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REQUEST OF TRANSAMERICA TITLE

DECLARATION

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OF COVENANTS, CONDITIONS AND RESTRICTIONS

WILLIAM E. DONAHUE  
SPOKANE COUNTY WASH  
DEPUTY

OF

WOODLAND RIDGE, A PLANNED UNIT DEVELOPMENT

THIS DECLARATION is made on the date hereafter set forth by Northwood Properties, Inc., whose name is subscribed hereto and hereinafter referred to as "Declarant."

RECITALS

A. Northwood Properties, Inc., is the owner of certain property in the County of Spokane, State of Washington, which is fully described in Schedule "A," attached hereto and by this reference made a part hereof, and,

B. Northwood Properties, Inc., desires to develop a part of said property as a planned unit development, which will consist of two phases for a total of 47 lots with these Covenants applying to all lots in both phases.

Based upon the above Recitals and the Covenants and Declarations hereinafter set forth, Declarant hereby declares that all of the property described in Schedule "A" shall be held, sold, conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purposes of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title and interest in the described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

DEFINITIONS

Section 1. "Association" shall mean and refer to Woodland Ridge, P.U.D. Home Owners Association, its successors and assigns, and shall be comprised of all owners of lots hereinafter described and contained in Schedule "A," however, all references to "Association," or its Board of Directors contained herein, shall be limited to Declarant as hereinafter provided in Article I and

**Article V.**

**Section 2.** "Owner" shall mean and refer to the record owner of any property which has previously been transferred by Declarant and described and contained in Schedule "A" and includes contract buyers, mortgagors and guarantors of deeds of trust.

**Section 3.** "Member" shall mean member of the Association and shall include the Declarant and all owners.

**Section 4.** "Property or Properties" shall mean and refer to that certain real property herein after described, in Schedule "A," and such additions thereto as may hereafter be brought within the jurisdiction of the Association, it being understood that any such additions will require County review and approval.

**Section 5.** "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common area is described in and set forth on the plat. Prior to the first conveyance of a lot the Declarant shall convey the common area to the Association.

**Section 6.** "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area. All lots are designated by a number or by a number and letter. (A lot is a "Unit" under FNMA guidelines).

**Section 7.** "Declarant" shall mean and refer to Northwood Properties, Inc., and its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

**Section 8.** "208 Drainage Areas" shall mean any and all areas designed on the final plat, or as later deemed necessary for drainage of surface water run-off, including those areas located within the common areas as well as those located on an owner's lot.

**Section 9.** "Mortgage" shall include Real Estate Mortgages, Contracts and Deeds of Trust.

Any reference to Mortgagor or Mortgagee shall include like reference to corresponding parties under Real Estate Contract and Deeds of Trust.

**ARTICLE I**  
**ASSOCIATION MEMBERSHIP AND BY-LAWS**

**Section 1. Incorporation.** The Association will be incorporated by the Declarant as a Washington non-profit corporation. The By-Laws of the Association shall conform to the non-profit corporation laws of Washington.

**Section 2. General Provisions.** The owners of lots covenant and agree that the administration of the properties shall be in accordance with the provisions of this Declaration, the By-Laws of the Association and the laws of the State of Washington, or as any of the above may be from time to time amended.

Each owner, tenant or occupant of a lot shall comply with the provisions of the Declaration, ByLaws, rules, decisions and resolutions, as lawfully amended from time to time. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages and/or for injunctive relief.

The By-Laws may provide (and may be enforced in respect to) other rules and regulations not inconsistent herewith.

**Section 3. Membership.** Any person, upon acquiring ownership of any lot subject to this Declaration, shall automatically become a member of the Association.

**Section 4. Professional Management.** The By-Laws of the Association may provide that the Board of Directors may employ professional management for the Association, however, such contracts must provide that they may be revoked without penalty on advance notice of sixty (60) days.

**Section 5. Voting Classes.** The Association shall have one class of voting membership only. The members of such class who shall be entitled to vote shall be the owners of the various lots with

one vote per lot owned, provided however, that until such time as Declarant has transferred all 47 lots, including those in Phase II to ultimate residential purchasers, the Declarant shall maintain all votes for all 47 lots and any vote, action or decision required of the Association or the Board of Directors and provided by this Declaration or the By-Laws and rules of the Association shall be made by Declarant, including all Amendments set forth in Article II, Section 4, herein.

