



FOURTH AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND RESERVATIONS OF EASEMENTS  
FOR PARKWOOD SOUTH

THIS FOURTH AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS OF EASEMENTS FOR PARKWOOD SOUTH is made on this 23<sup>rd</sup> day of March 2015, by Parkwood South Homeowners' Association of Spokane, a Washington non-profit corporation (the "Association").

PREAMBLE

A. The Association consists of a planned unit development recorded under Spokane County Auditor File Nos. 8004110218 and 8205280058 and the Parkwood South First Addition recorded under Spokane County Auditor File No. 4157067 (the "Planned Unit Development"), and as legally described in Exhibit "A" attached hereto, and adopted herein.

B. The Association is organized pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Parkwood South, a Planned Unit Development recorded with the Spokane County Auditor under Auditor's File No. 8005020262, as amended by that certain Supplement to Covenants, Conditions, Restrictions and Reservations of Easements for Parkwood South, a Planned Unit Development recorded with the Spokane County Auditor under Auditor's File No. 8007220128, as further amended by that certain Second Supplement to Covenants, Conditions, Restrictions and Reservations of Easements for Parkwood South, a Planned Unit Development, recorded with the Spokane County Auditor File No. 8607070091 and as further amended by that certain Third Supplement to Covenants, Conditions, Restrictions and Reservations of Easements for Parkwood South, a Planned Unit Development, recorded with the Spokane County Auditor under Auditor's File No. 9310070221 (collectively, the "Former Declaration").

C. The Association desires to amend and restate the Declaration in its entirety with certain amendments to conform with current practices, law and existing neighborhood conditions.

D. The Association made changes to the Declaration for the purpose of removing references to "Developed Lots" and "Undeveloped Lots" and create a single class of voting consistent with the current status of Parkwood South.

E. Pursuant to the requirements of the Declaration, greater than seventy-five percent (75%) of the members of the Association and First Mortgagees have consented to the amendment of the Declaration in writing.

F. The Grantor, Parkwood Circle Associates, Inc. and CityFed Mortgage, the Grantor's successor-in-interest, cease to exist as a matter of law; therefore, their consent is not required.

G. The Association declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties, in furtherance of a general plan for the protection, maintenance, improvement and sale of the Properties or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein shall run with the Properties and shall be binding upon all persons having any right, title or interest in the Properties, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon each Owner and their respective heirs, executors and administrators; and may be enforced by Parkwood South or by any Owner.

H. The Association intends that this Fourth Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations of Easements will supersede the Former Declaration for the Property in total.

## ARTICLE I

### DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used in this Declaration or any Supplemental Declaration shall have the following meanings:

Section 1.01. "ARC" shall mean the Architectural Review Committee created pursuant to Article VIII hereof.

Section 1.02. "Articles" shall mean the Articles of Incorporation of the Association to be filed in the office of the Secretary of State of the State of Washington, as such Articles may be amended from time to time.

Section 1.03. "Association" shall mean PARKWOOD SOUTH HOMEOWNERS' ASSOCIATION OF SPOKANE, a Washington non-profit corporation, formed under the General Nonprofit Corporation Law of the State of Washington, its successors and assigns.

Section 1.04. "Association Operations Fund" shall mean the accounts created for receipts and disbursements related to the operations, maintenance and management of the Association, pursuant to Article VI hereof, excluding Association Reserve Fund.

Section 1.05. "Association Reserve Fund" shall mean the fund established by the Board in the name of the Association for the purpose of maintenance, repair and replacement of Common Areas that are maintained by the Association.

Section 1.06. "Beneficiary" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such mortgagee or beneficiary.

Section 1.07. "Board" or "Board of Directors" shall mean the Board of Directors of the Association, as may be elected by the Owners.

Section 1.08. "Bylaws" shall mean the bylaws adopted by the Association as may be amended from time to time.

Section 1.09. "Capital Improvement Assessment" shall mean a charge against each Owner and their Lot representing a portion of the costs to the Association for installation or construction of any improvements or any portion of the Common Area or Landscape Maintenance Areas which the Association may from time to time authorize, or for the collection of funds for the Association Reserve Fund, as may be required, pursuant to the provisions of this Declaration.

Section 1.10. "Close of Sale" shall mean the date on which a deed or real estate contract is recorded conveying a Lot to purchaser.

Section 1.11. "Common Area" shall mean all of the real property and improvements, including, without limitation, landscaped areas, slope areas, recreational facilities, and private roadways and walkways, which are owned by the Association for the common use and enjoyment of all of the Owners. The Common Area is described as:

Parkwood Drive and Parkwood Circle and Lots 91 and 92 all as shown on the surveyors plat of Parkwood South, a Planned Unit Development, as recorded in Volume 1 of Plats, page 25, under Auditor's file number 8004110218, also recorded in the final plat of Parkwood South, a Planned Unit Development, in Volume 16 of Plats, page 71, under Auditor's file number 8205280058, and Tract A, Parkwood South, First Addition, a Planned Unit Development, as per plat recorded in Volume 25 of Plats, page 3, under Auditor's file number 4157067, records in the City of Spokane, Spokane County, Washington.

Together with any other common areas located therein, including all private roads, to the extent identified on the Planned Unit Development.

Section 1.12. "Common Assessment" shall mean the monthly charge against each particular Owner and their Lot representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Common Area and Landscape Maintenance Areas or for allocation to the Association Reserve Fund.

Section 1.13. "Common Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area and Landscape Maintenance Areas, (including unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments), including those costs not paid by the Owner responsible for payment, the costs of any commonly metered utilities and other commonly metered charges for the Properties and the cost of water for the Dwelling Units; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all utilities, gardening and other services benefiting the Common Area and Landscape Maintenance Areas; the costs of fire, casualty and liability insurance, workers compensation insurance, and other insurance all covering the properties; the costs of bonding the Members of the management body; taxes paid by the Association; amount paid by the Association for discharge of any lien or encumbrance levied against the Properties, or portions thereof; and the funds for the Association Reserve Fund or equivalent as may be required by law and the costs of any other item or items designated by the Association for any reason whatsoever in connection with the Properties, for the benefit of all the Owners.

