



RETURN ADDRESS:

**STEPHAN L. BYRD
AMY K. BYRD
P.O. BOX 172
SPOKANE, WA 99210**

Document Title:

DECLARATION ESTABLISHING COVENANTS, CONDITIONS, RESTRICTIONS and EASEMENTS FOR PARKVIEW BLUFF

Grantor(s):

- 1. Stephan L. Byrd
- 2. Amy K. Byrd

Grantee(s):

- 1. Public

Legal Description:

07-26-42 Parcel 1+2 of R.O.S Auditors F.L. #4537439
NE Book 95 P 36

Parcel Numbers:

26071.9087
26071.9088



**DECLARATION ESTABLISHING
COVENANTS, CONDITIONS, RESTRICTIONS and EASEMENTS
FOR PARKVIEW BLUFF**

This Declaration is made this 3rd day of Apr. 1
2006, by STEPHAN L. BYRD and AMY K. BYRD, husband and wife, as
"Declarants".

ARTICLE I: RECITALS

1.1 Real Property Description. Declarants are the owners and developers of all that real property located in Spokane County, Washington, legally described on Exhibit "A" attached hereto and incorporated herein by this reference, and sometimes referred to below as "the Property" and sometimes referred to below as "Parkview Bluff." The legal description for the property is incorporated herein by this reference.

1.2 Development. Declarants intend to develop and market The Property as separate Lots for single-family home purposes. Upon Recordation of this Declaration, Declarants submit and subject the Property, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of The Property), to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein. Declarants further establish and authorize a plan of development to be implemented by Declarants pursuant to, and under the authority of, the Declaration.

Declarants deem it desirable to establish covenants, conditions and restrictions upon the Property and each and every portion thereof, and certain mutually beneficial restrictions and obligations with respect to the proper use, occupancy and enjoyment thereof, all for the purpose of enhancing the quality of life within the Property.

Declarants also deem it desirable for the efficient management of the Property to provide for creation of an Architectural Control Committee to which will be delegated and assigned, in conjunction with Owners of parcels within the Property, the powers of administering and enforcing these covenants, conditions, restrictions and easements, and the

R. E. Excise Tax Exempt
Date 4-3 2006
Spokane County Treas.
By [Signature]



performance of such other acts as are herein provided or which generally benefit the Owners of the Property.

Declarants desire and intend that the owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other Persons hereafter acquiring any interest in The Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights set forth herein and in the Declaration, all of which are declared to be in furtherance of a plan to promote and protect the Property.

1.3 Conditions. Any future development plans for the Property, whether in existence prior to or following, the effective date of this Declaration are subject to change at any time by Declarants, in their sole discretion, and impose no obligations on Declarants as to how said real property is to be developed or improved. Any purchaser of a Lot within the Property acknowledges that said Lot is subject to zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed. Each purchaser acknowledges that it is their sole responsibility to determine and become familiar with the same, constructively or otherwise.

1.4 Purpose. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that apply to the Property. The Restrictions are designed to preserve the value, desirability and attractiveness of the Property, to ensure a well-integrated development, and to provide for adequate maintenance of any common areas and improvements located therein (intended to consist of private roads and related drainage areas, facilities and apparatus) in a cost effective and administratively efficient manner.

ARTICLE II: DECLARATION

Declarants hereby declare that the Property, and each Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale thereof, and to enhance the value, desirability and attractiveness thereof. The terms, covenants, conditions, easements and restrictions set forth herein shall run with the land, and with each estate therein, and shall be binding upon all persons having or acquiring any right,



NADIR CONSULTING

COV \$72.00

5362324

Page: 4 of 41

04/03/2006 03:16P
Spokane Co, WA

title or interest in said real property or any Lot, parcel or portion thereof; shall inure to the benefit of and be binding upon Declarants, Declarants' successors in interest and each grantee or owner and such grantee's or owner's respective successors in interest, and may be enforced by Declarants, by any owner or such owner's successors in interest, against any other owner, tenant or occupant of said real property.

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

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by the Declarants or the Owners pursuant to Article VI hereof, and may be referred to herein and in the Design Guidelines as the "Committee".

3.2 "Articles" shall mean the Articles of Incorporation of the Association, as they may be amended from time to time.

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 Parkview Bluff Homeowners Association, a Washington non-profit corporation, its successors and assigns, established by Declarants to exercise the powers and to carry out the duties set forth in this Declaration, the Association's Articles and Bylaws, the Design Guidelines, and amendments or supplementation to any of these which may be adopted.

3.5 "Board of Trustees" shall mean the governing body of the Association.

3.6 "Bylaws" shall mean the Bylaws of the Association, as they may be amended from time to time.

3.7 "Common Area" shall mean all real property in which the Association holds an interest or which is held or maintained,



permanently or temporarily, for the common use, enjoyment and benefit of the Owners. Declarants may establish common Area from time to time on any portion of the Property by describing it on a Plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Common Area may include easement and/or license rights.

At the time of execution of this Declaration, the Common Area is intended to consist of a private road to be shown on the face of the Plat providing access for ingress and egress to and from the Lots, an entry gate at the entrance to the private road onto the Property, entryway monuments and features, and wells proving potable water for home consumption and water for limited landscaping maintenance as provided in this Declaration, and ancillary structures and improvements related to the foregoing.

3.8 "Declarants" shall refer the Declarants named as such in the introductory paragraph of this Declaration, or any person or entity to which the rights under this Declaration are expressly transferred by Declarants or their successor(s).

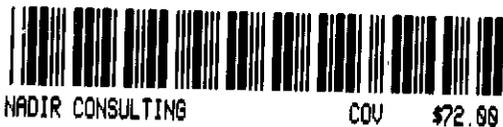
3.9 "Declaration" shall mean this Declaration as it may be amended from time to time.

3.10 "Design Guidelines" shall mean the architectural standards, rules, regulations, restrictions and design guidelines adopted from time to time by the Architectural Committee.

