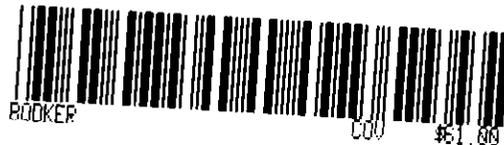


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DREW M. BODKER
ATTORNEY AT LAW
S. 1401 GRAND BLVD. #203 N
SPOKANE, WASHINGTON 99203

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS**

**FOR
VIEWMONT GLEN**

ABBREVIATED LEGAL:

Portion of NW $\frac{1}{4}$ S18, T26N, R43 EWM

(full legal on Exhibit A)

Tax Parcel No: 36182.9147



**DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
VIEWMONT GLEN**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR VIEWMONT GLEN (the "**Declaration**") is made on this 22nd day of October, 2003, by Hanson Industries, Inc., a Washington corporation, ("**Declarant**").

RECITALS

A. Declarant is the owner of that certain real property located in Spokane County, Washington, and more particularly described in Section 2.1 of this Declaration.

B. Declarant desires to subject the real property described in Section 2.1 hereof, to the provisions of this Declaration to create a residential community of single-family housing (*as "single family" is defined below*) and related uses as set forth in Section 6.2 hereof.

NOW, THEREFORE, Declarant hereby declares that the real property described in Section 2.1 of this Declaration, including the improvements constructed or to be constructed thereon, is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property hereby or hereafter made subject hereto, and shall be binding on all persons having any right, title, or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

**ARTICLE 1
DEFINITIONS**

1.1 **Words Defined.** The following words, when used in this Declaration or in any Supplementary Declaration (*unless the context shall prohibit*), shall have the following meanings:

"Association" shall mean the Viewmont Glen Homeowners Association, a Washington nonprofit corporation, its successors and assigns.

"Board of Directors" or **"Board"** of the Association shall be the appointed or elected body, as applicable, having its normal meaning under Washington law.



"Bylaws" shall refer to the Bylaws of Viewmont Glen Homeowners Association.

"Common Areas" shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon as designated on any final plat creating any phase of the Community or as otherwise conveyed to the Association for the common use and enjoyment of the Owners. Without limitation, Common Areas shall include all drainage retention ponds, swales, storm water treatment facilities, all storage areas or facilities, and all private streets and roads within the Community.

"Community" shall mean and refer to that certain real property and interest therein described in Exhibit A, attached hereto, and such additions thereto as may be made by the Association by Supplementary Declaration.

"Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association. Such determination, however, shall generally be made with reference to the standards originally established by the Declarant.

"Declarant" shall mean and refer to Hanson Industries, Inc., and its successors, heirs and/or assigns, provided any such successors, heirs, and/or assigns should acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit A, attached hereto, and provided further, in the instrument of conveyance to any such successor, heirs and/or assigns, such successors, heirs, and/or assigns is designated as "Declarant" hereunder at the time of such conveyance; provided, further, upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit A, attached hereto, which is now or hereafter subjected to this Declaration, there shall be only one "Declarant" hereunder at any one point in time.

"Development Period" shall mean that period of time beginning on the date this Declaration is recorded in the records of Spokane County and ending on the earliest to occur of (i) ten (10) years from the date of recording of this Declaration; (ii) sale to individual residential Owners of eighty-five (85%) of the Lots; or (iii) the date upon which a Supplementary Declaration is recorded by Declarant terminating the Development Period.

"Lot" shall mean any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a residential dwelling site as shown on a plat recorded in the records of Spokane County. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the



right, title, and interest of an Owner in the Common Areas, which shall include, without limitation, membership in the Association.

"Mortgage" means any mortgage, deed of trust, and any and all other similar instruments used for the purpose of encumbering real property in the Community as security for the payment or satisfaction of an obligation.

"Mortgagee" shall mean the holder of a Mortgage or the holder of the beneficial interest in a deed of trust (*Beneficiary*).

"Occupant" shall mean any Person occupying all or any portion of a residence or other property located within the Community for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

"Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation. Each Owner shall be considered to be a member of the Association.

"Person" means any natural person, as well as a corporation, joint venture, partnership (*general or limited*), association, trust, or other legal entity.

"Single Family" shall mean a single housekeeping unit, without regard to the construction type or ownership of such unit, that includes not more than four (4) adults who are legally unrelated.

"Supplementary Declaration" means an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

"Total Association Vote" means all of the votes attributable to members of the Association (*including votes of Declarant*), and the consent of Declarant so long as Declarant owns any property for development and/or sale in the Community or has the right to unilaterally annex additional property to the Community.

ARTICLE 2 PROPERTY SUBJECT TO THIS DECLARATION

2.1 **Property Hereby Subject to This Declaration.** The real property which is, by the recording of this Declaration, subject to the covenants and restrictions hereafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration, is the real property described in Exhibit A, attached hereto and by this reference made a part hereof.



2.2 Other Property. Only the real property described in Section 2.1, above, is hereby made subject to this Declaration; provided, however, by one or more Supplementary Declarations, Declarant and the Association have the right, but not the obligation, to subject other real property to this Declaration as provided in Article 9, below.

ARTICLE 3 HOMEOWNERS ASSOCIATION

3.1 Description of Association. The Association shall be charged with the duties and vested with the powers prescribed by law and set forth in this Declaration, any Supplementary Declaration, and the Articles of Incorporation and Bylaws of the Association, all as may be amended from time to time; provided, however, that no such governing documents shall for any reason be amended or otherwise interpreted so as to be inconsistent with this Declaration.

3.2 Board of Directors. Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until termination of the Development Period. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant the authority to appoint and remove directors and officers of the Association. The directors selected by the Declarant need not be Owners. The number of directors shall be as set forth in the Bylaws. Following termination of the Development Period, the Board of Directors shall be elected by the Owners in accordance with the Bylaws.

3.3 Membership. Each Person who is the record Owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each Lot owned. The first annual meeting of the Association shall be held within sixty (60) days after termination of the Development Period on a date set by the Board pursuant to the Bylaws.

3.4 Voting. Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one (1) Person seeks to exercise it.



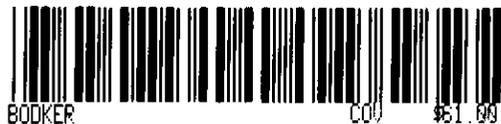
3.5 Architectural Review Committee. No construction, alteration, addition, refurbishing, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, except that which is installed by the Declarant, or as is approved in accordance with this Section, or as is otherwise expressly permitted herein. Any such construction, alteration, addition, refurbishing, or erection shall not be made unless and until plans and specifications showing the nature, kind, shape, size and height, architectural design and detail, materials, workmanship, exterior color plan, location on site, improvement and site grade elevations, driveway construction, and site landscaping shall have been submitted in writing to and approved by the Architectural Review Committee ("**ARC**") established pursuant to this Section 3.5. The Board may employ architects, engineers, or other Persons as it deems necessary to enable the ARC to perform its review.

3.5.1 So long as the Declarant owns any property for development and/or sale in the Community or has the right to unilaterally annex additional property to the Community, the Declarant shall have the right to appoint or remove any or all members of the ARC. Upon the expiration or earlier surrender in writing of such right, the Board shall appoint the members of the ARC.

3.5.2 If the ARC fails to approve or to disapprove submitted plans and specifications within sixty (60) days after the plans and specifications have been submitted, which submission shall be evidenced by a written receipt for said plans and specifications, approval will not be required, and this Section will be deemed to have been fully complied with. In this event, any such plans and specifications shall nevertheless be in compliance with all the restrictions contained in this Declaration and any Design Guidelines established by the ARC which are then in effect.

3.5.3 As a condition of approval under this Section, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibility for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. In the discretion of the ARC, an Owner may be made to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest.

3.5.4 The ARC shall be the sole arbiter of plans submitted to it and may withhold approval for any reason, including aesthetic considerations, and it shall be entitled to stop any construction in violation of approved plans or this Declaration. Any member of the ARC or the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not such plans and this Declaration have been or are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Board may, as provided in Section 12.1, hereof, record a notice of violation naming the violating Owner.