Section 1.14. "Declaration" shall mean this FOURTH AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS OF EASEMENTS FOR PARKWOOD SOUTH as it may be amended from time to time.

Section 1.15. "Dwelling Unit" shall mean a building located on a Lot designed and intended for use and occupancy as a residence by a Family.

Section 1.16. "Family" shall mean (1) a group of persons related to each other by blood or legally related to each other by marriage, adoption, legal custody, or by being the designee of a parent or person having legal custody with the written permission of such parent or other person; or (2) a group of not more than three (3) persons not all related who reside as a common household in a Dwelling Unit.

Section 1.17. "First Mortgagee" shall mean a mortgagee which is a bank or savings and loan association, established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency which holds or owns a first position mortgage deed of trust or the holder of any real estate contract.

Section 1.18. "Improvement" shall mean any structure or appurtenance thereto of every type and kinds, including but not limited to buildings, outbuildings, walkways, bicycle trails, sprinkler pipes, garages, carports, swimming pools, cabanas, recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, antennae, satellite dishes, hot tubs, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water-softening fixtures and equipment.

Section 1.19. "Landscape Maintenance Areas" shall mean all grass, plantings, planted trees, shrubs and curbing located on the Lots and extending from the Common Area to the ground level foundation lines of the Dwelling Units, and excepting those portions of the Lot with personal flower beds or vegetable gardens and excepting driveways and the walkways to the Dwelling Units.

Section 1.20. "Lease" shall mean an agreement for the long-term occupancy of a Dwelling Unit in excess of six (6) months or more.

Section 1.21. "Lot" shall mean any residential lot shown upon any recorded parcel map or any other map of the Properties, with the exception of the Common Area.

Section 1.22. "Manager" shall mean the Person appointed by the Association as its agent and delegated certain duties, powers or functions of the Association.

Section 1.23. "Member" shall mean any Person holding a membership in the Association pursuant to an ownership of a Lot.

Section 1.24. "Mortgage"; "Mortgagee"; "Mortgagor" shall mean any mortgage or deed of trust or other conveyance of a Lot or other portion of the Properties to secure the performance of an obligation, which will be reconveyed upon the completion of such performance. The term "Deed of Trust" or "Trust Deed" when used herein shall be synonymous with the term "Mortgage". The term "Mortgagee" shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust. "Mortgagor" shall mean a person or entity who mortgages their Lot to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor", and the term "Beneficiary" shall be synonymous with the term "Mortgagee". The term shall also include any holder of a real estate contract on a Lot.

Section 1.25. "Notice and Hearing" shall mean notice and a hearing, if requested, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at Owner's expense, in the manner provided in the Bylaws.

Section 1.26. "Owner" shall mean the Person or Persons, holding fee simple interest of record to, or the real estate contract purchaser of, any Lot which is a part of the Properties.

Section 1.27. "Person" shall mean an individual or any other entity with the legal right to hold title to real property.

Section 1.28. "Property" or "Properties" shall mean all of the real property described in Exhibit "A" together with any property annexed to the Association for which a Notice of Addition of Territory may hereafter be recorded.

Section 1.29. "Reconstruction Assessment" shall mean a charge against each Owner and his Lot, representing a portion of the cost to the Association for reconstruction of any portion of the Improvements on the Common Area pursuant to the provisions of this Declaration.

Section 1.30. "Record"; "Recorded"; "Filed"; or "Recordation" shall mean, with respect to any document, the recording of such document in the office of the County Auditor of the County of Spokane, State of Washington.

Section 1.31. "Rental" shall mean any short term or transient letting of a dwelling unit for less than six (6) months.

Section 1.32. "Special Assessment" shall mean any charge against a particular Owner and their Lot, directly attributable to the Owner or Lot, equal to the cost incurred or fine levied by the Association for corrective action pursuant to the provisions of this Declaration.

Section 1.33. "Structural Maintenance Areas" shall mean the exterior surfaces of all Dwelling Units and the exterior surfaces of walls, gates, fences and screens on the Landscape Maintenance Areas. All maintenance of the Structural Maintenance Areas shall be the sole responsibility of the individual Owners of each Dwelling Unit.

## ARTICLE II

### OWNERS' PROPERTY RIGHTS

Section 2.01. Owners Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of ingress and egress and of enjoyment in, to and over the Common Area which shall be appurtenant to and shall pass with title to every Lot, subject to the following provisions:

(a) The right of the Association to reasonably limit the number of guests of owners using the Common Area and Association facilities.

(b) The right of the Association to establish uniform rules and regulations pertaining to the use and maintenance of the Common Area and Association facilities.

(c) The right of the Association in accordance with the Articles, Bylaws and this Declaration, with the vote or written consent of two-thirds (2/3) of the voting power of the Members to borrow money for the purpose of improving the Common Area and facilities and in aid thereof, and, subject to the provisions of Article XIII of this Declaration to mortgage, finance, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the rights of the Owners.

(d) Subject to the provisions of Article XIII of this Declaration, the right of the Association to dedicate, release, alienate, or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and conveyances for utilities serving the Common Area, provided that, no such dedication, release, alienation, or transfer shall be effective unless first approved by the vote or written consent of at least two-thirds (2/3) of the voting membership in the Association, and an instrument signed by two (2) officers of the Association, certifying that such approvals have been obtained.

(e) The Persons deriving such rights and easements from any Owner, for use and enjoyment of any recreational facilities located on the Common Area, for any period during which the payment of any Common, Special, Capital Improvement or Reconstruction Assessments against such Owner and their Lot remains delinquent, and, after Notice and Hearing, to suspend such rights and easements for the period established by the Board as set forth in Article XII of the Declaration, the Bylaws or the Articles, for any violation of the Declaration, Articles, Bylaws or Rules and Regulations of the Association. Any suspension of these rules shall not constitute a waiver or discharge of the Owner's obligation to pay Assessments and fines as provided herein.

