



RETURN NAME & ADDRESS

X ZIGGY'S C & D LLC
620 E HOLLAND AVE
SPOKANE, WA 99218

Please Type or Print Neatly & Clearly All Information

Document Title(s)

X Declaration of Covenants, Conditions &
RESTRICTIONS

Reference Number(s) of Related Documents

Grantor(s) (Last Name, First & Middle Initial)

X ZIGGY'S CONSTRUCTIONS DEVELOPMENT

Grantee(s) (Last Name, First & Middle Initial)

X PUBLIC

Legal Description (Abbreviated form is acceptable) i.e. Section/Township/Range/1/4 Section

X SE 1/4 SECTION 05, T26N, R43EWM

Assessor's Tax Parcel ID Number:

36054.0139

The County Auditor will rely on the information provided on this form. The Staff will not read the document to verify the Accuracy or completeness of the indexing information provided herein.

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Signature of Requesting Party

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ZIGGY'S ADDITION**

This Declaration of Covenants, Conditions and Restrictions ("Declaration") is made on the date hereinafter set forth by Ziggy's Construction and Development, LLC, a Washington limited liability company ("Declarant"), with reference to the following facts:

A. Declarant is the owner of a certain tract of land located in Spokane County, Washington, which property is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Declarant has improved or intends to improve the Property by constructing thereon certain residential improvements and related facilities, and to establish thereon a residential subdivision.

C. As a part of the residential subdivision, a portion of the Property is being set aside as a storm water drainage system. The Property so set aside ("Common Area") together with the various components of the drainage system shall be managed and maintained by an incorporated association of owners for the benefit of all parts of the Property.

D. The Owner of each Lot shall receive fee title to the individual Lot and any residential dwelling thereon and all rights associated with membership in Ziggy's Addition Homeowner's Association.

E. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the Lots and the Owners thereof.

Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved subject to the following declarations, limitations, covenants, conditions and restrictions, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and every part thereof, in accordance with the plan for improvement, sale and operation of the property as a residential subdivision. All of the limitations, covenants, conditions and restrictions shall constitute covenants and encumbrances which shall run with the land and shall be perpetually binding upon Declarant and its successors-in-interest, and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property.

ARTICLE 1

DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall have the following meanings:

- 1.1 **Articles:** The Articles of Incorporation of the Association as amended from time to time.
- 1.2 **Assessment:** That portion of the cost of maintaining, improving, repairing, operating, and managing the Property which is to be paid by the Owners as determined by the Association under this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 5 of this Declaration.
- 1.3 **Association:** ZIGGY'S ADDITION HOMEOWNER'S ASSOCIATION, a Washington nonprofit corporation, formed or to be formed by Declarant, the members of which shall be the Owners of Lots in the Property.
- 1.4 **Board of Board of Directors:** The governing body of the Association.
- 1.5 **Bylaws:** The Bylaws of the Association as amended from time to time.
- 1.6 **Common Area:** All of the real property and improvements located within the Property, other than the Lots, which shall be owned by the Association for the common benefit for the Owners.
- 1.7 **Common Expenses:** The actual and estimated expenses of maintenance, improvement, repair, operation and management of the Common Area, expenses of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, and all sums designated Common Expenses by or pursuant to the Project documents.
- 1.8 **Declarant:** Ziggy's Construction and Development, LLC, a Washington limited liability company, and its successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing completed Lots.
- 1.9 **Declaration:** This Declaration of Covenants, Conditions and Restrictions as it may be amended from time to time.
- 1.10 **Lot:** Any residential Lot shown upon the recorded Plat Map of the Property created for the construction of a private dwelling. The term "Lot" does not include any portion of the common area.
- 1.11 **Member:** A person entitled to membership in the Association as provided herein.
- 1.12 **Mortgage:** Includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Lot.
- 1.13 **Owner or Owners:** The record holder or holders of title to or a contract vendee's interest in a Lot in the property. This shall include any person having a fee simple title to any Lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot is sold under a recorded contract of sale to a

purchaser, the purchaser, rather than the fee owner, shall be considered the Owner and the fee owner shall be considered as a mortgagee.

1.14 Plat Map: The recorded map prepared by or for Declarant showing the surface of the property and the division thereof into Lots and Common Area.