3.11 "Dwelling" shall mean any building or portion thereof within the Property that is designated and intended for use and occupancy as a single-family residence.

3.12 "Improvement" shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, roads, common drives, driveways, patios, curbs, entryways, landscaping, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, waterways, and fixtures of any kind whatsoever.

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



3.14 "Lot" shall mean a segregated building parcel within The Property as specified or shown on the Plat and/or on any future Replat, upon which Improvements may be constructed. At the time of executing this Declaration, the Property is intended to include four Lots.

3.15 "Mortgage" shall include obligations secured by a recorded mortgage, deed of trust or real estate contract.

3.16 "Mortgagee" shall include a mortgagee, beneficiary under a deed of trust, real estate contract vendor, or other person holding the interests of any of these.

3.17 "Owner" shall mean the person or other legal entity, including Declarants, who acquire a fee simple interest of record to a Lot that is a part of the Property after the date hereof; as well as Purchasers under real estate contracts, but excluding those having such interest merely as security for the performance of an obligation.

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

3.19 "Private Roadways" shall mean those portions of the Common Area consisting of a private road and roadways providing access from the Lots to the public right of way. They may be owned by the Association or by the Owners of the Lots across which they traverse, but in either case shall be maintained by the Association unless ownership is transferred to a public body.

3.20 "Property" shall mean the Property described on Exhibit "A" attached hereto and incorporated herein by this reference, including each Lot, parcel and portion thereof and interest therein, including all water rights associated with or appurtenant to such property. The Property included in Exhibit "A" is subject to this Declaration upon the recording of this Declaration and without the filing of a Supplemental Declaration.

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

3.22 "Set Aside Area" shall mean the portion of the Property other than the Lots and Common Area. A substantial portion of the total Property is, at the time of executing this Declaration, restricted from further development and is intended to remain in a natural state until changes in its land use designation, zoning



designation, and/or other applicable government regulatory designations and provisions, permit future development, should the same ever occur. Until such time, if ever, as further development is permitted as provided in the next sentence, development potential and rights, which would otherwise apply to the Set Aside Area, have been allocated and assigned to the Lots. No development of the Set Aside Area shall be permitted, including any such development by Declarants, absent approval by Spokane County or such other applicable governmental authority as may then have jurisdiction.

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

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

**ARTICLE IV: PARKVIEW BLUFF
HOMEOWNERS ASSOCIATION**

4.1 Organization of Parkview Bluff Homeowners Association.

The Parkview Bluff Homeowners Association, the "Association," shall be initially organized by Developer 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. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration or with any Supplemental Declaration that might be adopted.

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



4.3 Voting. Voting in the Association shall be carried out by the Members, who shall cast the votes attributable to the Lots that they own. When more than one person holds an interest in any Lot, all such persons shall be Members but shall share the votes attributable to the Lot. Fractional votes, however, shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot(s) from which the vote derived. The right to vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer of conveyance of such Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

Notwithstanding the above, control of the development, the Property, and control of the Association shall be held exclusively by the Declarants during the Initial Construction Period. The Initial Construction Period shall continue to exist until the sooner of a) the written decision of the Declarants, provided to all then owners of Lots within the development, of Declarants' decision to relinquish some or all of the control rights reserved to it hereunder; or b) sale to third party purchasers, other than the Declarants, of eighty percent (80%) of all Lots created within the Property, including any additional Lots which may be annexed into and made subject to this Declaration by the Declarants prior to relinquishment of such control rights.

4.4 Board of Trustees and Officers. The affairs of the Association shall be conducted and managed by a Board of Trustees ("Board") and such officers as the Board may elect or appoint, all selected and authorized to act in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board shall be appointed by Declarants during the Initial Construction Period.

4.5 Power and Duties of the Association.

4.5.1 Powers. 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:

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

4.5.1.2 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, and Architectural Guideline Provisions adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

4.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of the Common Area. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

4.5.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable. The Association may govern the use of the Common Areas by the Owners, their families, invitees, licensees, lessees or contract purchasers; provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or



otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any other provisions of this Declaration, or other Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

4.5.1.5 Emergency Powers. The power, exercised by the Association or by any person authorized by it, to enter upon any part of the Property (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable.

4.5.1.6 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:

4.5.1.6.1 Lines, cables, wires, conduits, stanchions, meters, and other associated facilities, equipment and apparatus for the transmission of electricity or electronic signals for lighting, heating, power, telephone, television, fiber optic or other communications media, or other purposes, whether above or below ground; and

4.5.1.6.2 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, utilities or facilities.

4.5.1.6.3 Mailboxes and sidewalk



abutments around such mailboxes or any service facility, berms, fencing and landscaping abutting common areas, facilities related to governmental requirements including storm water systems, public and private road or land conveyed for any public or quasi-public purpose including, but not limited to, 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 after the death of all of the issue of the individual(s) executing this Declaration who is (are) in being as of the date hereof.

4.5.2 Duties. In addition to authority to perform functions necessary and proper to carry out the power delegated to the Association by this Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

4.5.2.1 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of improvements included in the Common Area, including the repair and replacement of improvements damaged or destroyed by casualty loss.

Specifically, the Association shall, at Declarants' sole discretion, operate and maintain all areas designated as Common Areas.

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

4.5.2.3 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, provided,



however, that such taxes and Assessments are paid subject to action to recover the same, prior to the sale or disposition of any property to satisfy the payment of such taxes and Assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax-exempt corporation.

4.5.2.4 Water and Other Utilities. Acquire, provide water (intended to be provided by the two private wells located on the Lots), and provide and/or pay for garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area.

4.5.2.5 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 deems necessary or advisable, including, without limitation the following policies of insurance:

4.5.2.5.1 Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all Improvements, equipment and fixtures located within the Common Area.

4.5.2.5.2 Comprehensive public liability insurance insuring the Board, the Association, the Declarants and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area in such amounts as the Association shall determine.

4.5.2.5.3 Full coverage directors' and officers' liability insurance with limits in such amounts as the Association shall determine.