3.5.5 PLANS AND SPECIFICATIONS ARE NOT APPROVED FOR ENGINEERING OR STRUCTURAL DESIGN OR QUALITY OF MATERIALS, AND BY APPROVING SUCH PLANS AND SPECIFICATIONS NEITHER THE ARCHITECTURAL REVIEW COMMITTEE (ARC), THE MEMBERS THEREOF, NOR THE ASSOCIATION ASSUMES LIABILITY OR RESPONSIBILITY THEREFOR, NOR FOR ANY DEFECT IN ANY STRUCTURE CONSTRUCTED FROM SUCH PLANS AND SPECIFICATIONS. NEITHER DECLARANT, THE ASSOCIATION, THE ARC, THE BOARD, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM SHALL BE LIABLE IN DAMAGES TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR APPROVAL, OR TO ANY OWNER OF PROPERTY AFFECTED BY THESE RESTRICTIONS BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS OR SPECIFICATIONS AND EVERY OWNER AGREES THAT SUCH PERSON OR OWNER WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, THE ASSOCIATION, THE ARC, THE BOARD, OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM TO RECOVER ANY DAMAGES AND HEREBY RELEASES, REMISES, QUITCLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY JUDGMENT, NEGLIGENCE, OR NONFEASANCE AND HEREBY WAIVES THE PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND THE CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

ARTICLE 4 ASSESSMENTS

4.1 Purpose of Assessment. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots, including the maintenance of the private roads and the real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (i) annual assessments or charges; (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (iii) specific assessments established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines imposed in accordance with the terms of this Declaration.

4.2.1 All such assessments, together with (i) late charges, (ii) interest set by the Board, not to exceed eighteen (18%) percent per annum, and (iii) costs, including, without



limitation, reasonable attorneys' fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.

4.2.2 Each such assessment, together with late charges, interest, costs, including, without limitation, reasonable attorneys' fees actually incurred, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessment of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure.

4.2.3 The Association shall, within five (5) days after receiving a written request therefore and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificate shall be binding upon the Association as of the date of issuance.

4.2.4 Annual assessments shall be levied equally on all similarly situated Lots (*as determined by the Board*). However, during the Development Period, the Board may establish greater or lesser assessments for Lots owned by Declarant or builders. Assessments shall be paid in such manner and on such dates as may be fixed by the Board. Unless otherwise provided by the Board, the Assessment shall be paid in annual installments.

4.3 Computation. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each Owner within thirty (30) days after adoption by the Board of Directors of any proposed regular or special budget of the Association. The Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) days nor more than fifty (50) days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association are allocated or any larger percentage specified in the governing documents reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

4.4 Revised Budget. If the financial circumstances of the Association materially change during any year, the Board may prepare a revised budget for the balance of the year. Notice of said revised budget shall be given to each Owner and a meeting of the Owners to consider ratification of the revised budget shall be held as set forth in Section 4.3, above.

4.5 Special Assessments. In addition to the other assessments authorized herein, the



Association may levy special assessments for expenses such as, but not limited to, capital improvements from time to time if approved at a meeting by two-thirds (2/3) of the Total Association Vote. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.6 Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, including, without limitation, reasonable attorneys' fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (i) liens for ad valorem taxes; or (ii) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the records of Spokane County and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument. All other Persons acquiring liens or encumbrances on any Lot after the recording of this Declaration shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

4.7 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include interest set by the Board from time to time, on the principal amount due, late charges, costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and any other amounts provided or permitted by law.

4.7.1 In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property.

4.7.2 The lien provided for in this Article 4 shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same.

4.7.3 No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.



4.7.4 All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.8 Date of Commencement of Assessments. The assessments provided for herein shall commence as to a Lot subject to this Declaration on the first day of the month following conveyance of such Lot to a Person other than Declarant. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

4.9 Specific Assessments. The Board shall have the power to levy specific assessments pursuant to this Section as, in its discretion, it shall deem appropriate. Fines levied pursuant to Section 12.1 of this Declaration and the costs of maintenance performed by the Association, which the Owner is responsible for under Sections 5.3 and 5.4 of this Declaration, shall be specific assessments. The Board may also specifically assess Owners for Association expenses as follows:

4.9.1 Expenses of the Association which benefit less than all of the Lots may, in the Board's discretion, be specifically assessed equitably among all of the Lots which are benefited according to the benefit received.

4.9.2 Expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

4.10 Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint the director and officers of the Association, Declarant may: (i) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (*but specifically not including an allocation for capital reserves*), and the sum of the annual, special and specific assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in favor of the Declarant; or (ii) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Community.

ARTICLE 5 MAINTENANCE; CONVEYANCE OF COMMON AREAS TO ASSOCIATION

5.1 Association's Responsibility. The Association shall maintain and keep in good repair the Common Areas, including Tract A, which contains a large storm water drainage pond. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on any Common Areas, and in particular, maintenance of the private road(s), including ditches, ponds, drywells, dikes and swales, which shall be operated and maintained by the Association pursuant to the terms and

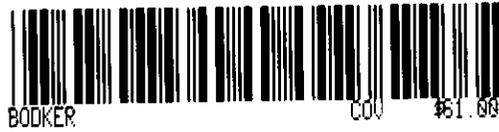


conditions of the Operation & Maintenance Manual for Viewmont Glen, attached hereto as Exhibit C and incorporated herein by this reference as though fully set forth herein. The Association shall also maintain: (i) all entry features for the Community including the expenses for water and electricity, if any, provided to all such entry features; (ii) landscaping originally installed by the Declarant which is on Common Areas owned in fee by the Association or on property where an easement has been granted to the Association; and (iii) all facilities, (*including but not limited to storage facilities, private roads, drainage retention ponds, swales and other associated drainage facilities*) serving the Community which are not maintained by a public entity, and which are on Common Areas owned in fee by the Association or on property where an easement has been granted to Owners or to the Association or to Spokane County. The foregoing maintenance shall be performed consistent with the Community-Wide Standard and in accordance with Section 5.6, regarding private roads, and Section 5.7 and the Operation & Maintenance Manual attached as Exhibit C regarding storm water facilities. In the event that there are real estate taxes on the Common Areas and the same become delinquent, the total amount of delinquent taxes shall be divided equally among all Owners and said portions shall be a lien on said Owner's Lot. In the alternative, the Association may, in its sole discretion, declare the debt to be a debt of the Association and levy a Special Assessment to collect the cost of payment thereof.

5.2 Property Not Owned by Association. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community, where the Board has determined that such maintenance would benefit all Owners. Without limitation of the foregoing, the Association may enter into a joint maintenance agreement with adjoining property owners or associations for the repair, maintenance and replacement of shared facilities or other property.

5.3 Damage Caused by Owner. In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the family, guests, lessee, or invitees of any Owner, the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

5.4 Owner's Responsibility. Except as provided in Sections 5.1, 5.2 and 5.3, above, all maintenance of any Lot and all structures, parking areas, landscaping, and other improvements thereon together with the landscaping on any parking strip fronting any such Lot, shall be the sole responsibility of the Owner thereof, who shall provide maintenance consistent with the Community-Wide Standard and this Declaration. In the event that the Board of Directors of the Association determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable

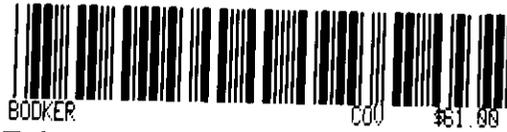


particularly the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot.

5.5 Conveyance of Common Areas by Declarant to Association. The Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Areas to be maintained by the Association. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

5.6 Private Roads. Any private roads transferred and conveyed to the Association or over which Owners have an easement for a common roadway, shall be kept free and clear for motor vehicle use and shall be maintained and repaired in a workmanlike and reasonable manner so that motor vehicles will always be able to use the private roadways without undue inconvenience. Said maintenance and repair of the private roadways shall include, but not be limited to, filling of potholes, plowing with reasonable prudence when it snows, repairing breakage or damage to the road surface and the like, as well as repair and maintenance of any ditches or culverts as needed to ensure proper drainage of surface water, and any other commonly described standards for roadway maintenance. Spokane County shall have no obligation or responsibility to build, improve, maintain, or otherwise service said private roads and the associated appurtenances contained within, nor to enforce any public street related duties in regard to said private roads.

5.7 Storm Water Facilities/Drainage Retention Ponds. In furtherance of Section 5.1, Association's Responsibility, and the Operation & Maintenance Manual attached as Exhibit C, any storm water facilities or drainage retention ponds which are located on the Lot of any Owner or Common Area shall be maintained by the Association in operational condition at all times, with no noxious weeds. Failure to maintain said storm water facilities and drainage retention ponds in the above-prescribed manner shall constitute a default by the Association under these Covenants and Spokane County or the Lot Owner may then perform such maintenance at the Association's sole cost and expense. Spokane County shall have a lien on the lots on which such maintenance has been performed for the cost of work, plus any attorneys fees and other related costs, which lien may be foreclosed as a mortgage on the subject Lot(s). If an individual Lot Owner performs such maintenance on behalf of the defaulting Association, then said Lot Owner shall have a right of action against the Association for the cost of such maintenance, together with said Lot Owner's costs and attorneys fees.