**Section 6. Notice and Quorum for Meetings.** Written notice of any meeting called for the purpose of taking any action authorized by this Declaration of a material nature shall be sent to all owners not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, all owners must be present or represented by proxy for any such decisions to be made. In the event any owners are not present or represented after proper notice having been given, their absence at any subsequent meeting concerning the same issue shall result in their vote or votes being cast with the majority of those present.

## ARTICLE II GENERAL PROVISIONS

**Section 1. Enforcement.** The Declarant, Association, or any owner shall have the right to enforce by any proceeding at law, in equity, or by arbitration all restrictions, conditions, covenants, reservation, uses, liens and charges now or hereafter imposed by any provision of this Declaration. Failure by the Declarant, Association, or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 2. Arbitration.** In the event the Declarant, Association, or any owner wishes to pursue arbitration to resolve any dispute or to enforce any remedy available pursuant to these covenants, notice of the same shall be first given to the other party by registered mail, return receipt requested. Each party will then pick an agent of his/her own choice to represent him/her in the arbitration and those agents will mutually choose a third person with a majority decision of the three to be binding upon the parties involved in the arbitrated dispute.

**Section 3. Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

**Section 4. Amendments.** Except as may be limited by P.U.D. ordinances or the laws of the State of Washington, the Association shall have the right to amend this Declaration and other project documents including the legal map, Owners' Association By-Laws, and Articles of Incorporation by a majority of the voting members. Amendments of a material nature must be agreed to by two-thirds of the members in the Association at a meeting called for that purpose.

A change to any of the following would be considered as material:

- a. voting rights;
- b. assessments, assessment liens, or subordination of assessment liens;
- c. reserves for maintenance, repair and replacement of common areas;
- d. responsibility for maintenance and repairs;
- e. reallocation of interests in the general or limited common areas, or rights to their use;
- f. boundaries of any lot or property;
- g. convertibility of lots into common areas or vice versa;
- h. expansion or contraction of the development, or the addition, annexation or withdrawal of property to or from the development;
- i. insurance or fidelity bonds;
- j. imposition of any restrictions on an owner's right to sell or transfer his or her lot;
- k. a decision by the Association to establish self management when professional management had been required previously by a mortgage holder;
- l. restoration or repair of the development (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
- m. any action to terminate the legal status of the project after substantial destruction or condemnation occurs;

n. any provisions that expressly benefit mortgage holders, insurers or guarantors.

The directors of the Association (including those appointed by Declarant) shall have the authority on behalf of all owners to authorize the president of the Association to execute an amendment to this Declaration amending these provisions for the benefit of owners in order to bring this Declaration within the requirements of Federal National Mortgage Association ("FNMA"), Veterans Administration ("VA"), or Federal Housing Administration ("FHA") regarding mortgages. Neither this action nor any amendment to this Declaration or to the rules or By-Laws of the Association for the purpose of correcting technical errors or for clarification shall be considered material. Until such time as Declarant has transferred all 47 lots as set forth in Article I, Section 5 herein, Declarant shall be entitled to make all Amendments as provided for in this Section 4.

The directors also shall have the authority with the consent of all first mortgage holders or owners to remove or modify any provision for the benefit of any owners which is hereafter no longer required by such mortgage holder or the Association so long as no owner is materially and adversely affected thereby.

**Section 5. Notice to Lenders and Insurers.** Any mortgagee or any insurer of any property in the Association who sends a written request, stating both its name and address and the lot number or address of any property on which it has an interest, will be given by the Association, timely notice of the following:

- (a) Any condemnation, loss or any casualty which affects any common area or lot contained within the property;
- (b) Any delinquency in the payment of assessments or charges levied against the owner of any lot which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond

maintained by the Association; and

(d) Termination of the legal status of the property as a P.U.D., however, termination of the legal status of the property as a P.U.D. for reasons other than substantial destruction or condemnation of the property shall require the consent of all mortgage holders requesting the notification provided by this Section.

A mortgagee or insurer who receives a written request to approve any additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such a request.

### ARTICLE III PROPERTY RIGHTS

**Section 1. Owners' Easements of Enjoyment.** Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use the common area of any owner, (i) for any period during which any charge or assessment against such owner's lot remains unpaid; (ii) for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations;

(b) The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Association. No dedication or transfer shall be effective unless an instrument indicating such dedication or transfer signed by one hundred percent (100%) of the members of the Association has been recorded.