(f) The right of the Association, by action of the Board, to maintain, replace, remodel or improve any Common Area or Landscape Maintenance Area or portion thereof, in accordance with Article VII.

(g) The right of the Association by action of the Board to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Area or the Landscape Maintenance Area.

(h) The right of the Association, acting through the Board, to reasonably restrict access to slopes and other areas of the Common Area.

(i) The rights of First Mortgagees as set forth in Article XIII of this Declaration.

Section 2.02. Parking Restrictions. Subject to the provisions of this Declaration regarding vehicle parking, the Association, by action of the Board through its officers, committees and agents is authorized to establish "parking", "guest parking" and "no parking" areas within the Common Area as well as to enforce these parking limitations by all reasonable means, including the removal of any violating vehicles.

All vehicle parking shall be in designated parking areas located within the Common Area and shall be restricted to "guest parking" only and shall not be utilized for the parking or storage of vehicles or other materials or equipment owned by or within the control of any Owner, or their Family. Notwithstanding the foregoing, the Board may authorize the use of parking areas by Owners subject to rules and regulations adopted by the Board.

Section 2.03. Easements for Vehicular Traffic. In addition to the general easements for use of the Common Area reserved herein, there shall be, for all Owners, a non-exclusive easement for vehicular traffic over all private streets with the Properties, subject to the parking provisions set forth in Section 2.02 of this Article II.

Section 2.04. Easements for Public Service Use. In addition to the foregoing easements over the Common Area, there shall be reserved easements for public services, including but not limited to, the right of the police, fire, mail and garbage personnel to enter upon any part of the Common Area for the purpose of rendering service in accordance with the specified service.

Section 2.05. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his Lot or any other property in the Properties.

Section 2.06. Title to the Common Area. The Association has fee simple title to the Common Area free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, and conditions of record, including those set forth in this Declaration. Nothing herein shall constitute a waiver of the rights of the Association to mortgage, encumber or otherwise hypothecate the Common Area in accordance with this Declaration.

Section 2.07. Taxes. If any taxes or assessments of any Lot may, in the opinion of the Association, be a lien on the Common Area, or any part thereof, they may be paid by the Association and each Owner shall be obligated to pay or to reimburse the Association for, as the case may be, the taxes and assessments assessed by the County Assessor or other taxing authority against the Common Area attributable to his own Lot and interest in the Common Area. To the extent such charge is levied against the Common Area, the Association is



expressly granted the authority to challenge any tax or assessment in its sole cost or expense. The Owner of a lot expressly agrees to cooperate with the Association in any challenge or appeal.

Section 2.08. Sales or Transfer of Common Area. In addition to the Association's rights provided in Section 2.01 (c) and (d), the Association may sell or otherwise transfer title to the Common Area, provided that no such sale or transfer shall be effective unless first approved by the vote or written consent of at least two-thirds (2/3) of the voting membership in the Association, and an instrument signed by two (2) officers of the Association, certifying that such approvals have been obtained.

### ARTICLE III

#### MEMBERSHIP IN THE ASSOCIATION

Section 3.01. Membership. Every Owner of a Lot shall be a Member of the Association. Membership in the Association shall not be assignable, except to the Person to which title to the Lot has been transferred. Every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. Ownership of a Lot shall be the sole qualification for membership in the Association.

Section 3.02. Transfer. The Association membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Lot, and then only to the purchaser or Mortgagee of such Lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association.

### ARTICLE IV

#### VOTING RIGHTS

Section 4.01. Membership Voting Rights. The Association shall have one class of membership defined as any Owner of a Lot. In no event shall more than one (1) vote be cast by any Lot.

Section 4.02. Vote Distribution. Members shall be entitled to one (1) vote for each Lot owned. When more than one Person has an interest in any Lot ("co-owner"), all such co-owners shall be Members and may attend any meetings of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such co-owners may from time to time designate in writing one of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a single unit. No vote

shall be cast for any Lot where the majority of the co-owners present in person, or by proxy and representing such Lot cannot agree to said vote or other action. All owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws, shall be deemed to be binding on all Owners and Members, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in this Declaration, the Articles, Bylaws and Association rules and regulations.

## ARTICLE V

### JURISDICTION OF THE ASSOCIATION

Section 5.01. Authority. The Association, acting through the Board, shall have:

(a) The power to maintain, repair and otherwise manage the Common Area and Landscape Maintenance Areas and all facilities, improvements and landscaping thereon and to maintain the Structural Maintenance Areas to the extent authorized, all in accordance with provisions of Article VI and Article IX of this Declaration.

(b) The power to maintain the private streets within Common Area, including cleaning, snow removal and periodic resurfacing.

(c) The power to maintain the private sewer systems and storm drains or drainage facilities within the Common Area.

(d) The power to maintain the availability of refuse, yard waste, recycling collection and gas and electric services for the Common Area.

(e) The power to grant easements, rights of way or strips of land, where necessary, for utilities and sewer facilities over the Common Area to serve the Common Area and Lots.

(f) The power to maintain such policy or policies of liability and property insurance with respect to the Common Area, facilities and personal property, if any, owned by the Association as provided herein in furthering the purposes of and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws.

(g) The power to employ or contract with a professional manager to perform all or any part of the duties and responsibilities of the Association and in the name of the Association. The Association shall have the power to delegate its powers to committees, officers and employees.

(h) The power to, after Notice and Hearing as provided for in the Declaration and Bylaws, and without being liable to any Owner, enter upon any Lot for the purpose of enforcing by peaceful means the provisions of this Declaration, or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Owner fails to maintain or repair any such areas as required by this Declaration. The Owner shall pay promptly all amounts due for such work, and said cost shall be levied as a Special Assessment and shall create a lien enforceable in the same manner as other assessments as set forth in this Declaration. Notwithstanding the foregoing paragraphs, (a) through (h), the Association shall have no responsibility to provide any maintenance or repair services with respect to any Improvement which is accepted for maintenance by the City of Spokane or any other state, local or municipal governmental agency or entity.