**ARTICLE 6
USE RESTRICTIONS AND RULES**

6.1 General/Rules and Regulations. This Article, beginning at Section 6.2, sets out certain use restrictions which must be complied with by all Owners and Occupants. These use restrictions may only be amended in the manner provided in Section 12.4, hereof, regarding amendment of this Declaration. In addition, the Board may, from time to time, without consent of the Owners, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community. Such use restrictions and rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, cancelled, or modified in a regular or special meeting by a majority of the Total Association Vote.

6.2 Residential Use. Except as provided in this Section, all Lots shall be used for single-family residential purposes exclusively with the exception that certain home occupations will be permitted, subject to the guidelines and rules established by the Board. Such home occupations may be limited to certain business uses, shall not create any disturbance, noise, or unsightliness, shall not unduly increase traffic flow or parking congestion, and shall not be in violation of any of the provisions of the Declaration or Bylaws.

6.3 Building and Landscaping Requirements and Restrictions. All residences constructed within the Community by any Person, other than Declarant, shall be subject to Design Guidelines which may cover the minimum size, architectural style, scope of improvements, quality of design, materials, workmanship, and building site standards. Such Design Guidelines shall be established by the ARC for the purpose of establishing a Community of harmonious design. Without restricting or limiting the authority of the ARC pursuant to Section 3.5 in approving or disapproving of any specific proposal, the following restrictions shall apply to the Community in general:

6.3.1 Any residence or other structure erected or placed on any Lot shall be completed as to external appearance, including finished painting, within nine (9) months after the date of commencement of construction. All front yards and landscaping, measured to the edge of the curb or sidewalk, and any adjoining median strip, including side yards of corner Lots fronting or abutting roadways, must be completed within thirty (30) days of completion of construction. In the event of undue hardship due to weather conditions, this time requirement for completion may be extended for a reasonable period of time upon written approval of the Declarant. The front yard shall be measured from a line coinciding with the front wall of the main dwelling, exclusive of any garage projections, to the street. All side and rear yard landscaping must be completed within one (1) year from the date of closing of the purchase of the residence by the Owner from the builder.

6.3.2 Setback requirements for all Lots shall be as provided in applicable laws, rules, regulations or ordinances of the County of Spokane.



6.3.3 All homes within the Community shall contain a garage. Carports shall not be permitted. Unless otherwise approved by the ARC, all garages must be attached to, or incorporated in and made a part of, the residence constructed upon a Lot. In granting waivers to this requirement, the ARC will consider functional necessity and architectural desirability.

6.3.4 No fence, fencing-type barrier, or hedge of any kind in excess of six (6) feet high or extending into the front yard of any residence shall be erected, allowed or maintained upon any Lot, without the prior written consent of the ARC, except for low decorative fences or walls approved by the ARC. Any such fence, barrier, row of trees, or hedge shall be strictly in compliance with Design Guidelines established by the ARC, which standards may provide for limited acceptable styles and/or specifications.

6.3.5 Any change to the exterior color of any improvement located on a Lot, including, without limitation, the dwelling, must be approved by the ARC.

6.3.6 Exterior surfaces will be of materials that are compatible with a surrounding natural landscape and must be compatible with and harmonize with the aesthetic character of the Community, as established and approved by the ARC. Natural materials are required, such as wood siding or fiberboard, cedar shingles, stone or brick. T-111 plywood siding is prohibited for any exterior building surfaces. All roofing material must be either tile, wood shingles or shakes or architectural composition roofing with a rating of 235 pounds per square, or greater. Metal roofs or other materials may be utilized only with the prior written approval of the ARC. All roofs must have a pitch of at least 4/12.

6.3.7 Each residence shall have a fully finished and enclosed minimum square feet of living area, exclusive of open porches, decks, terraces and garages, as follows: (i) for one story houses/ramblers, an area of 1,200 square feet; (ii) for multi-floored houses, including split-level entry with on-grade access only, two-story and tri-level floor plans, an area of 1,800 square feet. Any outbuilding or other ancillary building must be so designed and constructed as to be compatible in appearance with the residential building and shall not exceed three hundred (300) square feet. The square footage measurements for any residence or outbuilding shall be measured on the exterior foundation. The maximum building height of a residence on a Lot shall not exceed thirty-five (35) feet at any point, measured from the grade at which the natural contour of the ground comes in contact, at such point, with the residence. No outbuilding or other ancillary building or authorized structure shall be more than fifteen (15) feet in height, similarly measured.

6.3.8 No barbed wire, chain link or corrugated fiberglass fences shall be erected on any Lot, except that chain link fencing for sports facility enclosures may be considered for approval by the ARC. The ARC may make available a fence design for the use of Owners. Fencing on corner Lots or pan-handle Lots shall not be closer to the front property line than otherwise allowed unless otherwise approved by the ARC.



6.3.9 The landscaping on each Lot shall retain as many significant trees as possible. At least fifty (50%) percent of every front yard shall be maintained as lawn area, unless otherwise approved by the ARC. Each Lot Owner shall be responsible for installing and maintaining the landscaping within the right-of-way adjacent to and/or between the curb and sidewalk areas.

6.3.10 Driveways shall be constructed of concrete or asphalt material, as a minimum standard.

6.3.11 Each Lot Owner shall be required to clean up the Lot within ten (10) days of receiving a Certificate of Occupancy. Unless otherwise waived by the ARC, Lot Owners shall, upon application to the ARC for approval of house plans, be required to pay a Five Hundred Dollar (\$500.00) fee to the ARC to be used as follows:

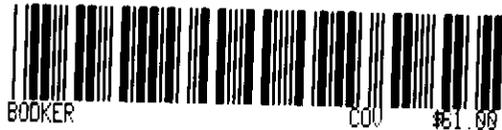
(a) One Hundred Dollars (\$100.00) for house plan check as provided in Section 3.5 of Article 3; and

(b)(1) Four Hundred Dollars (\$400.00) as a damage deposit to be held without interest until house construction is complete. The damage deposit will be used in the event the Owner does not comply with all construction standards, clean up standards, and landscape installation and maintenance standards contained in this Declaration, (the "**Completion Standards**"). Included within the Completion Standards is the obligation of each Owner to keep the Lot reasonably safe and free from excess accumulations of debris and other materials during the construction period. Included within this obligation is the obligation of the Owner to clean up any debris or other materials that may be placed upon any Common Areas or roads or adjoining Lots during the construction period, as well as the above-stated obligation of each Lot Owner to clean up the Lot within ten (10) days after receiving a Certificate of Occupancy.

If the Owner does not comply with the Completion Standard, the ARC may handle the clean up, landscape installation or maintenance, or any other actions required to bring the construction and Lot completion into compliance with this Declaration.

The cost of any actions taken by the ARC pursuant to this Section shall be deducted from the Four Hundred Dollar (\$400.00) deposit. If the cost of the actions taken by the ARC pursuant to this Section exceeds the deposit, the additional expense shall be the personal obligation of the Owner of the Lot, and shall be paid to the Association upon demand. If not paid as set forth herein, the same shall be a lien on the Lot, and may be foreclosed as provided in Article 4.

Notwithstanding anything in this Section or the Declaration to the contrary, neither the Declarant nor the ARC shall be obligated to take any action required to clean up a Lot, nor to bring a residence, landscaping, or other improvements on a Lot into compliance with



the Completion Standards nor with other requirements of this Declaration. The Declarant or the ARC may take such action as the Declarant wishes; however, any action taken by the Declarant or the ARC shall not impose any requirement on the Declarant or the ARC to initiate or complete any other actions necessary or advisable to clean up the Lot or otherwise bring the construction and landscaping into compliance with the Completion Standards and this Declaration.

(b)(2) Once all of the construction on a specific Lot has been completed by the Owner, including all required clean up, landscaping improvements on site and within the adjoining rights-of-way as set forth in this Declaration, the Owner may request a refund of the Four Hundred Dollar (\$400.00) damage deposit.

Within thirty (30) days from receiving said notice, the ARC, or designated representative, shall conduct a site inspection to verify that the Owner appears to have met all Completion Standards and clean up work. If all Completion Standards and clean up work appear to have been met, then the damage deposit shall be returned to the Owner within ninety (90) days of the original date of the ARC's receipt of the request for the refund.

Return of all or any portion of the damage deposit shall not, under any circumstances, constitute a representation or warranty by the Declarant or by the ARC to the Owner, other Lot Owners, the Association, or anyone else that (i) the Completion Standards have been met, or (ii) that any other requirements of this Declaration has been complied with.

6.3.12 Any Lot Owner must commence construction of a residential home on any Lot not later than four (4) years from the date of closing of the purchase of said Lot. During the interim period of time until the Lot Owner begins construction, the Lot Owner will not permit the Lot to become unkempt or unsafe in any manner and the Lot Owner shall reasonably maintain the appearance and condition of the Lot.

