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DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS

FOR

WILLOW CREST

A PLANNED UNIT DEVELOPMENT

SPOKANE, WASHINGTON

Unofficial Document

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
WILLOW CREST

A PLANNED UNIT DEVELOPMENT

KNOW ALL MEN BY THESE PRESENTS that GERALD E. MORSE and MARIANNE A. MORSE, husband and wife, hereinafter referred to as "Declarant", do hereby declare and set forth covenants, conditions, restrictions, and reservation of easements to run with all of the land described hereafter as provided by law, which covenants, conditions, restrictions, and reservation of easements, hereinafter referred to as the "Declaration", shall be binding upon all parties and persons claiming an interest in any of the property described hereafter, and which covenants, conditions, restrictions, and reservation of easements shall be for the benefit of and limitation upon all future owners, and being for the purpose of keeping said real estate desirable, uniform and suitable in architectural design and use as specified herein.

The land affected by this Declaration, hereinafter referred to as the "Property", the "Plat" or the "Project, is legally described as:

That portion of the Southwest 1/4 of Section 15, Township 25 North, Range 44 East, W.M., more particularly described as follows:

The East 1/2 of Tract 83, "OPPORTUNITY", as per plat thereof recorded in Volume K of Plats, Page 20, Spokane County, Washington.

EXCEPT that portion of Tract 83 described as follows: Beginning at the Northeast corner of said Tract 83; thence S. 00°00'49" E. along the East line of said Tract 83, 140.00 feet; thence N. 72°52'16" W., 94.18 feet; thence N. 00°00'49" W., 112.23 feet, to the North line of said Tract 83; thence N. 89°58'50" E., along said North line, 90.00 feet to the point of beginning;

EXCEPT the North 5.00 feet, AND except the South 25.00 feet.

SECTION ONE

OWNERS' ASSOCIATION/VOTING/BY-LAWS

1.1 FORM OF ASSOCIATION. The Association is or shall be

incorporated pursuant to the Washington Non Profit Corporation Act under the name of WILLOW CREST HOMEOWNER'S ASSOCIATION, hereinafter referred to as the "Association".

1.2 MEMBERSHIP. Each Owner of a lot within the Plat described herein shall automatically be a member of the Association and shall remain a member thereof until such time as he no longer owns a lot within the subdivision, at which time his membership in the Association shall automatically cease and the new owner for the lot shall take his place as a member. An Owner is the person owning a lot in fee simple absolute, as a purchaser under a Real Estate Contract, by way of periodic estate, or in any other manner in which real property may be owned, leased, or possessed in the State of Washington.

1.3 TRANSFER OF MEMBERSHIP. The Association membership of each Owner shall be appurtenant to the particular lot owned giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to said lot, which shall automatically transfers the membership in the Association. Any attempt to make a prohibited transfer shall be void.

1.4 VOTING. The total voting power of all Owners shall be twenty-eight, one vote for each of the 28 lots, subject to individual ownership within the Plat. Each lot shall have one vote.

1.5 PLEGGED VOTES. In the event the record Owner or Owners have pledged their vote regarding special matters to a mortgagee or beneficiary of a Deed of Trust under a duly recorded Mortgage or Deed of Trust, or to the vendor under a duly recorded Real Estate Contract, only the vote of such mortgagee, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Association.

1.6 ANNUAL MEETINGS. There shall be an annual meeting of the Owners in the second quarter of each year at such reasonable place and time as may be designated by written notice from the Association delivered to the Owners no less than ten (10) days and not more than fifty (50) days prior to the date for said meeting. At the annual meeting, there shall be presented an accounting of the common expenses of the Association, an itemization of receipts and disbursements for the preceding calendar year, and the allocation thereof to each Owner, and the estimated common expenses for the coming calendar year. Any lot Owner, at his own expense, may at any reasonable time during weekdays, make an audit of the books of the Association.