(i) The power to conduct any other actions authorized by this Declaration, the Bylaws, or the Articles, or any other actions necessary to implement the foregoing.

## ARTICLE VI

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.01. Creation of the Lien and Personal Obligation of Assessments. The Owner of each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed or real estate contract therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agrees to pay to the Association (1) monthly Common Assessments for Common Expenses, (2) Capital Improvement Assessments, (3) Special Assessments, and (4) Reconstruction Assessments; such assessments to be established and collected as hereinafter provided. Such assessments, together with interest at the highest rate allowed by law, costs and reasonable attorney's fees for the collection thereof, shall be a lien on the Lot and shall be a continuing lien from the due date of the Assessment and shall be prior to any declaration of homestead recorded after the date which this Declaration is recorded. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation of the Owner shall not pass to the successors in title unless expressly assumed by them in writing; provided, however, that in the case of a sale or a contract for the sale of (or an assignment of a contract purchaser's interest in) any Lot which is charged with the payment of an assessment or assessments payable in installments, the Owner immediately prior to the date of any such sale, contract or assignment shall be personally liable only for the amount of the assessment or installments due prior to said date and the new Owner shall be personally liable for the assessment or installments which become due on and after said date.

Section 6.02. Creation of Funds. The Board of Directors shall establish the Association Operations Fund into which shall be deposited all Common Assessments paid to

the Association and from which disbursements shall be made in performance of functions by the Association. The Association Operations Fund shall include an operating fund for current common expenses. The Association may, as required, establish the Association Reserve Fund as provided for herein for expenses which would not reasonably be expected to recur on an annual or less frequent basis. If the Association Operations Fund or Association Reserve Fund proves at any time to be inadequate for any reason, the Board may at any time levy a supplemental Capital Improvement Assessment, subject to the provisions of Section 6.05 of this Article. Additionally, if the Reserve Fund proves at any time to be inadequate to pay for emergency repairs to roads and/or major utility lines or equipment, providing general access for services to the Properties, where such repair is the obligation of the Association, the Board may, at any time, levy a supplemental Capital Improvement Assessment to cover the amount of the reserve deficiency, without regard to any restrictions set forth elsewhere in this Article VI. Any such Capital Improvement Assessment shall be shared equally by the Owners of all Lots.

Section 6.03. Purpose of Common Assessments. The Common Assessments levied by the Association shall be used exclusively to promote the common health, safety, benefit, recreation and welfare of the Owners and for the improvement and maintenance of the Common Area, and the Landscape Maintenance Areas. Nothing in this Declaration shall be construed in such a way as to permit the Association to use any Common Assessments to abate any nuisance or annoyance emanating from outside the boundaries of the Properties. Common Assessments shall include, and the Association shall acquire and pay for out of the applicable funds derived from said Common Assessments, the following:

(a) Water, electrical, lighting and other necessary utility services for the Common Area, and water for the Dwelling Units.

(b) Maintenance and repair of the private streets and parking areas lying within the Common Area.

(c) Landscape planting and maintenance by the Association of all landscaping and planted areas within the Common Area and the Landscape Maintenance Areas, including commonly metered irrigation and lighting.

(d) Painting or staining as necessary of the Common Area.

(e) Fire and casualty insurance with extended coverage as provided herein covering the full insurable replacement cost of the Common Area improvements.

(f) Liability insurance as provided herein, insuring the Association against any liability to the public or to any Owner, their invitees or tenants, incident to, as the case may be, occupation and use of the Common Areas, and Landscape Maintenance Areas, with limits

of liability to be set by the Board of Directors of the Association, such limits and coverage to be reviewed at least annually by the Association and increased or decreased in its discretion.

(g) Directors and officers liability insurance as the Board deems appropriate pursuant to Article XII.

(h) Worker's compensation insurance to the extent necessary to comply with any applicable laws, medical payments insurance, liquor liability insurance and any other insurance deemed necessary by the Board of Directors of the Association.

(i) Standard fidelity bonds covering all Members of the Board of Directors of the Association and other employees and volunteers of the Association as and in an amount as determined by the Board of Directors, but not less than 150% of the estimated annual operating expenses of the Association.

(j) Painting, maintenance, repair and replacement of all buildings; equipment and landscaping in, on and of the Common Area, as the Board of Directors of the Association shall determine is necessary and proper.

(k) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay for pursuant to the terms of this Declaration or by law or which in the opinion of the Association's Board of Directors shall be necessary or proper for the operation of the Common Area or for the enforcement of these restrictions.

Section 6.04. Damage by Owners. The foregoing maintenance, repairs or replacements within the Common Area, Structural Maintenance Areas or Landscape Maintenance Areas arising out of or caused by the willful or negligent act of any Owner, their family, guests or invitees shall be done at said Owner's expense or, after Notice and Hearing, a Special Assessment therefore shall be made by the Board against the Owner and their Lot.

Section 6.05. Amount of Common Assessment. The amount of the monthly common assessments shall be reviewed annually by the Board and increased as necessary to cover operating costs and recommended allocations to the Association Reserve Fund.

(a) Owners of Lots: Three Hundred and Twenty Five and 00/100 Dollars (\$325.00) per month per Lot (or in the event that said amount has been adjusted as provided herein, the amount as adjusted). The monthly assessment for Lots may be increased by the Association with the consent of at least fifty-one percent (51%) of the voting power held by the Owners of Lots, both in person or by proxy, at a meeting duly called for such purpose. Written notice of such meeting shall be sent to all such members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. After consideration of current

maintenance costs and future needs of the Association, the Board of Directors may fix the monthly assessment for Lots at an amount less than the maximum monthly assessment. The maximum monthly assessment for Lots may be increased by the Board without the consent of the members as provided in Sections 6.06 of this Article VI.