6.4 Signs. No sign of any kind shall be erected by an Owner or Occupant within the Community without the prior written consent of the ARC. Notwithstanding the foregoing, the Board and the Declarant shall have the right to erect reasonable and appropriate signs including, without limitation, signs related to Declarant's development and marketing of residences within the Community. In addition, "For Sale" and "For Rent" signs and security signs consistent with the Community-Wide Standard and any signs required by legal proceedings may be erected upon any Lot. This restriction shall not prohibit the temporary placement of political lawn signs on any Lot by the Owner.

6.5 Vehicles. The term "vehicle", as used herein, shall include, without limitation, automobiles, vans, campers, trucks, buses, motor homes, mobile homes, boats, trailers, portable aircraft, motorcycles, snowmobiles, minibikes, scooters, go-carts, and any other towed or self-



propelled transportation type vehicle. The term "passenger vehicle", as used herein, shall include passenger automobiles, vans, small trucks, motorcycles, and similar type vehicles used regularly and primarily as transportation for the Occupants of the Lot. Vehicles used for commercial and recreational purposes are not considered passenger vehicles. "Parking areas" shall refer to the number of garage parking spaces and driveway areas in front of garages. However, driveway areas shall be considered "parking areas" for passenger vehicles only and only to the extent that sufficient parking spaces are not provided in the garage for all the vehicles used by the Occupants of the Lot.

6.5.1 No vehicles other than passenger vehicles in regular use may be parked on any Lot or portion of the Community except in parking areas on Lots in a screened area on a Lot, if such screened area is approved by the ARC, or in designated Common Area storage facilities. Any vehicle regularly parked in an unapproved area or for longer than twelve (12) consecutive hours shall be considered a nuisance and may be removed from the Community.

6.5.2 Passenger vehicles parked overnight or for more than eight (8) consecutive hours shall be parked in garages to the extent that garage parking areas are provided and not occupied by other vehicles used by the Occupant of the Lot. No passenger vehicles may be parked on any Lot or portion of the Community except in "parking areas" as defined in this Section 6.5.

6.5.3 Any passenger vehicle which is inoperable or unlicensed and not capable of use on the public highways and which is parked on any Lot for a period of more than forty-eight (48) hours shall be treated the same as a non-passenger vehicle and shall be considered a nuisance and may be removed from the Community.

6.5.4 The Board shall adopt and maintain current rules and regulations concerning the parking and storage of vehicles on any Lot or any portion of the Community, including designated storage areas. Said rules are to protect the Community from the potentially adverse impacts of vehicles on the Community environment and to accommodate the evolving nature and use of such vehicles. Such rules and regulations may provide for exceptions and/or modifications to the conditions of this Section as determined in the sole discretion of the Board. The Board shall rule on any dispute as to the interpretation or application of this Section and all rules and regulations established by the Board with respect to vehicles.

6.6 Vehicles on Common Areas. No motorized vehicles shall be permitted on pathways or unpaved Common Areas except vehicles being used for the limited purpose of operating and maintaining utilities, or as permitted by the Board on designated storage areas.

6.7 Leasing. Lots may be leased for residential purposes. All leases shall have a minimum term of at least three (3) months. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, Bylaws, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may



evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property.

6.8 Occupants Bound. All provisions of the Declaration, Bylaws, and of any rules and regulations which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not timely paid, the fine may then be levied against the Owner.

6.9 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Community; provided, however, that conventional household pets may be kept on a Lot subject to the following restrictions:

Pets shall not be kept, bred or maintained for any commercial purposes. Owners shall be responsible for the immediate clean up and removal of all fecal matter deposited by pets on any property other than the Lot of the Owner of the pet. Pets shall be confined in the Owner's Lot in a dog run, or otherwise, unless on a leash and accompanied by a responsible person. No domestic pet may be kept if it is a source of annoyance or a nuisance, and in particular, dogs shall not be allowed to bark in an annoying manner. The Board shall have the authority to determine whether a particular pet is a nuisance or a source of annoyance, and such determination shall be final and conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated from time to time as required by law. In no case may there be more than two (2) dogs or cats per Lot.

6.10 Nuisance. Each Owner and Occupant shall prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Occupants of surrounding property. No illegal, illicit, noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law or unless specifically approved by the ARC.

6.11 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly of and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be undertaken outside of homes or garages. Garage doors shall be kept closed at all time unless they are in use. In addition, the storage of equipment,



machinery, construction supplies or any similar material on a Lot outside of the home and garage constructed thereon is strictly prohibited except as required during the remodeling or refurbishing of improvements on such Lot and then for not more than sixty (60) days.

6.12 Antennas. No television or radio antenna, tower, satellite dish, or exterior antenna of any kind shall be placed, allowed, or maintained upon any Lot or any portion of the Community without the prior written consent of the ARC. Each Owner and Occupant acknowledges that this provision benefits all Owners and Occupants and each Owner and Occupant agrees to comply with this provision despite the fact that the erection of an outdoor antenna or similar device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received.

6.13 Tree Removal. No trees that are more than six (6) inches in diameter at a point three (3) feet above the ground shall be removed without the prior written consent of the ARC. Notwithstanding all of the above, no consent or approval is required for the removal by an Owner of any trees, regardless of their diameter, that are located within ten (10) feet of the Owner's residence.

6.14 Drainage. Catch basins, and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers or storm drains, or alter topographic conditions affecting drainage on or off the Lot.

6.15 Garbage Cans, Woodpiles, Machinery, Storage Tanks. All garbage cans, woodpiles, air-conditioning compressors, machinery, equipment, and tanks for oil or water storage, shall be located or screened so as to be concealed from the view of neighboring Lots, roads or streets abutting the Lot on which such items are located. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community. This Section 6.15 is subject to all rights granted and reserved pursuant to Section 11.6, below.

6.16 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the ARC. Declarant, however, hereby expressly reserves the right to replat or change the boundary lines of any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

6.17 Guns. The use of firearms in the Community is prohibited. The term "firearms" includes, without limitation, BB guns, pellet guns, and small firearms of all types.



6.18 Utilities.

6.18.1 Except as may be permitted by the ARC, no overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction.

6.18.2 The use of private wells and water systems within the Community is prohibited. In addition, Owners are subject to and shall comply with certain conditions of approval of Spokane County with respect to sewer and storm water control facilities as set forth on the applicable plat of the phase in which such Owner's Lot is located.

6.19 Lighting. Except as may be permitted by the ARC, exterior lighting shall not be permitted except for (i) two (2) decorative post lights, (ii) street lights in conformity with an established street lighting program for the Community; (iii) seasonal decorative lights; or (iv) front house illumination of model homes. Other decorative yard lighting shall be permissible subject to prior approval of the ARC.

6.20 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation, exterior sculpture, fountains, flags, and similar items shall be permitted in the front yard of any Lot or on any part of the Lot within the view of neighboring Lots, unless approved by the ARC.

6.21 Swimming Pools, Recreational Facilities. Swimming pools, hot tubs and other significant recreational facilities, including, but not limited to, tennis, badminton or pickle ball courts shall be constructed, erected or maintained upon any Lot only with the prior written consent of the ARC. The ARC may disallow any swimming pool or hot tubs which the ARC determines will be contrary to the best interests of the Community. The ARC shall have the authority to establish rules and regulations governing the use of such facilities. Considerations shall include, but not be limited to, the visual and audio intrusion such a facility and associated activities would have on surrounding residences. No platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any part of any Lot located in front of the backyard fence of the residence constructed on the Lot, and any such structure must have the prior approval of the ARC.

6.22 Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot which are visible from the views of neighboring Lots, streets and property located adjacent to the Lot.

6.23 Exterior Security Devices. No exterior security devices, including, without limitation, window bars, shall be permitted on any residence or Lot. Signs placed on the Lot or the exterior of the residence stating that such residence is protected by a security system are permissible.



6.24 Temporary Structures. No quonset hut, metal buildings, modular or mobile homes or any temporary structure of any nature shall be placed upon or used on any Lot, other than a trailer used for a construction shed/office during the actual period of construction of a permanent residence on the Lot.

6.25 View Easement. In the event that existing trees, or trees planted as part of an approved landscaping plan, later grow to adversely impact the views of neighboring Lots, the ARC, upon such determination, in the sole judgment of the ARC, may deliver written notice to the Owner of a Lot wherein the offending tree or trees are located, instructing the Owner that the subject trees and/or vegetation are to be trimmed and/or reduced in height. If after thirty (30) days notice this work is not completed as directed, the ARC shall grant to the Owner whose view is obstructed, the right to enter, at his own cost, the Lot wherein the offending tree or trees are located, at reasonable times and in a reasonable manner, to eliminate the view obstruction.