1.15 Project Documents: this Declaration, the Plat Map, the Articles and Bylaws of the Association as each shall be amended from time to time.

1.16 Property: The real property covered by this Declaration, all rights and appurtenances belonging thereto, and all improvements erected or to be erected thereon.

ARTICLE 2

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

2.1 Organization of Association.

The Association is or shall be incorporated under the name of ZIGGY'S ADDITION HOMEOWNER'S ASSOCIATION, pursuant to the Washington Nonprofit Corporation Act.

2.2 Duties and Powers.

The duties and powers of the Association are those set forth in this Declaration, the Articles and Bylaws, together with its general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Washington may lawfully do which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles and Bylaws.

2.3 Membership.

The Owner of a Lot shall automatically, upon becoming the Owner of that Lot, be a Member of the Association, and shall remain a Member thereof until such time as his/her ownership ceases for any reason, at which time his/her membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association.

2.4 Transferred Membership.

Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void.

2.5 Voting Requirements.

Except as otherwise expressly provided in this Declaration, the Articles, or the Bylaws, any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote or written assent of the prescribed percentage of the total voting power of the Association.

2.6 Membership Meetings.

Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

2.7 Board of Directors.

The affairs of the Association shall be managed by a Board of Directors, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

2.8 Use of Agent.

The Board of Directors, on behalf of the Association, may contract with a management agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board.

ARTICLE 3

RIGHTS IN COMMON AREA

3.1 Common Area.

The Common Area shall include all real property and improvements comprising the storm water drainage system relating to the Property. The Common Area shall be owned, operated, maintained and insured by the Association for the benefit of Owners of Lots subject to reasonable rules and regulations enacted according to the Bylaws.

3.2 Partition of Common Area Prohibited.

Regardless of the possible dissolution of the Association and the conveyance of fee title to the Common Area to the Owners as tenants in common pursuant thereto, 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 the Owners with respect to the operation, management, use, and enjoyment of the Common Area.

3.3 Subservient Estate.

The common area is hereby declared subservient to the interests of the Lot Owners and shall not be sold.

3.4 Damage by Member.

Each member 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 the negligence or willful misconduct of the Member, the Member's guests, tenants or invitees, or any other persons deriving their right and easement of use and enjoyment of the Common Area from the Member, or his or their respective family and guests, both minor and adult. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against the Lot and may be enforced as provided hereby for the enforcement of any other Assessment.

ARTICLE 4

RESTRICTIONS ON USE / MAINTENANCE

4.1 Residential Use.

Not more than one dwelling unit may be located on any Lot. No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business be kept or stored on any Lot. The mere parking on a Lot for a vehicle bearing the name for a business shall not, in itself, constitute a violation of this provision. Nothing in this section shall be deemed to prohibit (a) activities relating to the rental or sale of Lots, (b) the right of Declarant to construct Improvements on any Lot, to store construction materials and equipment on any Lot in the normal course of construction, and to use any Lot for sales or rental office or model home for purposes of sales or rental office or model home for purposes of sales or rental within the Property, and (c) the right of the Owner of a Lot to maintain Owner's professional personal library, keep Owner's personal business or professional records or accounts, handle Owner's personal business or professional telephone calls or confer with business or professional associates, clients or customers, on Owner's Lot by appointment only. The Board of Directors shall not approve commercial activities otherwise prohibited by this section unless the Board of Directors of the Association determines that only normal residential activities would be observable outside of the Lot and that the activities would not be in violation of applicable law. The Owner of a Lot should seek the approval of the Association

for any other uses not mentioned above, i.e., yard sales, garage sales, craft sales, or other items not so designated in this Section.

4.2 Commercial Vehicles.

Commercial vehicles with a gross vehicle weight in excess of 12,000 pounds shall not be parked in driveways or any other portion of the property or common areas, except for in a garage, behind a site obscuring fence, or for the purposes of temporary loading or unloading.

4.3 Vehicles in Disrepair.

No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot, or on the Common Area for a period in excess of 48 hours, unless kept within a garage. A vehicle shall be deemed to be in an "extreme state of disrepair" when, in the opinion of the Board of Directors of the Association, due to its appearance or continued inoperability its presence reasonably offends the occupants of the neighborhood. Should any Owner fail to remove such vehicle within five days following the date on which notice is mailed to said Owner by the Association, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner.