4.5.2.5.4 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.

4.5.2.5.5 The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Owner's interests in such proceeds and to deal therewith.

4.5.2.5.6 Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

4.5.2.6 Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Declaration.

4.5.2.7 Architectural Guidelines. Make, establish, promulgate, amend and repeal such provisions within the Design Guidelines as the Board shall deem advisable.

4.5.2.8 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.

4.5.2.9 Private Road and Related Drainage Facilities. Maintain, repair or replace private road and related drainage facilities now or hereafter located on the Property. This duty shall run with the land and cannot be waived by the Association unless the County of Spokane consents to such waiver.

4.5.2.10 Buffer Easement. Even though the buffer easement is not designated as a Common Area, in the event Declarants or the Association elect in the future to create trails and/or paths within the buffer easement area, and the same is permitted by applicable governmental authorities, then such easement areas shall be considered Common Areas and all obligations



for construction, maintenance and repair of such paths and/or trails shall be and remain the responsibility of the Association, in like fashion as obligations associated with other common areas within the Development.

4.6 Personal Liability. No Member of the Board, or member of any committee of the Association, or any officer of the Association, or the Declarants or any of their owners or officers, or 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 the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, any of the Declarants, or the Architectural Committee, or any other committee, or any officer of the Association, or any of the Declarants, 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; and, provided that such person has so acted, the Association shall indemnify and hold harmless said person from any damage, loss or prejudice aforesaid including all defense costs and reasonable attorneys' fees.

4.7 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and copies shall be distributed to each Member of the Association as follows:

4.7.1 A pro forma operating statement or budget, for each fiscal year shall be distributed not less than sixty (60) days before the beginning of each fiscal year. The operating statement shall include a schedule of Assessments received and receivable, identified by the Lot number and the name of the person or entity assigned.

4.7.2 Within one hundred twenty (120) days after the close of each fiscal year, the Association shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and annual operating statements reflecting the income and expenditures of the Association for its last fiscal year.

ARTICLE V: ARCHITECTURAL CONTROL

5.1 Structures - Generally. All structures (except for sales offices or similar facilities of Declarants) are to be designed, constructed and used in such a manner as shall be



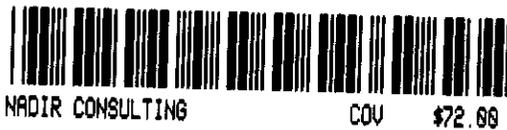
compatible with this Declaration and shall meet the following minimum standards.

5.1.1 Single Family Design of Dwelling Structure. All Lots shall be improved and used solely for residential use. No Lot shall be improved, except with a single family dwelling unit designed to accommodate no more than a single family and its employees and occasional guests, and such other Improvements as are necessary or customarily incident to a single family residence. No dwellings shall be moved onto the site for placement on a Lot from off-site, including previously used houses and manufactured homes. Rather, all homes shall be stick-built on the Lot.

5.1.2 Size of Structures. Dwelling units shall meet the minimum size requirements imposed by the Architectural Guidelines in effect at the commencement of construction. In any event, however, the main structure of a dwelling, exclusive of basement or daylight basement areas, garages, patios, breeze-ways, and storage rooms will contain at least 1,500 square feet, with at least 1,300 square feet on the ground floor living level when the home is viewed from the front. All dwellings must also have a two-car enclosed garage. One or more additional detached garages, shops, barns, or other typical out-buildings may be built on each Lot, provided exterior finish, materials, appearance and size shall require prior written Architectural Control Committee approval, to assure conformity and aesthetic compatibility with other homes and structures on the Lot and surrounding portions of the Property.

5.1.3 Building Set-Back and Fence Requirements. No dwelling unit, building, fence, structure or other barrier shall be erected or maintained nearer than 25 feet from any front side or rear Lot line. Lot owners shall be responsible for determining all such applicable laws, rules, and regulations, and owners are advised that the existence of wetlands, if any, may impose additional setback requirements which are more restrictive than the guidelines stated above.

For purposes of this paragraph, eaves, steps, and open porches shall not be considered as part of a building; provided, however, that this provision shall not be construed as permitting any portion of a building on a Lot to encroach upon any other Lot, or to supercede or contravene any applicable laws, rules or



regulations, including Spokane County, Washington building codes.

5.1.4 Temporary Structures. No basement without a house completed in accordance with these guidelines, and no tent, shack, garage, barn or other outbuilding or any structure of a temporary character erected or placed on any Lot shall at any time be used as a residence, temporarily or permanently. This provision shall not be construed as prohibiting an Owner from permitting a tent or similar item to be erected on their Lot for short-term individual use, which shall not exceed one month unless approved by the Committee. Nor shall any of the above prohibited items be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property. Also excepted from this requirement is any sales office established by Declarants for the Property.

5.1.5 Building Materials. Building materials shall be of such grade, quality and appearance as may be approved by the Architectural Control Committee to protect and enhance the appearance of the Property. For example, the architectural guidelines shall not permit T1-11 type siding on the street (front) side of a dwelling or 3-tab composition roofing, but shall permit architectural composition roofing. All roofs shall have at least a pitch of 5:12.

5.1.6 Construction Completion Requirements. Any dwelling or structure erected or placed on any Lot in the Property shall be completed as to exterior appearance within twelve (12) months from the date of commencement of construction, and all construction debris shall be removed from the Property within thirty (30) days of completion of construction. Provided, the Architectural Committee may extend the time requirement for completion on behalf of any Owner upon a showing of good cause, in the sole discretion of the Architectural Committee.

5.2 Use and Maintenance of Property.

5.2.1 Business Use and Certain Vehicles Prohibited. No dwelling unit shall be used for any purpose other than single-family residential purposes. Subject to the provisions of Section 5.2.24 below, no gainful occupation, profession, trade, craft, commercial or manufacturing, day care or other non-



residential use shall be conducted on any Lot. Nor shall any bulk piles or stocks of goods, nor equipment or vehicles with a weight in excess of ten thousand (10,000) pounds, (including buses, trucks, trailers, construction related equipment, recreational vehicles, and similar vehicles whether used for business or personal use) be permitted to be kept or stored outside of structures on Lots, or on any of the roads. Provided, however, that nothing in this Declaration shall prevent the rental of a house by Owner for residential purposes on a long- or short-term basis.