1.7 SPECIAL MEETING. Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Such meetings shall be called by written notice to the members of the Association upon decision by the President, by its Board of Directors, or by written request of Owners having at least twenty-five percent (25%) of the total votes, which notice shall be delivered not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and, in general, the matters to be considered. Only those matters contained in the notice may be considered at any special meeting.

1.8 BY-LAWS. By-Laws for the administration of the Association and the property, and for other purposes not inconsistent with this Declaration shall be adopted by the Association by concurrence of those voting Owners holding at least sixty percent (60%) of the voting power. The Declarant may adopt the initial By-Laws of the Association.

1.9 BOARD OF DIRECTORS. The affairs of the Association shall be managed by a Board of Directors (the "Board") consisting of not less than three (3), nor more than five (5), voting members, the Board being more specifically described hereafter.

SECTION TWO

BOARD OF DIRECTORS

2.1 MANAGEMENT BY DECLARANT. At the election of the Declarant the property and the Association shall be managed by the Declarant, provided however that Declarant's management authority shall cease no later than five (5) years from the recordation of this Declaration or thirty (30) days following the date when the Declarant shall have sold 80% of the lots within the subdivision, whichever shall first occur.

2.2 MANAGEMENT BY BOARD. Upon the expiration of the time period set forth in Paragraph 2.1 above, or upon Declarants' option if exercised sooner, all administrative power and authority shall vest in a Board of not less than three, nor more than five, Directors selected from among the members of the Association. The Board may delegate all or any portion of such power to a manager, managing agent, or officer of the Association, or in such manner as may be provided by the By-Laws. All Board positions shall be open for election at the first annual meeting after the period of the Declarants' authority under Section 2.1 ends.

2.3 AUTHORITY OF THE BOARD. The Board, for the benefit of the members of the Association, shall enforce the provisions of this Declaration and of the By-Laws, shall have all powers and authority permitted to the Board under the Washington Non Profit Corporation Act and this Declaration, and shall acquire and shall pay for out of the common fund hereinafter provided for, all goods and services requisite for the proper functioning of the Project.

2.4 LIMITATION ON AUTHORITY. The Board's authority as set forth in the preceding paragraph shall be limited in that the Board shall have no authority to acquire or pay for out of the maintenance funds, any capital additions and improvements having a total cost in excess of Two Thousand Dollars (\$2,000.00) without first obtaining the affirmative vote of the members holding a majority of the voting power present or represented at a meeting called for such purpose, and if no such meeting is held, then the written consent of voting members having a majority of the voting power.

2.5 TERM OF OFFICE. The term of office of Directors shall be two years. After the initial election, if there be three Directors, then two Directors shall be elected at the annual meeting during even numbered years, and one Director shall be elected at the annual meeting during odd numbered years. If there shall be five Directors, then three shall be elected during even numbered years, and two shall be elected during odd numbered years. At the organization meeting of the Board, after expiration of the management by the Declarant, the Directors so elected shall, by lot, determine which shall initially have one or two year terms to stagger the expiration date of the terms of the appropriate number of Directors. Any Director may be elected to serve for an additional term or terms.

2.6 QUORUM FOR BOARD ACTION. A majority of the members of the Board shall constitute a quorum. The Board shall act by majority vote of those present at its meetings where a quorum is in attendance.

SECTION THREE

COMMON EXPENSES AND ASSESSMENTS

3.1 ESTIMATED EXPENSES. Within thirty days prior to the beginning of each calendar year, the Board shall estimate the common expenses to be paid during the ensuing year, shall make provision for creating, funding and maintaining reasonable reserves for contingencies, operations, and repair, replacement and acquisition of common areas and facilities, and shall take into account any expected income and any surplus available from the prior year's operating funds. If the sum estimated and

budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any Owner's assessment), the Board may, at any time, levy a further assessment which shall be assessed to the Owners as is set forth hereinafter. The budget may be reviewed and revised by the membership of the Association at any annual meeting, or at any special meeting called for such purpose, but if not so reviewed, or if no change is made, the budget shall be deemed approved.