(b) Owners of Multiple Lots: Where a person combines more than one (1) Lot for construction of a single Dwelling Unit, the Owner shall pay the full Common Monthly Assessment for each Lot.

Section 6.06. Increase in Monthly Assessments. Upon sixty (60) days' notice to the Members of the Association the Board may increase the Common Assessment in accordance with this Section. From and after the date of execution of this Declaration, the maximum amount the monthly Common Assessment may be increased June 1 of each year thereafter without a vote of the membership is 12%.

Section 6.07. Capital Improvement and Reconstruction Assessments. In addition to the Common Assessments authorized above, the Board of the Association may levy, in any fiscal year, a Capital Improvement Assessment or Reconstruction Assessment applicable for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of an Improvement or other such addition upon the Common Area or Landscape Maintenance Areas, including fixtures and personal property related thereto; provided that whenever the aggregate Capital Improvement Assessments in any fiscal year exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, such excess Capital Improvement Assessment or Reconstruction Assessment shall require the consent of two-thirds (2/3) of the voting power of the Members, voting in person or by proxy, at a meeting duly called for such purpose, notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 6.08. Uniform Rate of Assessment and Due Date. Common Assessments, Capital Improvement Assessments and Reconstruction Assessments must be fixed at a uniform rate.

All Common Assessments shall be due and payable on or before the first day of each month, and other Assessments shall be paid and collected at such frequency as the Board shall determine.

The Board may, subject to the provisions of this Declaration, levy Special Assessments against selected Owners who have caused the Association to incur special expenses due to willful or negligent acts of said Owners, their guests, or agents, as may be provided for herein, provided that said Special Assessments are not required to be levied in equal proportions amongst all Lot owners.

Section 6.09. Date of Commencement of Common Assessments; Budget. The Common Assessments shall commence on June 1 of each year. Notice of any change in the amount of any monthly Common Assessment shall be sent to every Owner not less than thirty (30) days prior to the effective date of such change.

The Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Association for each fiscal year, including deposits in and withdrawals from the Association Reserve Fund and the Association Operating Fund, and shall cause to be distributed a copy of each such statement to each Member, and to each first Mortgagee who has filed a written request for copies of the same with the Board of Directors, in the manner provided in by Bylaws. Within thirty (30) days thereafter, the Board of Directors shall set a meeting of the Members and distribute a written, itemized budget of income and expenses of the Association (including a reasonable provision for contingencies and deposits into the Association Reserve Fund) as may be required. The meeting shall be set a maximum of sixty (60) days and a minimum of fourteen (14) days after the mailing of the budget to the Members. If the estimated sums prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, at any time, levy supplemental Capital Improvement Assessments, subject to the provisions of Section 6.05 of this Article.

Section 6.10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments herein:

- (a) All Properties dedicated to and accepted by a local public authority; and
- (b) The Common Area.

Section 6.11. Association Reserve Fund. The Association, through the Board of Directors, may, but is not required to, establish the Association Reserve Fund for the purpose of funding major maintenance, repair, and replacement of Common Areas and Landscape Common Areas, as described by RCW 64.38.065, as may be amended. In the event that the Association elects to establish the Association Reserve Fund, it shall comply with the requirements of Washington law for the establishment and administration of such account. The Association Reserve Fund may be funded by the Common, Capital Improvement, and Reconstruction Assessments.

Section 6.12. Certification of Payment of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the Assessments on a specified Lot have been paid.

## ARTICLE VII

### EFFECT OF NONPAYMENT OF ASSESSMENT; REMEDIES OF THE ASSOCIATION

#### Section 7.01. Effect of Nonpayment of Assessments; Remedies of the Association.

Any Common Assessment, Capital Improvement Assessment, Special Assessment or Reconstruction Assessment or installation thereof not paid within ten (10) days after the due date shall bear interest from the due date at a rate established by the Board but not more than the highest rate allowed by law. If any such assessment or installment of an assessment is not paid within thirty (30) days after it is due, the Owner responsible therefore may be required further by the Board of Directors to pay each month, in addition to the rate established by the Board, a late charge not to exceed Two Hundred and Fifty and 00/100 Dollars (\$250.00) per month of delinquency as set by the Board or one-third of the amount of the delinquent assessment or installment, whichever is greater. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of their Lot.

If any installment of an Assessment (including the Common Assessment) is not paid within ten (10) days after its due date, the Board may send an acceleration notice to the Owner and to each first Mortgagee of the Lot which has requested a copy of the notice. The notice shall specify (1) the fact that the installment is delinquent, (2) the action required to cure the default, which action shall include paying all installments coming due during the period allowed to cure the default, (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured, (4) that failure to cure the default on or before the date specified in the notice will result in acceleration of the balance of the installments of the Assessment for the then current fiscal year and (5) the legal description of the Lot. If the delinquent installments of Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board may, at its option without further demand, enforce the collection of the balance of the installments of the assessment for the current fiscal year and all charges thereon in any manner authorized by law and this Declaration.

Section 7.02. Notice of Assessment. No action shall be brought to enforce any assessment lien, unless at least thirty (30) days has expired following the date a Notice of Assessment is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Association in the Office of the Spokane County Auditor. The Notice of Assessment must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owners thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at the highest rate allowed by law, plus reasonable attorneys' fees and expenses of collection in



connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Assessment shall be signed and acknowledged by an officer of the Association. For the purposes of this Section 7.02, an Acceleration Notice given Under Section 7.01 shall be deemed to be a Notice of Assessment if recorded in the office of the Spokane County Auditor.

Section 7.03. Foreclosure Sale. Any such sale provided for above may be conducted by the Board of Directors, its attorneys or other persons authorized by the Board in Accordance with the provisions of the laws of the State of Washington for judicially foreclosing mortgages, as may be required. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 7.04. Curing of Default. Upon the timely curing of any default for which a Notice of Assessment or Acceleration Notice was filed by the Association, the officers thereof shall record an appropriate Release of Lien, upon payment by the defaulting Owner of a fee, equal to the Association's cost to record the lien described herein and the Release of Lien, to cover the cost of preparing and recording such release. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the lien upon any Lot created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee, to be determined by the Board.