The height of improvements, vegetation and trees on any Lot shall not materially impair or restrict the view of other Owners, however, this condition shall not be interpreted as justification to create a view not originally present.

6.26 Construction and Sale Period. Until Declarant's unilateral right to subject property to this Declaration, as provided in Article 9, terminates and thereafter so long as Declarant owns any property in the Community for development and/or sale, the restrictions set forth in this Article 6 shall not be applied or interpreted so as to prevent, hinder or interfere with development, construction and sales activities of Declarant, or any builder or developer approved by Declarant.

ARTICLE 7 INSURANCE AND CASUALTY LOSSES

7.1 Insurance Coverage. The Board of Directors or the duly authorized agent of the Association shall have the authority to and shall obtain or cause to be obtained insurance as follows:

7.1.1 The Board shall obtain insurance on all insurable buildings and, where the Board deems there to be a reasonable risk, other substantial structures, whether or not such buildings or structures are located on the Common Areas and which the Association is obligated to maintain. Insurance on buildings shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Insurance on other substantial structures shall cover those risks deemed advisable by the Board and shall be in such amounts as are deemed advisable by the Board. The Board may insure other types of improvements, including entry monuments, landscaping, and the like, as it deems advisable. With respect to such other improvements, the Board shall determine the risks to be insured and the amounts of insurance to be carried.



7.1.2 The Board shall obtain a public liability policy applicable to the Common Areas, covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00).

7.1.3 The Board is hereby authorized to contract with or otherwise arrange to obtain the insurance coverage required hereunder through the Declarant and to reimburse Declarant for the cost thereof, and Declarant shall be authorized, but not obligated, to purchase such insurance coverage for the benefit of the Association and the Owners upon Declarant and the Association agreeing upon the terms and conditions applicable to reimbursement by the Association for costs incurred by Declarant in obtaining such coverage. Notwithstanding anything contained in this Declaration to the contrary, the Board shall not be required to comply with the provisions of this Article 7 if the Board has contracted for or otherwise arranged to obtain the required insurance coverage through the Declarant.

7.1.4 Premiums for all insurance shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement costs.

7.1.5 In the event insurance premiums in connection with the insurance required by this Article 7 become prohibitive, in the judgment of the Board, the Board may, with approval of seventy-five (75%) percent of the Total Association Vote, reduce the amount of the required insurance, self-insure itself, or discontinue the insurance all together.

7.2 Policy Requirements. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties. Such insurance shall be governed by the provisions hereinafter set forth:

7.2.1 All policies shall be written with a company authorized to do business in Washington.

7.2.2 Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

7.2.3 In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.



7.2.4 All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in Spokane County.

7.3 Other Insurance. In addition to the other insurance required by this Article 7, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirement of applicable laws. The Board may, in its discretion, obtain a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. The Association shall obtain additional insurance coverage, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, or the U.S. Department of Housing and Urban Development.

7.4 Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots, and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall, at a minimum, carry fire and extended coverage casualty insurance on the Lot and all structures constructed thereon in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

7.5 Damage and Destruction -- Insured by Association.

7.5.1 Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. The Board of Directors shall have the enforcement powers specified in Section 7.2 of this Declaration necessary to enforce this provision.

7.5.2 Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five (75%) percent of the Total Association Vote otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60)



days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

7.5.3 If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

7.5.4 In the event that it should be determined by the Association, in the manner described above, that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

7.6 Damage and Destruction -- Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board of Directors shall have all enforcement powers specified herein.

7.7 Insurance Deductible. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the Persons who are responsible hereunder, or be a common expense of the Association.

**ARTICLE 8
CONDEMNATION**

In the event of a taking by eminent domain of any portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking, at least seventy-five (75%) percent of the Total Association Vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Areas to the extent lands are available therefore. The provisions of Section 7.5, above, applicable to Common Areas improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.



**ARTICLE 9
ANNEXATION OF ADDITIONAL PROPERTY**

9.1 Unilateral Annexation by Declarant.

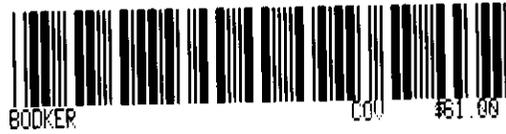
9.1.1 As the Owner thereof or, if not the Owner, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time until fifteen (15) years after the recording of the Declaration, to subject all or any portion of other real property to the provisions of this Declaration by recording a Supplementary Declaration describing the property being subjected. Any such annexation shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided therein. As long as covenants applicable to the real property previously subjected to this Declaration are not changed, the Declarant may unilaterally amend this Declaration to reflect the different character of any such annexed real property.

9.1.2 The rights reserved unto Declarant to subject additional land to the Declaration shall not impose any obligation upon Declarant to subject any of such additional land to this Declaration or to the jurisdiction of the Association. If such additional land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

9.2 Other Annexation. Subject to the consent of the Owner(s) thereof and the consent of the Declarant (*so long as the Declarant owns any property for development and/or sale in the Community or has the right to unilaterally annex additional property to the Community*), upon the affirmative vote or written consent, or any combination thereof, of seventy-five (75%) percent of the Total Association Vote, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall be signed by the President of the Association whose signature shall be attested by the Secretary of the Association, and any such annexation shall be effective only upon the filing for record of such Supplementary Declaration, unless a later effective date is provided therein.

**ARTICLE 10
MORTGAGEE PROVISION**

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article 10 apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.



10.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (*such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder"*), will be entitled to timely written report as to the current status of said Lot with respect to the following:

10.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Community, or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

10.1.2 Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder.

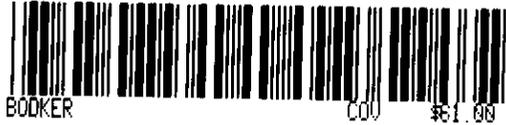
10.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

10.3 Notice to Association. Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

10.4 VA/HUD Approval. As long as the Declarant has the right to appoint and remove the directors of the Association and if the project has been approved by the U.S. Department of Housing and Urban Development ("**HUD**") for insuring, or the U.S. Department of Veterans Affairs ("**VA**") for guaranteeing any Mortgage in the Community, the following actions shall require the prior approval of the VA and/or HUD as applicable: (i) annexation of additional property to the Community, except for annexation by Declarant in accordance with Section 9.1, hereof; (ii) dedication of Common Areas to any public entity; (iii) mergers and consolidations; (iv) dissolution of the Association, and material amendment of the Declaration, Bylaws or Articles of Incorporation.

10.5 Applicability of Article 10. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Washington law for any of the acts set out in this Article.

10.6 Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or VA subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.



ARTICLE 11 EASEMENTS

11.1 Easements for Use and Enjoyment.

11.1.1 Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions:

11.1.1.1 the right of the Association to charge reasonable fees for the use of any portion of the Common Areas, to limit the number of guests of Lot Owners and tenants who may use the Common Areas, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, and invitees;

11.1.1.2 the right of the Association to suspend the voting rights of an Owner and the right of an Owner to use certain Common Areas for any period during which any assessment against such Owner's Lot remains unpaid;

11.1.1.3 the right of the Association to borrow money for the purpose of improving the Common Areas, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan, a Mortgage conveying all or any portion of the Common Areas; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interest, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community; and

11.1.1.4 the right of the Association to dedicate or transfer all or any portion of the Common Areas subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of at least seventy-five (75%) percent of the Total Association Vote; provided, however, that during the Development Period, Declarant may, on its sole signature, dedicate or transfer portions of the Common Areas, so long as such transfer or dedication does not materially and adversely affect the Association or any Lot Owner.

11.1.2 Any Lot Owner may delegate such Owner's right of use and enjoyment in and to the Common Areas and facilities located thereon to the members of such Owner's family and to such Owner's tenants and guests and shall be deemed to have made a delegation of all such rights to the Occupants of such Owner's Lot, if leased.



11.2 Easements for Utilities. There is hereby reserved to the Declarant, the Association and any utility providers designated by either the Declarant or the Association, blanket easements upon, across, above and under all property within the Community, for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity. It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. This easement shall be utilized so as to not unreasonably interfere with improvements constructed upon any Lot and the building envelope for any unimproved Lot. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

11.3 Easement for Entry. In addition to the right of the Board to exercise self-help as provided in Section 12.2 hereof, the Board shall have the right, but shall not be obligated, to enter upon any property within the Community for emergency, security, and safety reasons, which right may be exercised by police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused.

11.4 Easement for Maintenance. Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required under Article 5. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of Owner's property. Reasonable steps shall be taken to protect such property and damage shall be repaired by the Person causing the damage at its sole expense.