3.2 PAYMENT BY OWNERS. Each Owner shall be obligated to pay assessments made pursuant to this Section to the Association in equal monthly installments on or before the first day of each month during the year, or at such other times or in such other reasonable manner as the Board shall designate. Any unpaid assessments shall bear interest at the rate of 12% per annum from the due date until paid, and the Board may charge and assess a late fee of \$50.00 against any Owner for each assessment not paid within thirty (30) days of its regular due date.

3.3 COMMENCEMENT OF ASSESSMENTS. An assessment for each lot within the Project shall commence to be payable upon completion of construction of a residential unit on said lot, PROVIDED HOWEVER, that if the Declarant, or his assigns, should construct a "speculation" residential unit on any lot, then said Owner shall be entitled to delay commencement of assessments until the earlier of (a) occupancy of the residential unit; or (b) three (3) months from the date of completion of the residential unit upon the lot. Completion of construction is defined as the issuance of a final approved inspection or an occupancy permit by appropriate governmental authority.

3.4 RECORDS. The Board shall cause to be kept detailed, accurate records in the form established by the Association of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses and any other expenses incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any Owner at convenient hours during weekdays.

3.5 LIEN INDEBTEDNESS. Each monthly assessment and each special assessment shall be the joint and several personal debt and obligation of the Owner or Owners of the lot for which the same are assessed at the time the assessment is made and shall be collectable as such. The amount of any assessment, whether regular or special, assessed to the Owner of any lot, plus interest at 12% per annum, plus any late fees and costs, including reasonable attorney fees, shall be a lien upon such lot. Said lien shall have priority over all other liens and encumbrances, recorded or unrecorded, except as provided hereafter. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same.

3.6 CERTIFICATE OF ASSESSMENT. A certificate executed and acknowledged by the Treasurer or the President of the Association, stating the indebtedness secured by the assessment lien upon any lot shall be conclusive upon the Board and the Owner as to the amount of such indebtedness on the date of the certificate, in favor of all such persons who relied thereon in good faith. Such certificate shall be furnished to any Owner or any encumbrancer of any lot within a reasonable time after request, in recordable form, at a reasonable fee.

3.7 FORECLOSURE OF ASSESSMENT LIEN. The Declarant, or Board on behalf of the Association, may initiate action to foreclose the lien of any assessment, late fees, interest or costs. In any action to foreclose a lien against any lot for nonpayment of delinquent assessments, late fees, interest or costs, any judgment rendered against the Owner of such lot in favor of the Association shall include a reasonable sum for attorney fees, and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action; which costs and fees shall be in addition to the taxable costs permitted by law. An assessment lien may be foreclosed in the same manner as is provided by law for the foreclosure of a Real Estate Mortgage.

SECTION FOUR

MORTGAGEE PROTECTION

4.1 PRIORITY OF MORTGAGE. Notwithstanding all other provisions hereof, the liens created under this Declaration upon each lot for assessments shall be subject to the rights of the secured party in the case of any indebtedness secured by mortgage, deed of trust, or real estate contract which were made in good faith and for value upon the lot. Where such mortgagee, beneficiary of a deed of trust, or contract vendor, or other purchaser of a lot within the Project, obtains possession of a lot as the result of a mortgage foreclosure, deed of trust sale, or contract forfeiture, such possessor and his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such lot which became due prior to such possession, but will be liable for such common expenses and assessments accruing after such possession commences. The unpaid common expenses, assessments, late fees, interest, or costs which accrued prior to commencement of possession by the new lot Owner shall be deemed to be an amount collectable for all of the land Owners and the Association, including such possessor, his successors and assigns.

4.2 COPIES OF NOTICES. In the event the Association gives to an Owner of a lot any notice that such Owner has, for more than thirty days, failed to meet any obligations under this

Declaration, it shall also give a copy of such notice to any first mortgagee, beneficiary of a first deed of trust, or contract vendor, which has previously given a written request to be so notified.