5.2.2 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. This includes a prohibition against any activity which would in any way interfere with the quiet enjoyment of any Owner, or increase any insurance policy to be canceled or non-renewed, or impair the structural integrity of any properly placed structure. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Committee), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Committee.

5.2.3 Animals/Pets. No more than a total of five (5) animals shall be kept on any Lot and any animals kept on any Lot shall be housed, maintained, handled and kept using good animal husbandry practices. No animal wastes or feed shall be allowed to become unsightly or to create an obnoxious or offensive odors. No pets shall be allowed to be kept which are determined, in the discretion of the Architectural Control Committee, to habitually make loud and/or disturbing noises, to be permitted to run at large outside of the Owner's Lot, or to otherwise be offensive to other owners and users of any portions of



NADIR CONSULTING

COV \$72.00

5362324

Page: 18 of 41

04/03/2006 03:16P

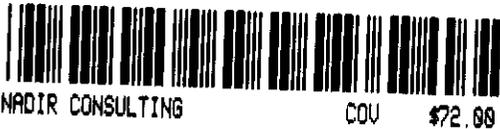
Spokane Co, WA

the Property. No permitted pets shall be allowed to run at large and at all pets, not in an enclosed location or on a leash shall be closely supervised by the Owner who shall be responsible for assuring that the dog does not travel outside the Owner's Lot unless leashed. So long as the Architectural Committee, in its discretion, has approved plans therefore in advance, dog kennels or other animal runs may be permitted on each individual Lot. The Architectural Committee shall have authority to restrict location of such kennels and runs, including requiring the removal or relocation of such items, so that they are located far enough from neighboring Lots so as not to unreasonably interfere with the quiet enjoyment of neighboring Lot Owners. Any pet not inside an Owner's dwelling or an authorized kennel or run shall be restrained on a leash or supervised so as to remain on the Owner's Lot.

5.2.4 Garbage and Refuse Disposal. No owner shall permit trash, garbage or other waste to be stored in excessive amounts. All such trash, garbage and other waste, while on the Lot, shall be kept in sanitary containers. All equipment for the storage and disposal of such material shall be kept in a clean and sanitary condition, out of visual sight from the street or adjoining Lots. All such material shall further be disposed of outside of the Property by the Owner or by utilization of a garbage management service established for such purpose.

5.2.5 Sight Distance at Intersections. No fence, wall, hedge, shrub, planting or other structure or obstruction shall be permitted which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at a point 20 feet from the intersection of said street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

5.2.6 Insurance Rates. Nothing shall be done or kept on any Lot that will increase the rate of insurance on any other portion of the Property without the approval of the Owner of such other portion, nor shall anything be done or kept on the Property or a Lot which would be in violation of any law.



5.2.7 No Further Subdivision. Subject to paragraph 5.2.18 below, no finally platted Lot may be further subdivided without an amendment to this Declaration.

5.2.8 Exterior Maintenance; Owner's Obligations. The portion of an Owner's yard surrounding their dwelling lying within the Building Envelope must be completed landscaped within one year of completion of the exterior of the residence on such Lot. No Improvement, including installed trees and landscaping, shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, including tress and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or damages adjoining property or facilities, the Committee, upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so, and such Owner shall promptly reimburse the Committee for the cost thereof. Such cost shall be an Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VI of this Declaration. The Owner of the offending property shall be personally liable, and such Owner's property may be subject to a mechanic's lien for all costs and expenses incurred by the Committee in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor. In the alternative, or in the event the Committee does not arrange for the payment of such costs to be advanced, the Committee may take necessary actions to collect all costs for making such necessary repairs or corrections from the Lot Owner before causing such work to be performed.

5.2.9 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved by all necessary governmental authorities. The Owner of any Lot responsible for causing this provision to be violated shall be fully responsible for all costs associated with corrective actions or obtaining approvals and shall indemnify and hold



harmless Declarants and other Lot Owners from all liability, damages, costs and expenses associated with any resulting violations or required corrections.

For the purposes hereof, "established" drainage is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarants, or any drainage plan approved by governmental authorities.

The Owner of any Lot shall be responsible for assuring compliance with the drainage easement restrictions and requirements evidenced on the face of the Plat.

5.2.10 Grading. The Owner of any Lot within the Property in which grading or other work has been performed pursuant to any governmental requirements or authorization shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of a public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Assessments provided in Articles VI herein, as may be applicable.

5.2.11 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements constructed on any property that are or might be unsafe or hazardous to any person or property.

5.2.12 Unsightly Articles. No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Committee and removed on a timely basis at the expense of each Lot owner. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or as appropriately screened from view. No vacant residential structures shall be used for the storage of building materials.



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

5.2.14 Sewage Disposal Systems. No municipal sewer system is contemplated for the Property. Each Lot Owner shall be responsible for constructing an individual sewage disposal system on each Lot that conforms to the requirements and regulations of the Spokane County Health Department and any other governmental agency having authority with respect to such system.