11.5 Easement for Entry Features. There is hereby reserved to the Declarant and the Association, an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar street-scapes for the Community, as more fully described on the recorded subdivision plat for the Community or any other recorded instrument, easement or conveyance. The easement and rights herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

11.6 Easement for Private Road. All roadways within the Community will be private Common Roads. All such private roads and associated drainage facilities shall be constructed in conformance with approved plans on file in the Spokane County Engineer's office. Each Owner is hereby granted a permanent non-exclusive easement to use said private roadways for ingress and



egress, as shown on the recorded plat or survey map of the Community, a copy of which is attached hereto as Exhibit B, and incorporated herein by this reference. Each Owner within the Community will be responsible for paying a prorata share of all costs of maintenance, repair and improvement to the roadways, drainage facilities, and entry gate or entry statement within the Community. These costs shall be allocated and decided upon according to the provisions of Article 4, above.

In the event that the private roads lying within the Community, including associated drainage facilities, are improved to Spokane County standards for public streets, and the County is willing to accept the dedication of such roads and facilities, each Owner within the Community shall execute any documents necessary to accomplish such dedication.

WARNING: Spokane County has no responsibility to build, improve, or maintain or otherwise service the private roads, including associated drainage facilities, contained within or providing service to the property described in this Declaration. By accepting a Final Plan of Viewmont Glen, or subsequently by allowing a building permit to be issued for property on a private road, Spokane County assumes no obligation for said private road and the Owners hereby acknowledge that the County has no obligations of any kind or nature whatsoever to establish, examine, survey, construct, alter, repair, improve, maintain, provide drainage or snow removal on a private road, or associated drainage facilities

11.7 Easement for Storm Water Drainage Ponds and Facilities. Tract A of the Final Plat of Viewmont Glen shall be encumbered with a large storm water drainage pond. An easement in favor of the Association for said storm water drainage pond, fence and associated appurtenances is hereby granted to the Association on said Tract A. The Association shall maintain said drainage pond in all respects pursuant to the aforementioned Operation & Maintenance Manual for Viewmont Glen. The Association will carry liability insurance on a continuous basis in order to protect the Owners and the Association from any liability for the storm water facility that is located on Tract A. The maintenance of the storm water facility shall meet not only the Operation & Maintenance Manual requirements, but also any design requirements and approvals of Spokane County, in perpetuity. This storm water facility shall be fenced and gated, if required by Spokane County. All construction costs for the facility, including fences and gates, shall be at the cost of the Developer, but all future maintenance and operation shall be the cost of the Association.

11.8 Construction and Sale Period Easement. Notwithstanding any provisions contained in this Declaration, the Bylaws, Articles of Incorporation, rules and regulations, design guidelines, and any amendments thereto, until Declarant's unilateral right to subject property to this Declaration, as provided in Article 9, terminates, and thereafter so long as Declarant owns any property in the Community for development and/or sale, Declarant reserves an easement across all Community property for Declarant and any builder or developer approved by Declarant, to maintain and carry on, upon such portion of the Community as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction and sales activities related to property described on Exhibit A to this Declaration, including, but without



limitation: (i) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; (ii) the right to tie into any portion of the Community with driveways, parking areas and walkways; (iii) the right to tie into and/or otherwise connect and use (*without a tap-on or any other fee for so doing*), replace, relocate, maintain and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (iv) the right to carry on sales and promotional activities in the Community; and (v) the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices. Declarant and any such builder or developer may use residences, offices, or other buildings owned or leased by Declarant or such builder or developer as model residences and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property. Reasonable steps shall be taken to protect such property and damage shall be repaired by the Person causing the damage at its sole expense. During the Development Period, this Section shall not be amended without the Declarant's express written consent.

ARTICLE 12 GENERAL PROVISIONS

12.1 **Enforcement.** Each Owner and Occupant shall comply strictly with the Association's Bylaws, rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed to such Owner's Lot, if any. The Board of Directors may impose fines or other sanctions, which shall be collected, as provided herein, for the collection of assessments. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors, on behalf of the Association, or, in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record a notice of violation of the Declaration, Bylaws, rules and regulations, or design guidelines and to assess the cost of recording and removing such notice against the Owner who is responsible (*or whose Occupants are responsible*) for violating the foregoing.

12.2 **Self-Help.** In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Community to abate or remove, any structure, thing or condition which violates this Declaration, the Bylaws, or the Association's rules and regulations. Unless an emergency situation exists, the Board shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including, without limitation, reasonable attorneys' fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.



12.3 Duration. This Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided however, so long as and to the extent that Washington law limits the period during which covenants restricting land to certain uses may run, and provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision shall be (i) automatically extended (*to the extent allowed by applicable law*) for successive periods of ten (10) years, unless a written instrument reflecting disapproval signed by the then Owners of at least two-thirds (2/3) of the Lots and the Declarant (*so long as the Declarant owns any property for development and/or sale in Community or has the right to unilaterally annex additional property to the Community*) has been recorded within the year immediately preceding the beginning of a ten (10) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein; or (ii) extended as otherwise provided by law. Every purchaser or grantee of any interest (*including, without limitation, a security interest*) in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefore, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

12.4 Amendments.

12.4.1 This Declaration may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (iv) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing. Further, so long as Declarant owns any property for development and/or sale in the Community or has the unilateral right to subject additional property to this Declaration as provided in Article 9 hereof, Declarant may unilaterally amend this Declaration for any other purpose; provided however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owners hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

12.4.2 This Declaration may also be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least seventy-five (75%) percent of the



Total Association Vote and the consent of Declarant (*so long as the Declarant owns any property for development and/or sale in the Community or has the right to unilaterally annex additional property to the Community*). Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

12.5 Partition. The Common Areas shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not necessarily limited to, the Lots located within the Community.

12.6 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

12.7 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

12.8 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

12.9 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now-living descendants of the individuals signing this Declaration.

12.10 Indemnification. To the fullest extent allowed by applicable Washington law, the Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorneys' fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (*including settlement of any suit or proceedings, if approved by the then Board of Directors*) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors



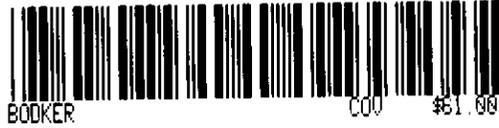
shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (*except to the extent that such officers or directors may also be members of the Association*), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officers or director, or former officer or director, may be entitled. The Association may, at the discretion of the Board, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

12.11 Books and Records. This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees, shall be made available pursuant to reasonable procedures established by the Board for inspection and copying by any member of the Association or by the duly appointed representative of any member and by holders, insurers, or guarantors of any first Mortgage, at any reasonable time and for a purpose reasonably related to such Person's interest as a member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

12.12 Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's financial statements at the annual meeting, by a majority of the Total Association Vote, the Owners may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

12.13 Notice of Sale, Lease or Acquisition. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new Owner shall give the Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably require.

12.14 Agreements. Subject to the prior approval of Declarant (*so long as Declarant owns any property for development and/or sale in the Community or has the right to unilaterally annex additional property to the Community*), all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors, shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.



12.15 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

12.16 Variances. Notwithstanding anything to the contrary contained herein, the Board of Directors or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction established pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

12.17 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five (75%) percent of the Total Association Vote. This Section shall not apply, however, to (i) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (ii) the imposition and collection of assessments as provided in Article 4 hereof, (iii) proceedings involving challenges to ad valorem taxation, or (iv) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant pursuant to Section 12.4, hereof, or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

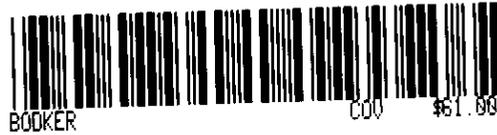
Executed as of the day and year first above-written.

DECLARANT:

HANSON INDUSTRIES, INC.