4.4 Maintenance of Storm Water Drainage System.

The Association shall be responsible for the perpetual maintenance, repair and replacement of the storm water drainage system and of the various components relating thereto in accordance with all requirements now or hereafter imposed upon the Association by the Spokane County Engineer.*

(* See Maintenance Operation Manuals for maintenance requirements. See Sinking Fund for cost of maintenance.)

4.5 Maintenance of Lots.

All exterior building surfaces, landscaping, fences, and walls shall be maintained in a good condition and repair.

4.6 Signs.

No signs shall be erected or maintained on any Lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding 24 inches high and 36 inches long, may be temporarily displayed on any Lot, except that two such signs may be placed on a Lot during the course of initial construction of improvements on such Lot. The restrictions contained in this section shall not prohibit the temporary placement of "political" signs on any Lot by the Owner, subject to reasonable regulations adopted by the Association relating to size and length of display.

4.7 Appearance.

No part of any Lot or any part of the Common Areas shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. Trash, garbage or other waste shall be kept in individual, sanitary containers or receptacles.

ARTICLE 5

ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

5.1 Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Project, hereby covenants and each Owner of any Lot by acceptance of a deed or contract therefor, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association the following Assessments, which shall be established and collected as provided herein and in the Bylaws of the Association:

5.1.1 Regular Assessments;

5.1.2 Extraordinary Assessments; and

5.1.3 Special Assessments.

All Assessments, together with interest, costs, and actual attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each Assessment is made. Each such Assessment, together with interest, costs and actual attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. No Owner of a Lot may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Lot.

5.2 Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively for the maintenance, repair and replacement of the Common Area and specifically including the storm water drainage system and its components and for the normal business expenses of the Association.

5.3 Regular Assessments.

Until the end of the Association's fiscal year immediately following the closing of the sale of the first Lot in the Project, the annual maximum Regular Assessment per Lot shall be such amount as is set forth in the Project budget prepared by Declarant. Each Lot's share for the first fiscal year shall also be prorated based on the number of months remaining in that fiscal

year. Thereafter, the Board shall determine and fix the amount of the maximum annual Regular Assessment against each Lot.

5.4 Extraordinary Assessments.

In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, any Extraordinary Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, or of any component thereof for which the Association is responsible, or to defray any unanticipated or underestimated expense not covered by the regular Assessment (and where necessary, for taxes assessed against the Common Area).

5.5 Special Assessments.

In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments (without limitation as to amount or frequency) against an individual Lot and its Owner to reimburse the Association for costs incurred to bring an Owner and his Lot into compliance with the provisions of this Declaration and the Bylaws, including actual attorneys' fees and costs.

5.6 Allocation of Assessments.

Each Lot shall bear an equal share of each Regular and Extraordinary Assessment.

5.7 Date of Commencement of Assessment.

The Regular Assessments provided for herein shall commence as to all Lots in the Project on the first day of the month following closing of the sale of the first Lot in the Project. No notice of such Assessment shall be required other than an annual notice setting forth the amount of the monthly Assessment.

5.8 Transfer of Lot by Sale or Foreclosure.

The sale or transfer of any Lot shall not affect any Assessment lien or relieve the Lot from any liability therefor, whether the lien pertains to payments becoming due prior or subsequent to the sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Lot pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage lien in good faith and for value shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer (except for Assessment liens arising prior to the recordation of the mortgage). Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this paragraph shall be deemed to be Common Expenses collectible from all of the Lots including the Lot for which the lien was extinguished. In a voluntary conveyance of a Lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter up to the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts

paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments due the Association, and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such Assessment becoming due after the date of any such statement.

5.9 Enforcement of Assessment Obligations; Priorities; Discipline.

If any part of any Assessment is not paid and received by the Association or its designated agent within thirty (30) days after the due date, such Assessment shall thereafter bear interest at the rate of twelve percent (12%) per annum until paid. Additionally, an automatic late charge of Ten Dollars (\$10.00) shall be assessed for each month or fraction thereof from the due date until the Assessment and all late charges are paid. Each unpaid Assessment shall constitute a lien on each respective Lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charges of any mortgage of record made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Owner to pay such Assessment, in accordance with the provisions of Washington law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. The foreclosing party shall have the right to reduce or eliminate any redemption rights of the defaulting Owner as allowed by law. Suit to recover a money judgment for unpaid Assessments, interest and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

5.10 Payment of Taxes Assessed Against Common Area.

In the event that any taxes are assessed against the Common Area rather than against the Lots, said taxes shall be included in the Assessments made under the provisions of this Article, and, if necessary, an Extraordinary Assessment may be levied against the Lots in an amount equal to said taxes (regardless of the limitation on Extraordinary Assessments set forth in Paragraph 5.4 above), to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE 6

DESTRUCTION OF IMPROVEMENTS

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 for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein.