4.3 INSPECTION OF BOOKS. Each first mortgagee, beneficiary of a deed of trust, or contract vendor, upon written request, shall have the right to:

- (a) examine the books and records of the Association during normal business hours;
- (b) require from the Association the submission of annual financial reports and other financial data;
- (c) receive written notice of all meetings of the owners; and
- (d) designate, in writing, a representative to attend all such meetings.

Each owner hereby authorizes the any first mortgagee, beneficiary of a deed of trust, or contract vendor, on his lot to furnish information to the Board concerning the status of the loan or sale which it secures.

4.4 EFFECT OF DECLARATION AMENDMENTS. No amendment of this Declaration shall be effective to modify, change, limit, or alter the rights expressly conferred herein upon mortgagees, beneficiaries of deeds of trust, or contract vendors, in this instrument with respect to any unsatisfied mortgage, deed of trust, or contract duly recorded unless the amendment shall be consented to, in writing, by the holder of such security instrument.

SECTION FIVE

RIGHTS IN COMMON AREA

5.1 COMMON AREA. The common area within the Project shall include all real property and improvements within the landscape areas, the private roads, any fencing surrounding the Project, any entry monument or gate, and any other land as may be designated on the face of the Plat as common area, or other land which may be conveyed to or accepted by the Association, all of which shall be dedicated to the common use and enjoyment of all Owners. The common area shall be owned, operated, maintained and insured by the Association for the use and benefit of the Owners of lots within the Project, subject to reasonable rules and regulations as may be enacted by the Association. Each lot Owner, through membership in the Association, shall have a

nonexclusive right to use the common area in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the lawful right of any other Owner. Notwithstanding the transfer of the common area to the Association, the Declarant hereby reserves to themselves and their successors in interest, an easement, together with the right to complete improvements thereon or for performance of necessary construction, maintenance, or repair work, or for ingress and egress to and from adjacent property in connection with the Project, use and occupancy thereof.

5.2 PARTITION OF COMMON AREA PROHIBITED. Regardless of the possibility that in the future the Association could be dissolved, the common area shall be maintained for the benefit of all Owners within the Project, and no Owner shall bring any action for partition or division of any part of the common area, it being agreed that this restriction is necessary in order to preserve the rights of all Owners with respect to the operation, management, use and enjoyment of the common area.

5.3 DAMAGE BY OWNER. Each Owner shall be liable to the Association for any damage to the common area not fully reimbursed to the Association by insurance, if the damage is sustained because of negligence or willful misconduct of the Owner, his guests, tenants, or invitees, or any other persons deriving their rights of use and enjoyment of the common area from the Owner, or his or their respective family and guests. The cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a special assessment against the Owner's lot and may be enforced as provided herein for the enforcement of any other assessment.

SECTION SIX

ARCHITECTURAL CONTROL

6.1 ARCHITECTURAL CONTROL DURING DEVELOPMENT. Until such time as development has been completed by the construction of residential units on all twenty-eight (28) building lots, the Architectural Control Committee shall consist of Gerald E. Morse, Marianne A. Morse, and Al Nothern. A majority vote of two of the three members of said Committee shall constitute approval or rejection of the plans and specifications. All submissions to the Architectural Control Committee shall be acted upon within fifteen (15) business days after submission, and the failure of the Architectural Control Committee to approve or reject within said fifteen (15) day period shall constitute an automatic approval.

No buildings shall be erected, placed or altered on any lot within the Project until plans and specifications for said

building have been submitted to and approved by the Architectural Control Committee pertaining to the quality of workmanship, materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation.

A majority of the Committee may designate a single representative of the Committee to act for it. In the event of the death or resignation of a member of the Committee, the remaining members shall have the full authority to designate a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

Neither Declarant, nor the Architectural Control Committee, or any member thereof, nor their duly authorized representative shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Control Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee.

6.2 ARCHITECTURAL CONTROL AFTER DEVELOPMENT. After all lots have been built upon, the Architectural Control Committee shall consist of three members, all of which shall be elected by the Board of Directors.