**Section 2. Delegation of Use.** Any owner may delegate, in accordance with the ByLaws, his right to enjoyment of the common area and facilities to the members of his family, his tenants, or invitees who reside on the property.

**ARTICLE IV**  
**ASSESSMENTS**

**Section 1. Creation of Lien and Personal Obligation of Assessment and Utility Charges.**

The owner of each lot contained with the property, hereby covenants and agrees to pay to the Association; (1) General annual assessments, (2) Special assessments for capital improvements, repairs and replacements and (3) Utility charges, as hereafter provided. The general assessments, special assessments and utility charges, together with interest, costs and reasonable attorney's fees, shall be a personal charge upon the owner of the property at the time of the assessment. The assessment shall also be a continuing lien upon the property against which each such assessment and charge is made and shall be foreclosed and collected in the manner provided for by R.C.W. 60.04 et. seq.

The Association shall have the authority to record a written notice of lien against the owner and the particular lot for which any such assessment has not been paid.

**Section 2. Purpose of Assessments.** The assessments and utility charges levied by the Association shall be used exclusively to ensure the improvement and maintenance of the property and to promote the recreation, health, safety, and welfare of the members of the Association with respect to the property. The Board of Directors shall have the full discretion as to how the general annual assessment is to be used and the extent of maintenance may be expanded, reduced, or modified by a vote of all of the members. The following shall serve as a guideline for the initial year of the development:

- (a) Maintenance of landscaping of all residential lots as well as all common areas;
- (b) Upkeep on fence, gates and mechanical systems associated therewith and natural areas;
- (c) Snowplowing and maintenance of roadways only. There shall be no initial snowplowing of driveways and walkways within the development;
- (d) Care of trees, shrubs, grass, and other similar exterior improvements not considered a

part of the residence or garage;

(e) Maintenance of all 208 Drainage areas for run-off.

That portion of the general assessments levied for landscape maintenance performed by the Association will be equal for all lots within the development irrespective of any variation in the size of the lots or the nature and amount of landscaping involved. No general assessment shall be levied for initial landscaping and improvements in common areas or individual lots.

**Section 3. Maximum Monthly Assessment.** Until July 1st of the year immediately following the conveyance of the first lot to any owner by Declarant or any builder to whom Declarant transfers such lot, the maximum monthly general assessment shall be \$100.00 per lot transferred or sold by Declarant.

(a) The Board of Directors may fix the general annual assessment at an amount not in excess of fifteen percent (15%) of the previous year's assessment.

(b) After July 1st of the year immediately following the conveyance of the first lot to any owner by Declarant or any builder to whom Declarant transfers such lot, the maximum general annual assessment may be increased beyond the above determined percentage by a majority vote of all members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The general monthly assessment shall commence and be levied as to any given lot on the first day of the month following the conveyance of such lot to the owner by the Declarant. The amount of each monthly assessment shall be fixed for a period of one year at a time with such annual assessment period commencing on July 1 and terminating on June 30 of any given year. The Board of Directors shall fix the amount of the monthly assessments for any given annual assessment period at least thirty (30) days in advance of such annual assessment period and written notice of the assessment amount shall be sent to every owner prior to the expiration of the of the current assessment period. The assessments shall be due monthly commencing as of July 1, following

notification. The Association shall, upon demand 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. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

**Section 4. Uniform Rate of Assessment.** Both general monthly and special assessments, except as may otherwise be herein provided, must be fixed at a uniform rate for all lots and will be collected on a monthly basis.

**Section 5. Special Assessments for Capital Improvements.** The Association may levy, in any assessment year, a special assessment applicable to that year and apportionable amongst the owners in like manner with the general annual assessment for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of capital improvements or landscaping upon the common area, provided that any such assessment shall have the assent of two-thirds of the members who are voting in person or by proxy at a meeting duly called for this purpose. No such special assessment shall, however, be made during the first year following the first sale or transfer of any lot by Declarant.