By Robert J. Boyle
Robert J. Boyle - Vice President

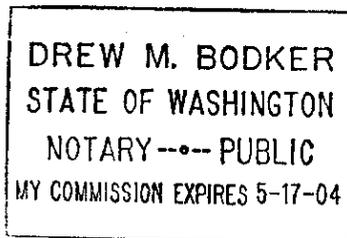
STATE OF WASHINGTON)
) ss.
County of Spokane)



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Spokane Co, WA

On this 22nd day of October, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert J. Boyle to me known to be the Vice President of Hanson Industries, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

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



[Signature]

Notary Public in and for the State
of Washington, residing at Spokane
My Appointment Expires: 5-17-04

Unofficial Document



EXHIBIT A
LEGAL DESCRIPTION

KNOW ALL MEN BY THESE PRESENTS, THAT HANSON INDUSTRIES, INC, A WASHINGTON CORPORATION, HAVE CAUSED TO BE PLATTED INTO TRACTS THE LAND SHOWN HEREON, TO BE KNOWN AS VIEWMONT GLEN, LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 43 EAST, W.M., IN SPOKANE COUNTY, WASHINGTON STATE, DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2" REBAR WITH YELLOW PLASTIC CAP MARKED "BENTHIN LS 13315" ACCEPTED AS THE WEST ONE-QUARTER CORNER OF SAID SECTION 18; THENCE NORTH 00°50'14" EAST ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER A DISTANCE OF 164.04 FEET TO A 3/4" IRON PIPE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 00°50'14" EAST CONTINUING ALONG SAID WEST LINE A DISTANCE OF 798.02 FEET TO THE SOUTHWEST CORNER OF PROPERTY AS DESCRIBED IN TREASURER'S DEED RECORDED IN VOLUME 1346, PAGE 1221, UNDER AUDITOR'S FILE NUMBER 9210120299, RECORDS OF SPOKANE COUNTY;

THENCE ALONG THE SOUTHWESTERLY AND SOUTHEASTERLY LINES OF SAID DEED THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 58°39'46" EAST A DISTANCE OF 86.72 FEET;
- 2) NORTH 31°20'14" EAST A DISTANCE OF 89.33 FEET TO THE WESTERLY CORNER OF LOT 6 OF THE FINAL PLAT OF WHITWORTH TERRACE 5TH ADDITION, AS RECORDED IN BOOK 7 OF PLATS, PAGE 75;

THENCE SOUTH 63°44'46" EAST ALONG THE SOUTHWESTERLY LINE OF SAID LOT 6 A DISTANCE OF 120.46 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 6, SAID POINT ALSO LYING ON THE NORTHWEST LINE OF LOT 5 OF SAID FINAL PLAT OF WHITWORTH TERRACE 5TH ADDITION;

THENCE SOUTH 31°20'14" WEST ALONG THE NORTHWESTERLY LINE OF SAID LOT 5 A DISTANCE OF 100.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE SOUTH 58°39'46" EAST ALONG THE SOUTHWEST LINE OF SAID LOT 5 A DISTANCE OF 1.06 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 625.00 FEET; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF LOT 4 AND LOT 5 OF SAID FINAL PLAT OF WHITWORTH TERRACE 5TH ADDITION AND THE SOUTHEASTERLY PROLONGATION OF SAID SOUTHWESTERLY LINES AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°20'00" AN ARC DISTANCE OF 418.15 FEET TO A POINT ON THE WESTERLY LINE OF PROPERTY AS DESCRIBED IN A STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 4577391, RECORDS OF SPOKANE COUNTY;

THENCE SOUTH 20°19'46" EAST ALONG THE WEST LINE OF SAID STATUTORY WARRANTY DEED A DISTANCE OF 66.68 FEET TO THE



EXHIBIT A (cont.)

BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 20.00 FEET;

THENCE EASTERLY ALONG THE WEST LINE OF SAID STATUTORY WARRANTY DEED AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 64°50'00" AN ARC DISTANCE OF 22.63 FEET TO A POINT ON THE SOUTHERLY LINE OF PROPERTY AS DESCRIBED IN A QUIT CLAIM DEED, RECORDED IN VOLUME 893, PAGE 627, RECORDS OF SPOKANE COUNTY;

THENCE NORTH 85°09'46" WEST ALONG THE SOUTHERLY LINE OF SAID QUIT CLAIM DEED A DISTANCE OF 13.93 FEET;

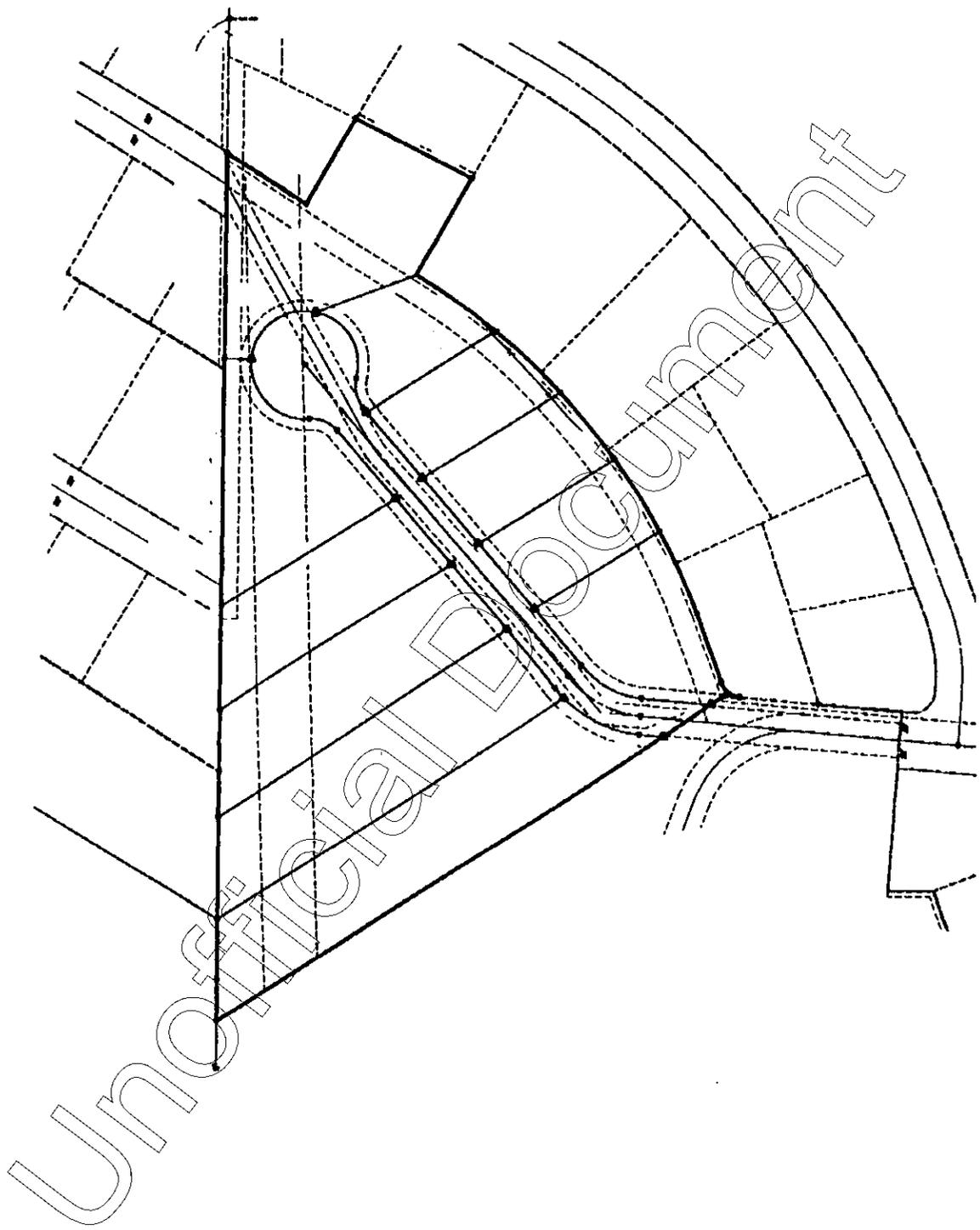
THENCE SOUTH 57°54'12" WEST ALONG SAID SOUTHERLY LINE A DISTANCE OF 562.45 FEET TO THE TRUE POINT OF BEGINNING

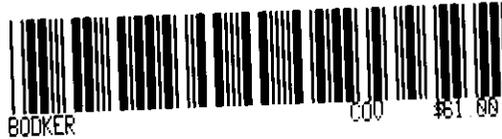
CONTAINING 234,020 SQUARE FEET OR 5.37 ACRES.

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EXHIBIT B





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Spokane Co. WA

EXHIBIT C

DRAINAGE PONDS
AND
DRAINAGE FACILITIES

OPERATION & MAINTENANCE
MANUAL

VIEWMONT GLEN

Spokane County Plat of Viewmont Glen
PN-1851-97

By
Hanson Industries, Inc. (Owner/Developer)
15807 E. Indiana Ave.
Spokane, Washington 99216
(509) 922-5252



1.0 PURPOSE

This plan is intended to provide general operations and maintenance guidelines for the drainage ponds and other drainage facilities located in the Viewmont Glen Subdivision PN-1851-97, serving the runoff from the private road. Implementation of these guidelines will insure that the drainage facilities installed will function as intended in the design, and maintain the pre-developed runoff rates which discharge to downstream properties.