6.3 PROHIBITION AGAINST ALTERATION. No structure, improvement, or alteration of any kind, including landscaping within the Project, shall be commenced, erected, painted, or maintained upon any part of the Property until the plans for same have been approved in writing by the Architectural Control Committee.

6.4 PLANS AND APPROVAL. The Architectural Control Committee may develop and make available to all Owners within the Project, a set of rules and guidelines to assist Owners in preparing plans under this Section. The rules and guidelines shall not be binding upon the Committee, but shall set forth general criteria to be considered by the Committee in evaluating a particular application for Committee approval.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of any such planned structure, improvement, or alteration shall be submitted to the Committee for approval as to the quality of workmanship and design, as well as harmony of external design with the existing structures, and also as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to rebuild in accordance with Declarant's original plans and specifications or to rebuild in accordance with plans and specifications previously approved

by this or a predecessor Committee.

All submissions to the Architectural Control Committee shall be acted upon within fifteen (15) days after submission, and failure of the Architectural Control Committee to approve or reject within said fifteen (15) day period shall constitute an automatic approval.

SECTION SEVEN

REPAIR AND MAINTENANCE

7.1 OWNER'S MAINTENANCE RESPONSIBILITIES. Each Owner shall have responsibility of maintaining the exterior of their particular residence and all other buildings and improvements located upon their lot according to standards which shall be established by the Board of Directors of the Association. The color and brand of any paint, stain, oil, or other preservative applied to the exterior of any residence or outbuilding must first be approved by the Architectural Control Committee. In the event that the exterior of any residence falls below the standards established, and exterior maintenance shall be deemed necessary by the Board of Directors or the Architectural Control Committee, the same shall have the authority to send written notice to the Owner of such residence setting forth the maintenance deemed necessary. In the event such maintenance is not satisfactorily performed within forty-five (45) days of receipt of such notice, the Board shall be entitled to perform or contract for the performance of all such necessary maintenance and the costs thereof shall be a special assessment against the lot as provided for herein.

7.2 REPAIR AND MAINTENANCE DUTIES OF ASSOCIATION. The Association shall paint, maintain, repair and replace all parts of the common area, including roadways and snow removal therefrom, or shall contract for such maintenance, repair and replacement to insure that such areas are maintained in good condition. Additionally, the Association shall provide exterior landscaping maintenance upon each lot within the Project.

For the purpose of performing any maintenance, repair or replacement as authorized by this Section, or for the purposes of making emergency repairs necessary to prevent damage to the Project or to other dwellings, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association shall have the irrevocable easement over and onto all portions of the common area and each Owner's lot.

7.3 MAINTENANCE OF STORM WATER DRAINAGE SYSTEM. The storm water drainage system, as designed by Taylor Engineering Co. and approved by Spokane County, has been or is being installed for

the purpose of controlling surface water in the Project. In order to ensure the effectiveness of this drainage system, the Willow Crest Homeowner's Association shall be responsible for any ongoing maintenance and expenses of such a storm water drainage system. The Association shall maintain the storm water drainage system in reasonable conformance with the approved drainage plan.

7.4 RETENTION PONDS, 208 DRAINAGE SWALES AND DRYWELLS. The surface water collected by the drainage system described above shall be placed in retaining ponds, 208 drainage swales and drywells which are inside the Project. Maintenance costs of these facilities including, but not limited to, taxes, insurance, weed control, etc., shall be the responsibility of the Association. The Association shall maintain these facilities in reasonable conformance with the approved drainage plan.

SECTION EIGHT

EASEMENTS

8.1 ACCESS, USE AND MAINTENANCE OF EASEMENTS. Declarant expressly reserves for itself and for the successor Owners of lots within the Project, reciprocal, nonexclusive easements for access, ingress and egress, and for mutual use and enjoyment, over all of the common area and all roadways in the Project.