Section 7.05. Cumulative Remedies. The assessment liens and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by the law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 7.06. Mortgage Protection. Notwithstanding all other provisions hereof, no lien created under Articles VI or VII, nor any breach of this Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Beneficiary under any recorded First Mortgage upon a Lot made in good faith and for value; provided that after such Beneficiary or some other Person obtains title to such Lot by judicial foreclosure or by means of the powers set forth in such Deed or Trust, such Lot shall remain subject to the Declaration and to the payment of Common Assessments and other assessments that may be provided for herein accruing subsequent to the date such Beneficiary or other Person obtains title and subject to claims for a share of all other unpaid assessments reallocated to all Lots, including each Lot foreclosed.

## ARTICLE VIII

### ARCHITECTURAL CONTROL

Section 8.01. Members of Committee. The Architectural Review Committee, (the "ARC"), shall consist of three (3) members, appointed by the Board for a period of three (3) years and one appointed member must be a current Board member who will chair the ARC. A member of the ARC may be reappointed for additional terms by the Board. The ARC shall have the right and duty to promulgate reasonable standards against which to examine any requests pursuant to this Article, in order to insure that proposed plans conform harmoniously to the exterior design and existing materials of the improvements on the Properties; provided, however, that such standards shall conform with the specific architectural guidelines set forth in Section 8.02, below.

Section 8.02. Review of Plans and Specifications; Architectural Guidelines. The ARC shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be deemed necessary by the ARC, including the inspection of construction in progress to assure its conformance with plans approved by the ARC. No construction, alteration, addition, modification, decoration, redecoration, or reconstruction of an Improvement in the Properties (Structural or Landscape) shall be commenced or maintained, until the plans and specifications therefore showing the nature, kind, shape, height, width, color, materials, and location of the same shall have been submitted to the ARC and approved in writing by at least two members of the ARC. The Owners shall obtain a written approval for the plans and specifications from an authorized agent of the ARC. If not denied by the ARC within fourteen (14) days the applicant's plans shall be deemed approved. The ARC shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Properties as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, that construction thereof will not detract from the beauty, wholesomeness, and attractiveness of the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden on the Association

Notwithstanding and without limiting the foregoing, all parties to this Declaration acknowledge that it is the intent of this Article VIII to avoid a mixture of architecture which would create disharmony of design and appearance. In furtherance of this objective, and subject to the waiver power of the ARC as set forth below, the following architectural guidelines shall apply to all structures to be constructed within the Properties:

(a) No structures, accessory buildings, trailers, tents, shacks, detached garages, campers, or other outbuildings, or any structure of a temporary character, shall be erected or

maintained on any Lot, except as may be reasonably necessary during the construction of the Dwelling Unit, other than (1) detached Dwelling Unit for single-family occupancy only, with a private, attached garage. However, the Owner of two adjacent Lots may construct a Dwelling Unit across the line between such Lots, if the Dwelling Unit otherwise complies with these guidelines.

(b) Each Dwelling Unit shall contain not less than eighteen hundred (1,800) square feet of interior floor space for living purposes (exclusive of garage, porch, deck, patio, unfinished basement and open lanai).

(c) All roofs shall be constructed of clay or cement tile or of a fireproof material that is consistent in appearance with existing homes and approved by the ARC.

(d) All siding shall be of wood or composition siding that has been approved by ARC.

(e) All colors for siding, trim, front doors and garage doors shall be approved by the ARC and conform to the existing color schemes of the Association.

(f) Each Dwelling Unit shall have attached an enclosed garage accommodating at least two (2) vehicles, with an interior area of not less than 400 square feet, with completely sealed interior walls and ceilings, and with a fully improved driveway to the street. The driveway shall be hard surface materials such as exposed aggregate, pavers or concrete.

(g) No radio, citizen's band, television antenna, satellite dish or other communication antenna shall be erected upon any Lot or Dwelling Unit without the approval of the ARC.

(h) All exterior lighting shall be low intensity and shall be limited to landscaping or structural accent lighting.

(i) Heat pumps and air conditioning compressors shall be designed and placed in aesthetic harmony with the other improvements to which they are appurtenant, and shall be insulated so as not to produce an unreasonable level of noise.

(j) Setbacks shall conform to the Planned Unit Development requirements. Setback requirements are five (5) feet on either side of the property, a fifteen (15) foot setback from the rear property line and a twenty (20) foot minimum from the edge of the street to the closest point, either the attached garage or other structure if it is approved by the ARC. Zero side and rear yard setbacks are allowed for single-family lots which abut a Common Area of the plat if approved by the ARC.

(k) The ARC by a simple majority vote, is authorized to employ professional assistance in their review process as they deem necessary. The cost thereof shall be borne by the Association.

The ARC may modify or waive one or more of the specific guidelines set forth above, but only by unanimous vote of the members of the ARC and only if the architectural design otherwise conforms to the general requirements of this Section 8.02. Subject to the requirement for denial within fourteen (14) days described herein, all decisions of the ARC shall be by the vote of a majority of its members, after submittal of an application and discussion among and approval by at least two (2) of the members of the ARC. While a majority vote will be final with respect to decisions to approve plans complying with the guidelines, no such vote shall be effective unless: (1) all ARC members shall have been provided with the subject application and supporting documents; (2) the application shall have been specifically discussed among a majority of the members; and (3) notification of the majority decisions shall have been delivered to any dissenting or non-voting member.

