at the Northeast corner of Section 19;
 Thence South 0°00'33" West, along the East line thereof 763.4 feet;
 Thence South 85°16'52" West 559.18 feet;
 Thence South 54°59'57" West 175.68 feet;
 Thence South 72°50'07" West 641.7 feet to the West line of said East Half of the Northeast Quarter;
 Thence North 0°01'19" West along the said West line 1090.32 feet to Northwest corner of said East Half of the Northeast Quarter;
 Thence South 89°58'42" East along said North line 1317.57 feet to the Point of Beginning;

Situate in the County of Spokane, State of Washington.

PARCEL "C"



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Lots 1, 2, 3, 4 and 5, FIRST ADDITION TO SHARON PARK, as per plat recorded in Volume "I" of Plats, page 26, records of Spokane County;

EXCEPT that portion of Lot 5 contained in the following described Tract conveyed to Elbert D. Becker:

BEGINNING at the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 19, said corner being 1333 feet South of the North Quarter of said Section 19;
Thence East along the North line of the Southwest Quarter of the Northeast Quarter a distance of 809.7 feet to a point;
Thence South 845 feet;
Thence West 486.5 feet;
Thence South 17°40' West a distance of 1124.8 feet to a point on the West line of the North Half of the Southeast Quarter of said Section 19;
Thence North a distance of 1916.7 feet to the place of beginning;

INCLUDING the vacated street lying between Lot3 and Lots 4 and 5;

Situate in the County of Spokane, State of Washington.

PARCEL "D"

The Southwest Quarter of the Northwest Quarter of Section 20, Township 24 North, Range 44 East of the Willamette Meridian;

Situate in the County of Spokane, State of Washington.

PARCEL "E"

The South Half of the North Half of the Northwest Quarter of the Northwest Quarter of Section 20, Township 24 North, Range 44 East of the Willamette Meridian;

EXCEPT the East 20 feet thereof for Bruna County Road;

ALSO delineated as Tract C on that certain Record of Survey, recorded October 10, 1986 in Book 37 of Surveys, page 67, as Auditor's File No. 8610100167;

Situate in the County of Spokane, State of Washington.

PARCEL "F"



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The North Half of the North Half of the Southeast Quarter of the Northwest Quarter of Section 20,
Township 24 North, Range 44 East of the Willamette Meridian;

EXCEPT Bruna County Road;

Situate in the County of Spokane, State of Washington.

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