**Section 6. Exterior Residential Maintenance.** The owner shall have the responsibility of maintaining the exterior of his/her particular residence in a neat, sanitary and attractive condition according to standards established by the Board of Directors. The color and brand of any paint, stain, oil, or other preservative applied to the exterior of any residence must first be approved by the Board. In the event the exterior of any residence falls below the standards established by the Board or the owner fails to maintain the premises as to create a dangerous, obstructed, unsightly or unsanitary condition and exterior maintenance is necessary, the Board of Directors shall have the authority to send written notice by certified mail, return receipt requested, to the owner of such residence setting forth the maintenance deemed necessary, and 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 shall make a special assessment against only that particular owner for the same. Payment for such special assessment shall be due within thirty (30) days of notification of assessment.

**Section 7. Effect of Nonpayment of Assessments or Charges: Remedies of the Association.**

Any assessment or charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action of law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessment or charges provided for herein by non-use of the common area or abandonment of his lot.

**Section 8. Subordination of the Lien to Mortgagees.** The lien for all assessments and charges provided for herein shall be subordinate to the lien of any first mortgage except as otherwise herein provided. Sale or transfer of any lot whether by foreclosure or otherwise shall not affect the lien.

**ARTICLE V**  
**ARCHITECTURAL CONTROL**

**Section 1. Architectural Committee.** All architectural control will be completely under the authority of the Declarant until such time as all lots in the project have been sold. During that time, Declarant can appoint one or more persons as the Architectural Committee, who shall have complete architectural control. Thereafter architectural control shall be vested in the Association and shall be governed by the Board of Directors or by a committee composed of certain persons designated by it as the Architectural Committee. All references made to the Architectural Committee in this article or hereafter shall refer to the Declarant until such time as all lots have been sold and to the Association subsequent to that time.

**Section 2. Design Approval.** No building, fence, wall, dog run, antenna, solar collector, or

any other structure whatsoever shall be commenced, erected or maintained upon the properties, nor shall any addition or alteration to the exterior of any existing structure or landscaping be made until plans and specifications showing the purpose, shape, dimensions, materials and location of the same shall have been submitted to and approved in writing by the Architectural Committee. In the event the Architectural Committee fails to approve or disapprove such proposed alteration or addition within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

**Section 3. Guidelines.** The Architectural Committee shall formulate and adopt general guidelines for development within the properties including, but not limited to, minimum building restrictions, quality of construction, authorization for temporary structures, necessary or appropriate set backs, harmony of external design and location to surrounding structures and topography or any other guideline deemed appropriate by the committee for the properties.

#### **ARTICLE VI** **USE OF PROPERTIES**

The use of a property and improvements thereon by an owner or other occupant shall be subject to the By-Laws and rules and regulations of the Association and the provisions of this Declaration including the following:

(a) The lot and improvements shall be maintained in good repair in structure and appearance, as provided by Article IV, Section 6.;

(b) No nuisance shall be allowed upon the properties nor shall any use or practice be allowed which is a source of annoyance to owners or which interferes with the peaceful possession and proper use of the property by its owners; each owner shall be responsible for the actions of his/her guests and invitees;

(c) No immoral, improper, offensive or unlawful use shall be made of the properties nor any part thereof and all valid laws, zoning ordinances and the regulations of the governmental

bodies having jurisdiction thereof shall be observed;

(d) Regulations promulgated by the Board of Directors concerning the use of the properties shall be observed by the owners, provided, however, that copies of such regulations are furnished to each owner prior to the time the said regulations become effective. No rule shall violate the laws concerning discrimination nor restrict sale, transfer or conveyance of any lot;

(e) Assessments and charges shall be paid when due;

(f) All lots are to be used solely for single family residential occupancy;

(g) During the period of development and until all lots are sold, the Declarant, its agents, employees, and contractors, shall be permitted to use any and all facilities within the development including any lots not sold which are reasonably required for development and sales purposes;

(h) No owner shall lease or rent his unit except by an agreement in writing and such agreement shall specifically state that the agreement and the tenants rights are subject to the Declaration, By-Laws, rules and regulations of the Association and all documents pertaining thereto. No unit may be leased or rented for less than thirty (30) days. No unit may be sold under any "time sharing" plan;

(i) No owner shall permit any alteration to the exterior of any buildings or to any landscaping except as provided in Article V.;

(j) Except when necessitated by construction, no owner shall permit any noise from his/her lot to exceed the level of fifty-five (55) decibels beyond such lot's property line;

(k) No pets, except usual and ordinary household pets (i.e. dogs, cats, fish or birds), shall be permitted except with special written permission of the Association. The number of pets kept on any lot may be limited by the Association. Every pet must, at all times, be either kept within an enclosure or on a leash being held by a person capable of controlling the animal.