2.0 INTRODUCTION

Generally, the drainage system is intended to attenuate the increase of water runoff generated on-site, by routing the storm water through a drainage pond, and discharging the storm water downstream at the pre-developed runoff rates. The drainage facilities consist primarily of drainage ponds, storm pipes, drainage ditches, and flow control structures out of the ponds. It is therefore, of the utmost importance to provide adequate operations and maintenance activities to insure that the drainage facilities remain silt or dirt free, as this silt or dirt loading will affect the storage volume and downstream runoff volumes. Should this result, the only remedy would be to completely reconstruct the site drainage facilities. Therefore, periodic maintenance is a must. Full sets of engineering drawings are available for review at Spokane County Public Works, under County File PN-1851-97.

3.0 GENERAL OPERATIONAL CHARACTERISTICS

The drainage facilities for the Viewmont Glen Subdivision PN-1851-97 are generally very simple, functional, and have low maintenance requirements. A periodic visual inspection of the facilities will identify any required maintenance. Most maintenance will consist of keeping the pond, pipes, drainage ditches, weirs and appurtenances free of debris and sediment. However, a specific inspection schedule should be followed. See Section 4.0 for recommended maintenance schedules.

3.10 Drainage Pond. Runoff from the roads and lots will go into the pond. The pond will store a certain depth of water and then flow out through the orifice flow control structures, as shown in the plans. There is one pond within this plat which requires maintenance. The location of the drainage pond and structures are shown on the approved plan available from the County. The pond elevation information is provided in table 3.10A. The purpose of these tables is to provide the maintenance personnel a quick reference of relative depth. More detailed information is provided in the engineering plan on file at Spokane County Public Works under File PN-1851-97.



Pond Label	Pond Bottom Elevation	Outflow Elevation	Outflow Structure
"A"	_____	_____	Multiple Orifice Outlet Structure

Table 3.10A

3.20 Outflow Structures. The outflow structures are used to regulate flow rates out of the pond. The outflow structure types are: multiple orifice outlet structure with staged orifice and overflow components.

3.30 Conveyance Ditches and Storm Pipes. The storm drainage ditches convey the storm water from the road to the ponds, and from the ponds the outflow is piped to the discharge locations in existing natural drainage courses.

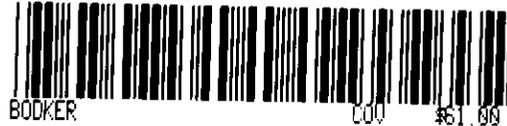
4.0 MAINTENANCE REQUIREMENTS AND SCHEDULES

Below is a maintenance description for each of the drainage system elements contained within the Viewmont Glen Subdivision, including the pond, ditches, pipes, and flow control structures. All drainage facilities serving the private road are expected to be maintained by the 10 individual lot owners within the Viewmont Glen Subdivision.

General

Proper maintenance procedures are a necessity for the continued functioning of the drainage facilities. Improper maintenance, or lack of attentive maintenance measures, may result in negative on-site and downstream impacts. It is essential that the Viewmont Glen Homeowners Association (the "**Association**") be responsible for making sure the maintenance measures are implemented.

Generally, maintenance personnel are to conduct a visual inspection of the drainage facilities immediately following a substantial rainfall event or snow melt event, such as when it has rained noticeably hard for a short period (*30 minutes or less*) or it rained steady for a long period (*8 hours or more*) or if a significant rainfall and snow melt event, associated with a "Chinook" melt were to occur in January, February or March when the ground is frozen. For long duration storms, greater than 24 hours, maintenance personnel are to inspect the drainage facilities during the storm event to identify any developing problems and correct them before they become major problems.



1. Inspect the pond, ditches, flow control structures, pipes, and drainage appurtenances to make sure that they are clear of debris and obstructions.
2. Inspect the pond berm to make sure there are no breaches or breaks in the berm. Immediately repair any breaches or breaks, with a sandy loose soil, compacted in place.
3. Inspect the orifice flow control structure in the pond, making sure there is no damage and that the orifices and overflow are not plugged with deleterious material. Immediately repair any damage to the orifice structure, inlet, or discharge outfall. Clean the trash rack covering the entrance pipe to the pipe that leads from the pond to the outlet structure. An engineer should be consulted if significant damage or degradation to the flow control structure has occurred.
4. Check for any erosion in the ditches and the pond outflow structures. Temporary repairs should be made immediately if further rainfall or snow melt is anticipated in the near future. Temporary repairs may include installing riprap, installing geotextile fabric, and/or reconstructing the earthen channel.

These above-noted storm event related visual inspections (*no. 1, 2, 3 and 4*) are in addition to the maintenance schedules noted for each item.

4.10 Drainage Ditches. Frequency of Inspection: Monthly, and after every storm event & snow melt event. The storm conveyance ditches are constructed from native soils and gently sloped as designed to the pond and site discharge location. These swales may be stabilized as follows: sodded and/or hydro-seeded with a dryland grass mixture or constructed with 2-inch minimum diameter rocks to form a faux stream channel or other landscaped options capable of conveying water. Monthly maintenance and inspections of these swales will include removal of any accumulated debris, such as leaves, weeds and trash. Any obstructions, which would not allow water to flow freely through the swales as designed should be removed. Additionally, the side slopes of the swales should be inspected to insure that they are in good repair and structurally competent and that no erosion of the swale side slopes or bottom has occurred. Where erosion has occurred, the channel wall and bottom can be stabilized with riprap or geotextile fabric. An engineer should be consulted when determining the size of the riprap or type of geotextile fabric, and for placement of these materials.

4.20 Drainage Pond. Frequency of Inspection: Every 3 months, or after every storm event & snow melt event, whichever is more frequent, the pond should be inspected. Again, the drainage pond is to be maintained by the Association, as summarized in Table 3.10A. The pond consists of a bermed depression constructed



from native soils; this depression should be sodded and/or hydro-seeded with a dryland grass mixture, at a minimum. A lawn sod can be used if regular irrigating is implemented. Quarterly maintenance and inspections of the ponds will include removal of any accumulated debris, such as leaves, weeds and trash. Any obstructions, which would not allow water to flow freely from the pond via the outflow structures should be removed or repaired. The trash rack at the entrance to the pipe leading from the pond to the outlet structure should be inspected for damage and cleaned of any debris. Additionally, the berm of the pond should be inspected to insure that it is in good repair and structurally competent and that no outflow has occurred other than the outflow structure.

4.30 Outflow Structures. The types of outflow structure for the drainage pond is listed in table 3.10A. Inspections and maintenance should be done during inspections of the pond, making sure that each of these structures are clear of obstructions and debris, and in good condition. If there is any obstruction present, it should be removed immediately.

4.40 Orifices. Periodic maintenance of the orifices should be done during inspections to insure that the orifice is in good condition and no breaking of the piping or its supports has occurred. If the orifice structure has been damaged it should be repaired as soon as possible to minimize any effect downstream.

4.50 Pipes. Visually inspect the pipes, inlets and outlets, making sure they are clear of debris and checking that the pipe is in good condition, without breaks or cracks. A flow test in the pipe can be used to readily detect major obstructions or breaks in the pipe. This test requires a water source (*hydrant or water truck*) and a person at the downstream end of the pipe observing the flow exiting out of the pipe section.

5.0 RECOMMENDED SET-ASIDE FUNDS FOR MAINTENANCE & FUTURE REPLACEMENT COSTS

There will be annual costs to maintain the drainage facilities. Similarly, there will be replacement costs and major renovation costs of all drainage facilities, which will occur in the future. These costs are the responsibility of the Association or its successors in interest. Future replacement and major renovation costs have been converted to annual costs, in the form of recommended set-aside funds.

The estimated annual maintenance costs and recommended annual set-aside costs are listed below in Table 5.00A. It is recommended that the Association set aside these amount of funds annually to ensure that adequate maintenance and replacement measures of the drainage facilities will be implemented.



DRAINAGE FACILITY COSTS	ANNUAL MAINTENANCE COSTS	ANNUAL SET ASIDE FUNDS FOR FUTURE REPLACEMENT OR MAJOR RENOVATION*
Drainage Pond & Drywells	\$200.00	**
Drainage Ditches & Pipes	\$100.00	\$200.00
Flow Control Structures & Drainage Appurtenances	\$100.00	***
Sub-total Annual Costs	\$400.00	\$200.00

Table 5.00A
Grand Total/year = \$600.00
Cost per lot/year = \$60.00 (10 lots)

Notes:

- * Assume the pipes will be replaced in 20 yrs. 4% inflation, and 4% of return on investments for set-aside account.
- ** Any renovation costs for ponds are included in the annual maintenance costs.
- *** Cost has been included in Drainage Ditch/Pipes item.

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