5.2.15 Fires. No open burning, other than barbecues, shall be permitted on any Lot.

5.2.16 Exemption of Declarants. Nothing contained herein shall limit the right of Declarants to subdivide or resubdivide any portion of the Property, including Common Areas, to grant licenses, to reserve rights-of-way and easements to utility companies, public agencies or others. Nor shall anything contained herein limit the right of Declarants to excavate, grade and construct improvements, including landscaping alterations, roads and any other improvement of whatsoever nature, to and on any portion of the Property, or to alter any of the foregoing or its construction plans and designs, or to construct such additional improvements as Declarants deem advisable in their sole discretion in the course of development of the Property with respect to any Lot in the Property which remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Declarants' business of completing the work and disposing of the Lots by sales lease or otherwise. Declarants shall have the right at any time prior to acquisition of title to a Lot by a purchaser from Declarants to grant, establish and/or reserve on



that Lot additional licenses, reservations and rights-of-way to Declarants, to utility companies, or to others as may from time to time by reasonably necessary to the proper development and disposal of the Property. Declarants may use any structures on the Property as model home complexes or real estate sales or leasing offices. Declarants need not seek, nor obtain approval from the Owner or the Committee in connection with any Improvement constructed or placed by Declarants or an affiliate of Declarants on any portion of the Property owned by Declarants or an affiliate of Declarants. Declarants may assign their rights and position as such to any successor in interest in connection with Declarants' interest in any portion of the Property, by an express written assignment recorded in the Office of the Spokane County Auditor.

ARTICLE VI: PARKVIEW BLUFF ARCHITECTURAL COMMITTEE

6.1 Organization of the Committee. After the initial construction period, the Owners of Lots in the Property shall appoint the Architectural Committee, consisting of three persons, who shall also be owners within the Property and who shall also serve as directors within the association. The initial committee, which shall serve during the initial construction period, shall be selected by Declarants. At the time of executing this Declaration, the committee is composed of Stephan L. Byrd and Amy K. Byrd. Neither the Committee nor any governing body associated with the Property is anticipated to be incorporated or established as a legal entity under the laws of any state.

6.2 Selection of Committee Members and Voting Rights. After the initial construction period, each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be have a voting right with respect to selection of Committee members. Such voting rights shall be appurtenant to the Lot. Voting rights 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.

When more than one person holds an interest in any Lot, all such persons shall be Members but shall share the votes attributable to the Lot. Fractional votes, however, shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote in that selection. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with authority and consent of all joint Owners of the Lot(s) from which the vote derived. The right to



vote may not be severed or separated from the ownership of the Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such Owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer of conveyance of such Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the new Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

In the event additional property is annexed and made subject to this Declaration, the number of Lots therein, whether finally platted as preliminarily approved for platting, shall be combined with the number of Lots already subject to this Declaration, and the combined number shall thereafter establish the total votes attributable to the Declarants for voting purposes. As of the date hereof, the total number of Lots attributable to the Declarants for voting purposes shall be 12.

6.3 Authority of the Committee. The Committee shall have authority to and be responsible for:

a. enforcing the provisions and requirements of this Declaration and the Design Guidelines (a right also reserved to all Lot Owners);

b. determining the provisions of the Design Guidelines, reviewing and revising the same from time to time, and enforcing and interpreting the provisions thereof;

c. levying Assessments on any Owner or any portion of the Property and enforcing payment of such Assessments, all in accordance with the provisions of this Declaration;

d. delegating its power and duties to committees, officers, employees, or to any person, firm or corporation to act as representative acting in the Committee's behalf with respect to any or all of the Committee's duties.

6.4 Design Guidelines. The Committee shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (the "Design Guidelines"), which the Committee may, from time to time in its sole discretion, amend, repeal or augment. After the date on which voting control for purposes of selecting the Committee passes to Owners other than Declarants (or after Declarants' voluntary relinquishment of control of the Committee, if earlier), and so long as Declarants own any Lot in the Property (including any Lot which may be annexed) any change in the Design Guidelines



will be effective only if it is approved by Declarants. The Design Guidelines are incorporated herein and shall be deemed to be a part of the Declaration and shall be binding on all Owners and other Persons as if expressly set forth herein. A copy of the current Design Guidelines shall at all times be a part of the Committee's records.

The Design Guidelines shall not apply to, and nothing contained in this Declaration shall be construed to prevent or impair in any way, any development, operation, construction or improvements by Declarants or any related entity within the Property, or other real property outside of the Property that may become part of the Property in the future.

Subject to the provisions of Section 5.2.16, no building, fence, wall or other structure or improvement of whatever type shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change to the exterior of any residence or other structure or improvement upon a Lot or the landscaping, tree removal, grading or drainage thereof, including but not limited to the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with drawings and specifications therefor which have been submitted to and approved by the Committee, in accordance with the Design Guidelines, as to harmony of external design and location in relation to surrounding structures and topography.

The Design Guidelines may also establish procedures to assuring conformity of completed improvements to drawings and specifications approved by the Committee; provided, however, as to purchasers and encumbrances in good faith and for value, unless notice of noncompletion or nonconformance identifying the violating Lot and specifying the reason for the notice, executed by the Committee, is recorded with the County Auditor for Spokane County, Washington, and given to the Owner of the Lot within one year of the expiration of the time limitation described in the Design Guidelines, or if later, within one year following completion of the improvement, or unless legal proceedings shall have been instituted to enforce compliance or completion within said one-year period, the completed improvements shall be deemed to be in compliance with plans and specifications approved by the Committee and in compliance with the architectural standards of the Declaration.

6.4.1 Committee Review. No Improvements, alterations, repairs, excavation, grading, landscaping, tree removal or other exterior work which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be



built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and plot plan or other appropriate plans and specifications have been reviewed in advance by the Committee and the same have been approved in writing. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, physical or aesthetic impacts on other property, artistic conformity to the terrain and the other Improvements on the Property, and any and all other factors which the Committee, in its reasonable discretion, may deem relevant.

The Design Guidelines ("Design Guidelines" or "Guidelines") adopted for the Property, and as amended from time to time shall be enforceable as though they were a part of this Declaration and shall be binding on all Owners, Members, and other persons as if expressly set forth herein. It shall be the responsibility of each Owner to obtain and review a copy of the most recent set of Guidelines prior to the purchase of a Lot.

6.5 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 ancillary duties in connection therewith, including the inspection of construction in progress to assure its conformance with plans approved by the Committee. The Committee shall have the power to determine, by rule or other written designation consistent with this Declaration, which types of Improvements shall be submitted for Committee review and approval. The Committee shall have the power to hire one or more architects licensed with the State of Washington to assist, or act by proxy on behalf of the Committee, in its review of proposals or plans and specifications submitted to the Committee. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the habitat of the Property, or appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures.