**NO PIT BULL DOGS SHALL BE PERMITTED ANYWHERE ON THE PROJECT BY**

ANY PERSON FOR ANY REASON AT ANY TIME. PIT BULL is defined as the American Stafford Shire Terrier by the American Kennel Club or the Stafford Shire Bull Terrier by the A.K.C., or the American Pit Bull Terrier by the United Kennel Club.

The Association, acting through the Board of Directors, shall have the right to prohibit any animal which constitutes, a nuisance to any other owner. Furthermore, any owner shall be absolutely liable to each and all remaining owners, their families, guests, tenants, and invitees, for any unreasonable noise, damage or injury to person or property caused by any animal brought or kept upon the properties by such owner or his/her families, guests or invitees. It shall be the absolute duty and responsibility of each such owner to clean up after such animals which have used any portion of the common area.

This provision may be further restricted by the rules of the Association and any amendment to this provision shall not be considered material;

(l) No motor vehicle shall be allowed to remain on blocks for more than twenty-four (24) hours except within a private garage. No recreational vehicles shall remain on the common properties for more than twenty-four (24) hours, nor parked in any driveway or yard area for more than one (1) week. Recreational vehicles include but is not limited to snowmobiles, motorcycles, boats and/or trailers and motor homes.

(m) The speed limit on the properties is twenty (20) miles per hour. There shall be no parking in the private streets except in designated parking areas and for emergencies.

#### **ARTICLE VII** **VIEW RESTRICTIONS**

Each member of the Association as an owner of a lot in Woodland Ridge hereby specifically acknowledges that they have no rights to unrestricted views from their lots and further specifically acknowledges that the construction of homes on other lots in Woodland Ridge may interfere with their views. Each member agrees that they shall have no cause of action or other remedies based

upon any restriction of their view from the construction of other improvements within Woodland Ridge Development.

**ARTICLE VIII**  
**EASEMENTS**

There is hereby created a blanket easement upon, through, across, over, and under all of said properties for the installation, replacement, repair, maintenance and service of systems necessary for but not limited to, the provision of water, sewer, gas, telephone, electricity, garbage, heat pumps, and master antenna system and/or cable television system to the properties. An easement is further granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency service to enter upon property in the performance of their duties. The easement created herein shall hereby allow the Association, its officers, agents, employees, or any management company selected by the Association to cross over the common area and the lots, and to enter into any building during reasonable hours and upon request, (except in an emergency when request may be dispensed with) to inspect and to perform the duties of maintenance and repair of any building, common area, service or system provided by this Declaration. Notwithstanding anything to the contrary contained in this Article, no sewers, electrical lines, water lines, gas lines, heat pump lines or other utilities may be installed or relocated on said properties except as initially planned and approved by the Architectural Committee as provided by Article V. Should any utility or organization furnishing a system or service indicated herein request that a specific easement be provided by a separate recordable document, The Association shall have the right to grant such easement on said properties provided it not be broader than the terms hereof. The easement provided for in this Article shall in no way affect any other recorded easement on said premises.

For a period of five (5) years from the date of conveyance of the first lot within the properties, the Declarant also reserves a blanket easement and right for itself, its successors, and

the Association on, over and under the ground within the properties to maintain and to correct drainage or surface water in order to maintain reasonable standards of health, safety, and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil or to take any other similar action reasonably necessary to correct such drainage, following which the Declarant, their successors or the Association shall restore the affected property to its original condition as near as practicable. Reasonable notice of intent to take such action shall be given to all affected owners, unless an emergency appears to exist which precludes such notice.

#### **ARTICLE IX** **CHARGES FOR UTILITY SERVICES**

Charges for water, gas, telephone, electricity, cable television or security services, supplied to any lot shall be paid directly by the owner of the lot so serviced. The installation of individual meters for such service and the cost for the meter shall be the responsibility of the initial transferee from Declarant, including the Builder, if purchaser of such lot. Any charge for payment of the same to the purchaser of the house constructed on the lot must be passed on to the house purchaser at the time of closing. Any repair or service needed by such meter, however, shall be the obligation of the individual lot owner at the time such charges are incurred and any charges therefore shall be paid directly by such owner.