The ARC may condition its approval of proposals or plans and specifications for any Improvement (1) on such changes therein as it deems appropriate, (2) upon the agreement by the Person (referred to in this Section 8.02 as "applicant") submitting the same to grant appropriate easements to the Association for the maintenance of the Improvement if such maintenance would be a right or obligation of the Association under this Declaration, (3) upon the agreement of the Association under this Declaration, or (4) upon agreement of the applicant to reimburse the Association for the cost of such maintenance, or all four, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The ARC may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee payable to the Association to accompany each application for approval, or additional factors which it will take into consideration in reviewing submissions. The ARC may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The ARC may require such detail in plans and specifications submitted for its review as it deems proper. Decisions of the ARC and the reasons therefore shall be transmitted by the ARC to the applicant at the address set for them in the application for approval, as soon as is practicable after receipt by the ARC of all materials required by the ARC.

Section 8.03. Meetings of the ARC; Vote. The ARC shall meet from time to time as necessary to perform its duties hereunder. Subject to the requirements of Section 8.02 relating to discussion and notification of ARC members, and to modification or waiver of the architectural guidelines, the vote of any two (2) members of the ARC shall constitute an act of the ARC.

Section 8.04. No Waiver of Future Approvals. The approval of the ARC to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval of consent.

Section 8.05. Compensation of Members. The members of the ARC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 8.06. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required under this Article VIII, the Owner shall give written notice of completion to the ARC.

(b) Within fourteen (14) days thereafter, the ARC or its duly authorized representative may inspect such improvement. If the ARC finds that such work was not done in substantial compliance with the approved plans it shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance, and shall require the Owner to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the ARC shall notify the Board in writing of such failure. After affording such Owner a Notice and Hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may peacefully remove the noncomplying improvement or otherwise peacefully remedy the noncompliance, and the Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a Special Assessment against such Owner for reimbursement.

(d) If for any reason the ARC fails to notify the Owner of any such noncompliance within sixty (60) days after receipt of said written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans.

Section 8.07. Non-liability of ARC members. The ARC nor any member of the ARC, the board 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 ARC's duties hereunder unless due to the willful misconduct or bad faith of the ARC. The ARC shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Properties generally. The ARC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features. The ARC's approval or disapproval shall be based solely on the considerations set forth in this Article VIII, and the ARC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 8.08. Variance. As provided above, the ARC may, by unanimous vote, authorize variances from compliance with the architectural guidelines set forth in Section 8.02. If such variances are granted, no violation of the covenants, conditions, and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting their use of the premises, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by the City of Spokane or any other governmental authority.

## ARTICLE IX

### OWNER MAINTENANCE AND REPAIR OBLIGATIONS

Section 9.01. Maintenance Obligations of Owners. It shall be the duty of each Owner, at their sole cost and expense, subject to the provisions of this Declaration regarding ARC approval, to maintain, repair, replace and restore areas subject to their exclusive control, in a neat, sanitary and attractive condition. Areas subject to the exclusive control of an Owner shall be deemed to include, without limitation, the interior, roof, chimney, driveway and residence exteriors and all glass portions of the Owner's Dwelling Unit and the landscape, and walkways of the Lot, if any, which are not defined as a portion of the Landscape Maintenance Areas. The Owner's maintenance obligations further extend to the Structural Maintenance Area. In the event that any Owner shall allow any Improvement, which is the responsibility of such Owner to maintain, to fall into disrepair or not to be so maintained so as to create a dangerous, obstructed, unsafe, unsightly or unattractive condition or to otherwise violate this Declaration, the Board shall have either the right to seek any remedies at law or in equity which it may have, and the right, but not the duty, after Notice and Hearing, to enter upon each Owner's Lot to make such repairs or to perform such maintenance, and the cost thereof

shall be charged to the Owner. Said cost shall be a Special Assessment and shall create a lien enforceable in the same manner as other assessments as set forth in this Declaration.

Section 9.02. Damage and Destruction Affecting Dwelling Units – Duty to Rebuild.

If all or any portion of any Lot or Dwelling Unit is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of said Lot or Dwelling Unit to rebuild, repair or reconstruct said Lot or Dwelling Unit in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

Section 9.03. Time Limitation. The Owner or Owners of any damaged residence, the Association and the ARC shall be obligated to proceed with all due diligence hereunder, and the responsible party shall commence reconstruction within six (6) months after the damage occurs and complete reconstruction within twelve (12) months after damage occurs, unless prevented by causes beyond their reasonable control.

If an Owner is the responsible party and if he does not commence to rebuild, repair or reconstruct within six (6) months, the Board may, after Notice and Hearing, enter the Owner's Lot and Dwelling Unit to clean up the Lot or make repairs, the cost thereof shall be a Special Assessment and shall create a lien enforceable in the same manner as other assessments.

## ARTICLE X

### USE RESTRICTIONS

All real property within the Properties shall be held, used and enjoyed subject to the following limitations and restrictions:

Section 10.01. Single Family Residence. Each Unit shall be used as a residence for a single Family and for no other purpose.

Section 10.02. Business or Commercial Activity. No part of the Properties shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any retail business or any other business that requires persons not residing within the Association to come to the Property for business purposes.

Section 10.03. Nuisances. No noxious or offensive activity (including but not limited to the repair of motor vehicles) shall be carried on, in or upon any Lot or the Common Area, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Owner. Without limiting the generality of the foregoing provisions, no loud noises or noxious odors, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles or other items which may unreasonably interfere with television or radio reception of

any Owner in the Properties, shall be located, used or placed on any portion of the Properties, or exposed to the view of other Owners without the prior written approval of the ARC. The Board of Directors shall have the right to determine, after Notice and Hearing, if any noise, odor, interference or activity producing such noise, odor or interference constitutes a nuisance.

Section 10.04. Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Properties or any Lot, except one sign for each Dwelling Unit, if not larger than five hundred and seventy-six (576) square inches. This section shall not apply to any sign owned by the Association on the Common Area.