6.6 Conditions on Approval. The Committee may condition its approval of proposals or plans and specifications upon such



changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted.

6.7 Architectural Committee Rules and Fees. The Committee also may establish rules and/or guidelines setting forth procedures for and the required content of the applications and plans submitted for approval. Such rules may require a standard fee to accompany each application. The Committee, from time to time, shall determine the amount of such fee in a reasonable manner. Such fees shall be used to defray the costs and expenses of the Committee, including the cost and expense of hiring architect(s), as provided above, or for such other out of pocket expenses as may reasonably be incurred by the Committee in connection with such application and/or review.

Such rules and guidelines may establish, without limitation, specific rules and regulations regarding design and style elements, landscaping and fences and other structures such as animal enclosures as well as special architectural guidelines applicable to Lots located adjacent to public and/or private open space.

6.8 Detailed Plans. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, landscape plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plan submitted for approval.

6.9 Committee Decisions. Decisions of the Committee and the reasons therefor, or communication regarding additional items, details or materials which are necessary for consideration of the submittal, shall be transmitted by the 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 Committee. If no such communication or decision is sent (postmarked) by the Committee within such thirty (30) calendar day period, the submittal shall be considered approved.

6.10 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not be one of its members) to take any action or perform any duties for and on behalf of the Committee. In the absence of such designation, the vote of any two (2) members of the Committee taken without a meeting shall constitute an act of the Committee.



6.11 No Waiver of Future Approvals. The approval of the 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 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.

6.12 Compensation of Members. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

6.13 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

6.13.1 Upon the completion of any work for which approved plans are required under this Article, the Owner shall give written notice of completion to the Committee.

6.13.2 Within sixty (60) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty-(60) day period, specifying the particular noncompliance, and shall require the Owner to remedy the same.

6.13.3 If upon the expiration of thirty (30) days from the date of such notification, or any longer time the Committee determines to be reasonable, the Owner shall have failed to remedy such noncompliance, the Architectural Committee may, at its option, either demand that the noncomplying improvement be removed or remedied, remove the noncomplying improvement, or remedy the noncompliance; and the Owner shall reimburse the Committee, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Committee, the Committee may levy an Assessment against such Owner for reimbursement pursuant to this Declaration.

6.13.4 If for any reason the Committee fails to send notification to the Owner (determined by postmark date) of any noncompliance within sixty (60) days after receipt of the written notice of completion from the Owner, the work shall be deemed to be in accordance with the approved plans.



6.14 Non-Liability of Committee Members. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, shall be liable to any Person, including any Owner, Grantee or Declarants for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee (or in the case of its representative's liability, the willful misconduct or bad faith of the representative). The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Property generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

6.15 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, must be signed by at least two (2) members of the Committee, and shall become effective upon recordation in the office of the County Auditor of Spokane County. If such variances are granted, no violation of the covenants, conditions or restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or any Supplemental Declaration for any purpose except as to the particular Lot and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting such Owner's use of the Lot, including but not limited to zoning ordinances or requirements imposed by any governmental or municipal authority.

6.16 Appeal. Any Owner may appeal in writing the decision of the Committee to all Owners of Lots at the Property. The appeal shall be delivered to all such Owners within ten (10) days after the decision. Said appeal shall state the decision appealed from and the reasons therefor. The appeal may be heard by the Owners, if a majority of such Owners determine to hear the appeal,



within thirty (30) days. If no appeal is filed within the aforesaid ten (10) days, the decision of the Architectural Committee shall be final. Voting on any such appeal shall be based on the same voting rights allocated to Owners, including the Declarants, as are provided above for the election of Committee Members.

ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed of any Lot in the Property, each Owner of such Lot hereby covenants and agrees to pay all Assessments or charges made in conformity with this Declaration or other applicable instrument.

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

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

7.2 Purpose and Procedure. Regular assessments may be assessed for purposes of cleaning, resurfacing, patching, sanding, graveling, abating dust, removing snow, and similar items customary for the maintenance of the private roadway and its ancillary structures; including placing, constructing, maintaining, repairing, reconstructing, and performing ancillary and related functions in connection with storm and surface water drainage facilities, systems, lines, pipes and apparatus.

The Committee may also levy an Assessment against an individual Lot Owner as a remedy to reimburse the Committee or otherwise pay for costs incurred or to be incurred in bringing the Owner and/or such Owner's Lot into compliance with the provisions of this Declaration and/or the Design Guidelines.

For violations of provisions for which monetary costs to cure or abate are not readily determinable, such assessment may be made



NADIR CONSULTING

COV \$72.00

5362324

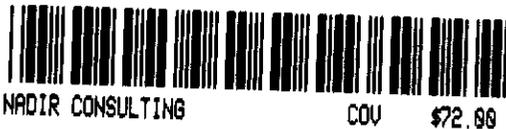
Page: 30 of 41
04/03/2006 03:16P
Spokane Co, WA

in an amount up to fifty dollars (\$50.00) per day (or its equivalent value as compared with January 1, 2006 dollars and as adjusted by the Committee), for each violation which remains uncorrected after thirty (30) days' written notice given to such Owner from the Committee, which amount shall be considered a reasonable estimate of liquidated damages to be sustained by all other Owners. Liquidated damage recoveries, to the extent not expended in enforcement or other costs, shall be apportioned equally among the Owners of all Lots except the Owners of the Lot(s) from which such assessment was collected.

7.3 Estoppel Certificate. The Committee, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to a party making such request, a statement in writing indicating whether or not, to the knowledge of the Committee, a particular Lot is in default under the provisions of this Declaration, including the existence of any unpaid assessments. Any such certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or mortgagee of the Owner's Lot. Reliance on such Certificate may not extend to any default, including unpaid assessments, as to which the signor shall have had no actual knowledge.