8.2 UTILITY EASEMENTS. Declarant further reserves for themselves, the Owners of all of the lots within the subdivision, and for all utility purveyors, both private and governmental, such easements as are shown on the face of the Plat for drainage, utilities, and roadways. The Association and each Owner shall maintain said easements as is required under the dedicatory language as shown on the face of the Plat. In particular, the Association shall maintain the grass-blocked access areas located in the 20' utility easement in Tract "D", including replacement of any of said grass-blocks which may become broken or otherwise in disrepair because of use by utility purveyors, both governmental, (such as Spokane County agencies), or other private utility companies which may use this area for access. Said governmental agencies and private utility providers shall be held harmless by the Association from any damage caused by their use of said grass-blocked areas in Tract "D".

8.3 SIDEYARD EASEMENT. Declarant further reserves for themselves, the Owners of all of the lots within the Project, and for all utility purveyors, both private and governmental, sideyard easements lying 2 1/2 feet on each side of the property lines which divide the lots within the Project for the purpose of establishing utility easements being a total of five feet in width in the sideyard areas. The Owner of any lot which seeks to

repair any utility located in the sideyard easement areas, including any portion which lies in an adjoining lot, shall be responsible for restoring the ground and landscaping to the same condition as existed before said repairs were made.

SECTION NINE

RESIDENCE AND USE RESTRICTIONS

9.1 LAND USE AND BUILDING TYPE. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any residential lot other than one detached single family dwelling for single family occupancy only, with or without basement, and an attached or detached private garage for two standard size automobiles.

9.2 VEHICLE AND EQUIPMENT RESTRICTIONS. No trailer, camper, mobile home, recreational vehicle, commercial vehicle, bus, truck (other than standard size pickup truck), inoperable automobile, boat, or similar equipment, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any lot, street, roadway, or other area within the subdivision, other than temporarily for a period not exceeding twelve (12) continuous hours. Commercial vehicles shall not include sedans, service vans, or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicle shall be unobtrusive and inoffensive. No noisy or smokey vehicles shall be operated in the subdivision. No off-road, unlicensed motor vehicle, other than golf carts, shall be maintained or operated within the subdivision. No goods, equipment, material, supplies or vehicles used in connection with any trade, service or business wherever conducted, shall be kept, parked, stored, dismantled, or repaired outdoors on any lot, or on any dedicated street within the subdivision. All vehicle parking on the private streets shall be restricted to "guest parking" only and shall not be utilized by any Owner, his family or tenants. Speed limits on the private streets and roadways of the common area shall be ten (10) miles per hour.

9.3 BUSINESS USE PROHIBITED. No trade, craft, business, or professional or commercial or manufacturing enterprise or activity of any kind shall be conducted or carried on upon any residential lot within the Project, nor shall any goods, equipment, vehicles, materials, or supplies used in connection with any business or commercial activity be kept, parked, stored, dismantled, or repaired on any residential lot or street within the Project, provided, however, that Declarant, their successors and assigns may use any portion of the Project for a model home or sales office until all lots are sold.

9.4 NUISANCE PROHIBITED. No noxious, or offensive activity shall be carried on upon any lot or street within the Project nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other lot Owners. No lot within the Project shall be used as a dump for trash or rubbish of any kind, and all garbage or other waste shall be kept in appropriate sanitary containers for proper disposal. No waste, including rocks, dirt, lawn, or shrubbery clippings shall be dumped into the roadways or ditches or onto any vacant lots within the Project, provided however, the Declarant may temporarily store such materials on vacant lots during the construction period.

9.5 TEMPORARY STRUCTURES. No structure of a temporary character, trailers, basement, tent, shack, garage, barn, or other outbuildings shall be used on any lot at any time as a residence either temporarily or permanently.

9.6 TIME OF COMPLETION. Any dwelling or structure erected or placed on any lot in this Project shall be completed as to exterior appearance within six months from the date of commencement of construction.

9.7 ANIMALS. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that cats, dogs, birds, or other household pets may be kept provided that they shall not be allowed to run at large, and provided, further, that they shall not be kept, bred, or maintained for any commercial purposes nor in such numbers or under such conditions as a person of reasonable prudence would find objectionable in a closely built-up residential community. Dog kennels or other animal runs may be permitted on each individual lot so long as the plans therefor have been approved by the Architectural Control Committee.