ARTICLE 7

RIGHTS OF MORTGAGEES

Notwithstanding any other provisions of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of any mortgagee of a Lot made in good faith and for value, provided that after the foreclosure of any such mortgage, such Lot shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce various lenders to participate in the financing of the sale of Lots within the Project, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of this Declaration, these added restrictions shall control):

7.1 Each first mortgagee encumbering any Lot, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the mortgagor of such Lot in the performance of such mortgagor's obligations under this Declaration, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, a "first mortgage" shall mean a mortgagee of a mortgage with first priority over other mortgages on a Lot.

7.2 Each first mortgagee of a mortgage encumbering any Lot, which obtains title to such Lot pursuant to judicial foreclosure or the powers provided in such mortgage, shall take title to such Lot free and clear of any claims of unpaid Assessments or charges against such Lot which accrued prior to the time such holder acquired title to such holder acquired title to such Lot.

7.3 First mortgagees, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours; (2) require from the Association the submission or annual financial reports and other financial data; (3) receive written notice of all meetings of the Owners; and (4) designate, in writing, a representative to attend all such meetings.

ARTICLE 8

DURATION AND AMENDMENT

8.1 Duration.

This Declaration shall continue perpetually unless it is terminated pursuant to an action of two-thirds (2/3) of the voting power of the Association following obtaining written consent from the Spokane County Engineer in which event a Declaration of Termination shall be recorded by the Association.

8.2 Amendment.

Notice of the subject matter of a 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. A resolution adopting a proposed amendment may be proposed by an owner at a meeting of the members of the Association. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than two-thirds (2/3) of the voting power of the Association; provided, however, that no such amendment shall become effective until such time as the Association has obtained the consent of the Spokane County Engineer as to such amendment. A copy of each amendment shall be certified by at least two (2) officers of the Association and the amendment shall be effective when the certificate of amendment is recorded.

A certificate, signed and sworn to by two (2) officers of the Association, that the required number of owners and/or mortgagees have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact.

ARTICLE 9

GENERAL PROVISIONS

9.1 Enforcement.

The Board, any Owner, and any 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 attorneys' fees as are ordered by the Court. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

9.2 Invalidity of Any Provision.

Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

9.3 Conflict of Project Documents.

If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be given to Project Documents in the following order: Plat Map, Articles, Bylaws, and rules and regulations of the Association. Notwithstanding the foregoing, any provision in any of the Project Documents which is for the protection of the mortgagees shall have priority over any inconsistent provision in that document or in any other Project Document.

The undersigned being the Declarant herein, has executed this Declaration on November 29, 2007.

Declarant:

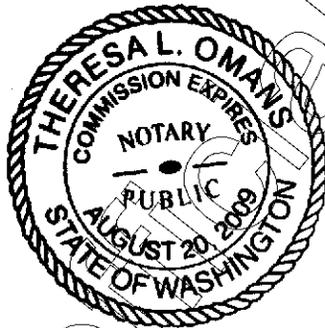
ZIGGY'S CONSTRUCTION AND DEVELOPMENT, LLC

By: *Vern E. Ziegler*
Vern E. Ziegler, Manager

State of Washington)
 :ss.
County of Spokane)

I certify that I know or have satisfactory evidence that Vern E. Ziegler is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of Ziggy's Construction and Development, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 29, 2007.



Theresa L. Oman
NOTARY PUBLIC for State of Washington
My appointment expires: 8.20.09

EXHIBIT "A"

TRACT 164, First Addition to City Gardens, as per plat recorded in Volume "Q" of Plats, Page 39 of Plats, records of Spokane County Auditor, situate in the County of Spokane, State of Washington.

Unofficial Document