ARTICLE VIII: ENFORCEMENT OF ASSESSMENTS; LIENS; PROCEEDINGS

8.1 Right to Enforce. The Committee, acting in the names of the individual Committee Members, acting on behalf of all Owners (except the Owner being subjected to enforcement actions), has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Lot, upon becoming an Owner of such Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Committee or its authorized representative may enforce the obligations of the Owners to pay such assessments by commencement and maintenance of a suit or pursuit of foreclosure, or by other means provided in this Declaration 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 Lot to secure payment of any and all Assessments levied against such 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 Committee Members making the Assessment in connection therewith, including reasonable attorneys' fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Lots upon recordation of a claim of lien with the Spokane County Recorder. 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 Lot and Assessments on any 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 Assessment issued hereunder, the Committee 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 Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Upon payment to the Committee of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Committee shall cause to be recorded a further notice stating the satisfaction or relief of such delinquent sums and charges. The Committee 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 Committee Members establishing the Assessment, their 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 under a Deed of Trust (as though prepared on LPB Form 22 as it exists at the time of recordation of this Declaration). The Committee is hereby authorized to appoint its attorney, or any title company authorized to do business in Washington as trustee for the purpose of conducting such power of 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 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 Lot(s) described in such notice of delinquency and claim of lien, and to the person in possession of such Lot(s), and a copy thereof is recorded by the Association in the Office of the Spokane County Recorder.

8.5 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a first deed of trust or first mortgage given and made in good faith and for value that is of record as an encumbrance against such Lot prior to the recordation of a claim of lien for an Assessment. Except as expressly provided in paragraph 7.6 with respect to a first mortgagee who acquires title to a Lot, the sale or transfer of any 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.

8.6 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the Beneficiary or Mortgage under any Deed of Trust or Mortgage upon a Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such Deed of Trust or Mortgage, such Lot shall remain subject to this Declaration as amended.

ARTICLE IX: ANNEXATION OF ADDITIONAL PROPERTIES

9.1 By Declarants. Declarants intend to develop and market the Property, and may, in Declarants' sole discretion, deem it desirable to annex additional real property to the Property covered by this Declaration. Real Property may be so annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarants, their successors or assigns, at any time, and from time to time, without the approval of any Owner. The use and development of such Tracts shall conform to all applicable land use regulations, as such regulations are modified by variances.

9.2 By the Lot Owners. In addition to the provisions



concerning annexations by Declarants specified in section 8.1 above, real property may be annexed to the Property, subject to the same conditions, by the Owners of Lots upon the exercise by Owners of at least two-thirds (2/3) of the votes of the Owners, allocated in the same fashion that Owners select Committee Members.

9.3 Rights and Obligations of Owners of Annexed Property. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any real property, all provisions contained in this Declaration shall apply to the annexed real property in the same manner as if it were originally covered by this Declaration, subject to such modifications, changes and deletions as are specifically provided in such Supplemental Declaration. The Owners of Lots located in the annexed property shall be entitled to vote on matters covered by this Declaration in like fashion as other Lot Owners in the Property.

9.4 Method of Annexation. The addition of a real property to the Property authorized under this Article shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the Parcel, which shall be executed by Declarants and/or the Owner(s) thereof and which shall annex such property to the Property. Such Supplemental Declaration or other appropriate document may contain such additions, modifications, or deletions as may be deemed by Declarants and the Owner(s) thereof desirable to reflect the different character, if any, of the annexed real property, or as Declarants may deem appropriate in the development of the annexed real property. If any annexed real property is created, the Committee shall have the authority to levy Assessments against the Owners located within such annexed real property.

9.5 Deannexation. Declarants may delete all or a portion of the Property as well as previously annexed real property, from the Property and from coverage of this Declaration and jurisdiction of the Committee, so long as Declarants have an ownership interest in such real property 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. Owners other than Declarants as described above shall not be entitled to deannex all or any portion of the Property or any annexed property except on the favorable vote of seventy-five percent (75%) of all Lot Ownership, determined in the same manner as Owners select Committee Members and, so long as Declarants own any part of the Property or any annexed property, upon also receiving prior written approval of Declarants.



ARTICLE X: EASEMENTS

10.1 Drainage and Utility Easements. Declarants expressly reserve for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Lots for installation and repair of utility services, for drainage of water over, across and upon all Lots, resulting from the normal use of adjoining Lots (including all easements shown on the recorded survey), 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 Declarants for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Declarants hereby reserve for the benefit of all Lot Owners, to run with the land, the right of Declarants 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 Lot in the Property to an Owner.

The Declarants, during the initial construction period, and the Association thereafter, specifically reserve an easement over other portions of the Property upon which additional roadways, drainage areas, sewer lines, water lines, utilities and related facilities and apparatus, may be appropriate or necessary. In particular, Declarants reserve easements running 30 feet on either side of all common Lot lines between Lots within the Property for the purpose of providing shared driveways for ingress and egress with regard to each such strip of property for ingress and egress to and from the Lot on either side of such shared driveway area; and for providing utilities and drainage, including appropriate equipment, facilities and apparatus, for all portions of the Property as determined reasonable or appropriate by the Declarants during the initial construction period, or by the Association thereafter. Provided, no additional easements may be granted which would interfere with use or enjoyment of structures which have been constructed or for which plans have been submitted for approval to the Architectural Committee or Association. Provided, further, unless expressly granted in an easement instrument or conveyance, nothing in this Declaration shall be construed as creating any drainage or utility easement for the benefit of real property outside the Property now or hereafter covered by this Declaration.

10.2 Improvement of Drainage and Utility Easement Areas.
The Owners of Lots are hereby restricted and enjoined from



constructing any Improvements upon any drainage or utility easement areas designated in any recorded document that would interfere with or prevent the easement from being used for such purpose. Provided, 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 Lot whose Improvements were so damaged.

10.3 Rights and Duties Concerning Utility Easements. The rights and duties of the Owners of the Lots within the Property with respect to utilities shall be governed by the following:

10.3.1 Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Lots owned by an Owner other than the Owner of the Lot served by the connections, the Owner of the Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon any Lot or to have their agent enter upon any Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary.