9.8 SIGNS. No signs of any kind shall be displayed to the public view on any lot within the Project, except that one professional appearing sign advertising property for sale or for rent may be placed by an Owner, a builder, or a licensed real estate broker, not exceeding 24 inches in height and 32 inches in length. This provision regarding signs shall not apply during initial development and construction of the Project by Declarant, and shall not apply to any entrance signs to the Project located on any common area.

9.9 FENCES/FRONT ENTRY GATE. The only fences which shall be allowed within the Project shall be exterior perimeter fences, provided, however, that Owners may construct backyard privacy screens as approved by the Architectural Control Committee. No interior fences surrounding a particular lot shall be allowed. The Association shall have the sole responsibility to maintain the perimeter fences to be constructed by Declarant on the east, west and north boundaries. The Association may, upon a 2/3 vote of Owners for a special assessment, construct a perimeter fence

for security purposes on the south border of the Project at the sole cost and expense of the Association. Any such perimeter fence on the south boundary which is constructed by the Association shall be of the same design and materials as the perimeter fence constructed by Declarant.

In a similar manner, the Association may elect to construct and install a front entry security gate upon a 2/3 vote of Owners for such a special assessment.

9.10 CLOTHES LINES. No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

9.11 OUTSIDE INSTALLATION OF ANTENNA, ETC. No exterior radio or television antenna, satellite dishes or other antenna of any type shall be erected or maintained on any lot or home in the Project except or unless the Architectural Control Committee has previously given written approval for the same.

SECTION 10

DESTRUCTION/CONDEMNATION

10.1 DAMAGE TO COMMON AREA. In the event of any destruction of any portion of the common area, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition as promptly as practical. The proceeds of any insurance maintained by the Association shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Property shall be reconstructed or rebuilt substantially in accordance with the original construction plans. If the amount available from the proceeds of insurance policies for such restoration and repair is inadequate to complete the restoration, the Board shall levy a special assessment for the deficiency and proceed with such restoration and repair.

10.2 DAMAGE TO DWELLINGS. In the event of any destruction of any dwelling or dwellings, it shall be the duty of the Owner of the particular dwelling or dwellings to restore and repair the same to its original former condition as promptly as practical under the supervision of the Board. The dwelling or dwellings shall be reconstructed or rebuilt substantially in accordance with the original construction plans, unless the Owner shall have first obtained approval of new construction plans from the Architectural Control Committee.

10.3 INSURANCE. The Association shall maintain such liability insurance covering all common area within the Project as the Association shall, by majority vote, determine necessary or desirable from time to time. The Association shall also maintain such hazard insurance covering the improvements within the common area as the Association, by majority vote, shall deem necessary from time to time.

SECTION ELEVEN

DURATION AND AMENDMENT

11.1 DURATION. This Declaration shall continue in full force and effect for a period of thirty-five (35) years from the date hereof, after which time the same shall be automatically renewed for successive terms of ten years each, unless a Declaration of Termination is recorded, meeting the requirements for an amendment as set for hereafter. All properties within the Project shall continue to be subject to this Declaration during the term hereof regardless of sale, conveyance or encumbrance.

11.2 AMENDMENT. This Declaration may only be amended after written approval or vote in person or by proxy of two-thirds of the members of the total voting power of the Association, provided, however, that Declarant may amend the Declaration at any time until Declarant has sold 80% of the lots. Notice of the subject matter of the proposed amendment to this Declaration, in reasonably detailed form, shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered.

Notwithstanding the foregoing, any amendment made to this Declaration shall have no force or effect on a first mortgagee, the beneficiary of a first deed of trust, or a real estate contract vendor unless or until the written consent has been obtained from not less than 66% of said first mortgagees, beneficiaries or contract vendors.

11.3 MISCELLANEOUS PROVISIONS.

(a) Enforcement. The Board, any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Project shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorney fees as are ordered by the Court.

(b) Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision thereof.

(c) Effective Date. This Declaration shall take effect upon recordation.