The costs of meters and their repair for the common areas shall be included in the general or special assessments. Any receptacle needed for garbage service shall be provided by and paid for the Owner of the lot so serviced. Charges for the garbage service itself and charges for sewer and water for all of the common areas will be paid by the Association to the entity furnishing such service and the costs therefore shall be included in the general assessments made by the Association.

**ARTICLE X**  
**INSURANCE**

**Section 1. Casualty Insurance on Insurable Common Area.** The Association shall keep all insurable improvements and fixtures of the common area, if any, insured against loss or damage by fire for the full replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other personal property used in connection with or service to the common area and owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association and common expenses shall be included in the general assessments made by the Association.

**Section 2. Liability Insurance Pertaining to Common Areas.** The Association may obtain general comprehensive liability insurance insuring the Board, Association, Owners, Declarant or any managing Agent, against any liability caused or occasioned by the common area to the public or the owners. The cost of such insurance shall likewise be included in the general assessment.

**Section 3. Casualty Insurance on Dwelling Units.** Every owner shall be responsible for obtaining their own casualty and fire insurance for their dwelling units and all other improvements upon the property, and they shall be required to obtain such insurance in the amount equal to the replacement value of all such improvements in an amount and form satisfactory to the Board of Directors without deduction for depreciation or coinsurance.

**Section 4. Replacement or Repair of Common Area Property.** In the event of damage to or destruction of any part of the common area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association

may make a special assessment against all lot owners to cover additional cost of repair or replacement not covered by the insurance proceeds.

**Section 5. Replacement and Repair of Dwelling Property.** In the event of damage to, or destruction of, any individual lot or residence contained thereon each owner agrees to rebuild or repair immediately to avoid any unpleasant or unsightly condition. In the event any owner fails or refuses to comply with such requirement, the Association may elect to restore the site to a level acceptable to the Association and levy a special reconstruction assessment against the owner which shall become a lien against that owner's property, the enforcement and collection of which shall be the same as for any and all other assessments and liens provided for herein. The Association shall also be entitled to attach the proceeds of any insurance policy payable to any home owner upon filing a written Notice of Intention to Attach such proceeds with any such insurance company. The insurance company shall be required to withhold the disbursement of any such proceeds until ordered to do so by the Superior Court of Spokane County or by mutual agreement of the Association and the owner.

**Section 6. Annual Review of Policies.** All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

## **ARTICLE XI**

### **INSPECTION OF DOCUMENTS**

**Section 1. Availability.** The Association shall make available to owners, lenders, and insurers, current copies of the Declaration, By-Laws, or other rules concerning the property and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

**Section 2. Financial Statement.** Any mortgagee or insurer shall be entitled, upon written

request, to an audited financial statement of the Association for the immediately preceding fiscal year, if one be available.

**ARTICLE XII**  
**CONDEMNATION**

Any condemnation proceedings shall be handled as follows:

(a) In the event any of the property be subject to condemnation proceedings in whole or in part, the Board of Directors shall provide each owner and each first mortgagee written notice of any such proceedings;

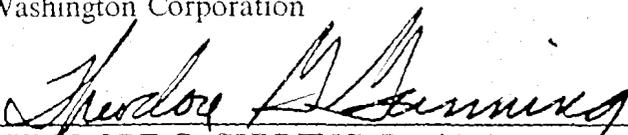
(b) The Association shall represent the owners in any condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority. Each owner does hereby appoint the Association as Attorney-in-Fact for such purposes.

(c) In the event of taking or acquisition of part or all of the properties by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the owners and their lenders as their interests may appear.

(d) First mortgagees' first security liens shall not be disturbed by such proceedings. All owners agree to submit to binding arbitration among themselves all matters in which, because of the proceedings, the owners may have conflicting interests.

**IN WITNESS WHEREOF**, the undersigned, being the Declarant herein, has hereunto set its hand and seal this      day of November, 1992.

NORTHWOOD PROPERTIES, INC.  
A Washington Corporation

By:   
THEODORE G. GUNNING, President

STATE OF WASHINGTON )  
 ) ss.  
County of Spokane )

Appeared before me, THEODORE G. GUNNING to me known to be the President of NORTHWOOD PROPERTIES, INC., who executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed for the purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

WITNESS my hand and official seal affixed the \_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at Spokane.  
My commission expires \_\_\_\_\_

Unofficial Document