10.3.2 Whenever utility house connections are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service such Owner's Lot.

10.4 Driveway Easements. In the event one or more driveways are installed within the Property that in whole or in part lie upon a Lot owned by an Owner other than the Owner of the Lot served, or are installed to serve more than one Lot, the Owner of each Lot served or to be served by such driveway(s) shall be entitled to full use and enjoyment of such other Lot as required to serve such Owner's Lot or to repair, replace or maintain such driveway(s). Owners of Lots served by common drives shall have non-exclusive reciprocal easements over, on and across such drives for purposes of ingress, egress, maintenance, construction, repair, maintenance and reconstruction of the same. Owners of any such commonly used driveways shall be responsible for constructing the same, and for maintaining such drives in good condition, with costs therefore to be allocated between them in such manner as they shall determine.

10.5 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the repair or rebuilding of



utility connections or driveways, or with respect to the sharing of the cost therefor, upon written request of one of such owners addressed to the Committee, the matter shall be submitted to the Committee which shall decide the dispute and, if appropriate, make an appropriate Assessment against any or all of the Owners involved on behalf of the prevailing Owner(s), which Assessment shall be collected and enforced in the manner provided by this Declaration for Assessments.

10.6 Buffer Easement Along Lot Lines. An easement is hereby reserved in, on, under and across a 15 foot strip of property running along the outside borders of all Lots within the Property other than common boundary lines running between Lots for purposes of allowing all Owners within the Property to ride horses, hike and walk. At the option of the Declarants (while Declarants are in control of the Architectural Committee functions) or the Association thereafter, trails or paths may be developed within the buffer easement area to facilitate horse riding and pedestrian travel within those areas. No Owner will build, maintain or place any fence, structure or other barrier within this easement area.

10.7 Easement for and Maintenance of Private Access Road. The existence of a perpetual easement for a private access road intended to provide primary access to and from all Lots in the Property is confirmed and said easement is hereby reserved and conveyed for the benefit of Owners of Lots within the Property, and their guests and invitees. The location of this easement is shown on the Plat.

ARTICLE XI: MISCELLANEOUS

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

11.2 Amendment.

11.2.1 By Declarants. Except as provided in paragraph 11.3 below, until the recordation of the

first deed to a Lot in the Property, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively, "amendment") or terminated by Declarants by recordation of a written instrument setting forth such amendment or termination.

11.2.2 By Owners. Except where a greater percentage is required by express provision in this Declaration, the provisions of this Declaration, other than this Article X, may be amended by an instrument in writing signed and acknowledged by Owners representing more than two-thirds (2/3) of the votes, determined in the manner for electing Committee Members, effective upon its recordation with the Spokane County Auditor.

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

11.4 Notices. Any notices permitted or required under this Declaration must 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 when mailed in the United States mail, postage prepaid, with the date determined by the postmark, 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 Master Association, as provided in this paragraph.

11.5 Enforcement and Non-Waiver.

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

11.5.2 Violations and Nuisances. The failure of any Owner of a Lot to comply with any provision hereof, or with any provision of the Design Guidelines, is hereby declared a nuisance and will give rise to a cause of action in the Declarants or any Owner of a 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 Declarants or the Committee, 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.

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

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

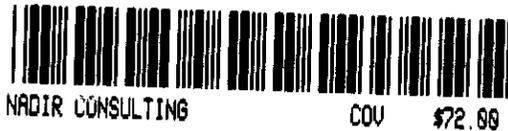
11.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

11.6 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.

11.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

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

11.6.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.



11.6.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

11.7 Successors and Assigns. All references herein to Declarants, Developer, Owners, Association or person shall be construed to include all successors, assigns, partners and authorized agents of such Declarants, Developer, Owners, Association or person.

11.8 Not a Public Dedication. Nothing contained in this Declaration shall be deemed to be a dedication of any portion of the Property to or for the benefit of the general public, or for any public purpose whatsoever, it being the intention that this Declaration will be strictly limited to and for the purposes expressed herein.

11.9 Compliance with Laws. All owners shall comply promptly with all federal, state and local laws, statutes, ordinances, regulations and requirements pertaining to the use or occupancy of the Property or any portion thereof. It shall be the sole obligation of each owner to determine and comply with such requirements. No approval granted by the Association, the Architectural Committee, the Declarants, or any other party acting in connection with this Declaration shall be construed as an approval or representation that any action or proposal complies with any such legal requirements.

11.10 Not a Partnership. The Declarants do not by this Declaration in any way or for any purpose intend to become a partner or joint venturer of any other owner now or hereafter acquiring any interest in the Property, in the conduct of their respective businesses or otherwise.

Apr. 1 This Declaration is made this 3rd day of 2006.

DECLARANTS:

STEPHAN L. BYRD

AMY K. BYRD

Unofficial Copy

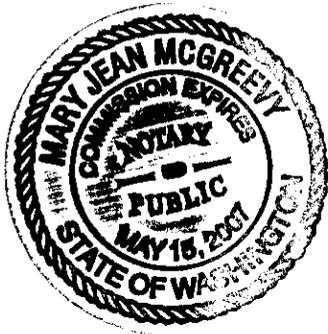
STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)



5362324
Page: 40 of 41
04/03/2006 03:16P
Spokane Co, WA

On this day personally appeared before me STEPHAN L. BIRD, Notary Public, AMY K. BYRD, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 3 day of April 2006.



Mary Jean McGreevy
Printed Name: MARY JEAN MCGREEVY
Notary Public for Washington
Residing at SPOKANE
My commission expires: May 15 2007

Unofficial Document



5362324
Page: 41 of 41
04/03/2006 03:16P
Spokane Co, WA

EXHIBIT "A"

LEGAL DISC

07-26-42^{NE} Parcel 1+2 of R.V.S.
Auditors file # 4537439
Book 95 PG 36

Unofficial Document