SECTION TWELVE

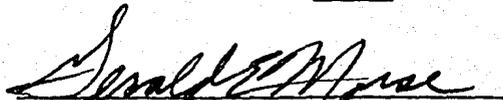
ANNEXATION

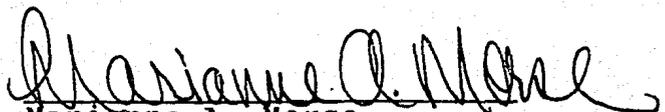
12.1 ANNEXATION OF CONTIGUOUS PROPERTY. At the option of the Declarant, any additional property contiguous with the Project may be annexed to and become part of this Project, subject to this Declaration, and subject to the jurisdiction of the Association without the assent of the Association, or the Owner-members, on condition that:

(a) any annexation pursuant hereto shall be made prior to the expiration of five years from the date of recordation of this Declaration; and

(b) a Declaration of Annexation shall be recorded by Declarant covering any property annexed. Said Declaration shall incorporate this Declaration by reference and may contain such complimentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property, so long as the same shall not be inconsistent with the scheme of this Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have executed this Declaration this 29th day of October, 1992.


Gerald E. Morse


Marianne A. Morse

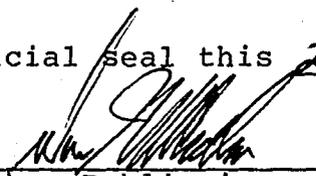
STATE OF WASHINGTON)
)
County of Spokane)

On this day personally appeared before me Gerald E. Morse and Marianne A. Morse to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and

voluntary act and deed, for the uses and purposes therein mentioned.

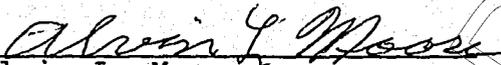
GIVEN under my hand and official seal this 29th day of October, 1992.

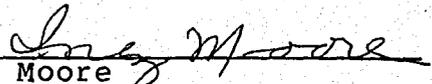
DREW M. BODKER
STATE OF WASHINGTON
NOTARY PUBLIC
My Commission Expires 5-17-96

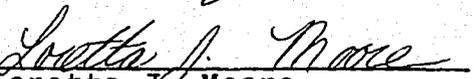

Notary Public in and for the State of Washington, Residing in Spokane.
My Appointment Expires: 5-17-96

CONSENT OF SELLER

The undersigned are the holders of the beneficial interest in a recorded Deed of Trust which encumbers the subject property described hereinabove. The undersigned have read and hereby approve this Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Willow Crest P.U.D. in all respects, and agree to be bound by the same. However, this Consent shall not be construed as altering or affecting in any way the rights of the undersigned in the underlying sale documents or Deed of Trust, except that the undersigned agree to honor and attorn to the provisions of this Declaration in the event that the undersigned are forced to foreclose their Deed of Trust.


Alvin L. Moore

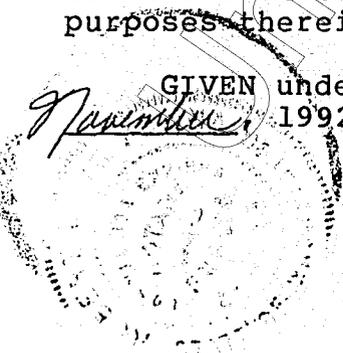

Inez Moore

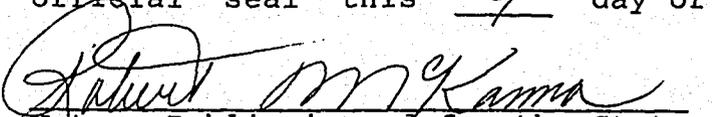

Loretta J. Moore

STATE OF WASHINGTON)
County of Spokane) ss.

On this day personally appeared before me ALVIN L. MOORE, INEZ MOORE and LORETTA J. MOORE, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 9th day of November, 1992.




Notary Public in and for the State of Washington, residing at Spokane.
My Commission Expires: 5-14-95