Section 10.05. Parking and Vehicular Restrictions. No Owner shall park, store or keep on their Lot or in the Common Areas any large commercial-type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck), any recreational vehicle (including, but not limited to, any camper unit or motor home), any bus, trailer, trailer coach, camp trailer, boat, aircraft, mobile home, inoperable vehicle or any other similar vehicle or any vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board, so as to be visible from anywhere in the Properties. No Owner of a Lot shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of any Lot or upon Common Areas, except wholly within the Owner's garage, and then only when the garage door is closed; provided, however, that such activity shall at no time be permitted if it is determined by the Board or its agent to be a nuisance. Garage doors shall remain closed except for reasonable periods while the garages are being used. Garages shall be used for garage purposes only and shall not be converted to other uses. Vehicles owned, operated or within the control of any Owner shall be parked in the garage or completely within the driveway of such Owner.

Section 10.06. Animal Restrictions. No insects, reptiles, poultry or animals of any kind shall be raised, bred or kept on any Lot or on the Common Area, except usual and ordinary dogs, cats, fish, birds and other household pets (excluding, without limitation, equine, bovine, sheep, swine, goats and other such animals), provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities, nor in violation of the rules and regulations adopted by the Association as provided in the Bylaws. The Association, acting through the Board of Directors, shall have the right to prohibit ownership of any animal which constitutes, in the Opinion of the Board, a nuisance to any other Owner. Animals belonging to Owners, occupants or their licensees, tenants or guests within the Properties must be either kept within an enclosure, an enclosed yard or on a leash being held by a person capable of controlling the animal. Furthermore, any Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and tenants for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the properties by an Owner or by members of their Family, their tenants or their guests.



It shall be the absolute duty and responsibility of each such Owner to clean up each time after such animals which have used any portion of the Common Area or any Lot.

Section 10.07. Trash. No rubbish, trash or garbage or other waste materials shall be kept or permitted upon any Lot or Common Area, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefore so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Such containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time before and after scheduled trash collection hours. No clothing or household fabrics shall be hung, dried or aired in such a way in the Properties as to be visible to other property, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except within an enclosed structure or appropriately screened from view. All trash or recycle bins located in an enclosed area, must be approved by the City of Spokane for collection and all Owners shall utilize such trash bins for the disposal of their trash, recyclables and yard waste.

Section 10.08. Exterior Fires. There shall be no exterior fires whatsoever except fires contained in devices specifically designed, manufactured and utilized for such purpose such as barbecues, deck heaters and screened fire pits and used in such a manner that they do not create a fire hazard or as located within the Common Area and provided by the Association. All exterior fires shall comply with state or local regulations.

Section 10.09. View Obstruction. Each Owner by accepting a deed to a Lot hereby acknowledges that any construction or installation by another Owner may impair the view of such Owner and each Owner hereby consents to such impairment.

Section 10.10. Common Area Facilities. Nothing shall be altered or constructed in or removed from the Common Area or Landscape Maintenance Area except upon the written consent of the Association.

Section 10.11. Outside Installations. No antenna, solar panel or satellite dish of any type shall be erected or maintained in the Properties, unless authorized in writing by the ARC. No temporary or fixed sports apparatus, including, but not limited to, any basketball backboard, shall be placed, constructed or maintained on the Properties except in Common Areas after approval by the Board, making such sports apparatus available for use for all Owners. No fence or wall shall be erected, altered or maintained on any Lot in the Properties, except with the prior written approval of ARC.

Section 10.12. Insurance Rates. Nothing shall be done or kept in the Properties which will increase the rate of insurance on any property insured by the Association without the approval of the Board nor shall anything be done or kept in the Properties which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law.

Section 10.13. Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any Lot or within five hundred and fifty (550) feet below the surface of the Properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 10.14. Further Subdivision. No Owner shall further partition or subdivide their Lot; provided, however, that this provision shall not be construed to limit the right of an Owner (1) to Lease all of their Dwelling Unit by means of a written lease agreement subject to the restrictions of this Declaration, so long as the Unit is not a Rental; (2) to sell their Unit; or (3) to transfer or sell their Unit to more than one person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as a community property. The terms of any such lease agreement shall provide that it is subject in all respects to the provisions of this Declaration and the Articles of the Incorporation and Bylaws of the Association, and any failure by the lessee of such Unit to comply with the terms of this Declaration or the Bylaws shall constitute a default under the lease agreement.

Section 10.15. Drainage. There shall be no interference with the established drainage pattern over any Lot within the Properties, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the ARC. For the purposes hereof, "established" drainage is defined as the drainage which is shown on any plans approved by the ARC, which may include drainage from the Common Area over any Lot or Lots in the Properties.

Section 10.16. Water Supply Systems. No individual water supply or sewage disposal system shall be permitted on any Lot in the Properties unless such system is designed, located, constructed and equipped in accordance with governmental authorities and the ARC.

Section 10.17. Violation of Governing Instruments. There shall be no violation of the restrictions of this Declaration or of the rules and regulations of the Association adopted in accordance with the provisions of the Bylaws. If any Owner, their family, guest, licensee, lessee or invitee violates any such restrictions, the Board may impose a reasonable Special Assessment upon such Owner for each violation and may suspend the voting privileges and use of Common Area amenities of such Owner as further provided in the Bylaws. Such

Special Assessment shall be collectable in the same manner as Common Assessments hereunder, but the Board shall give such Owner Notice and Hearing before assessing any Special Assessment or suspension.

## ARTICLE XI

### DAMAGE, DESTRUCTION OR CONDEMNATION OF COMMON AREA

Section 11.01. Damage or Destruction. Damage to or destruction of all or any portion of the Common Area shall be handled in the following manner:

(a) In the event of damage or destruction to the Common Area, and the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Area to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within Eighteen Thousand and 00/100 Dollars (\$18,000.00) or less of being sufficient to effect total restoration to the Common Area, then the Association shall cause such Common Area to be repaired and reconstructed substantially as it previously existed, and the difference between the insurance proceeds and the actual cost shall be levied as a Reconstruction Assessment in accordance with the provisions of Article VI of this Declaration.

(c) If the insurance proceeds are insufficient by more than Eighteen Thousand and 00/100 Dollars (\$18,000.00) to effect total restoration to the Common Area, then by written consent or vote of a majority of the voting membership (present in person or by proxy at a meeting duly called for such purpose, notice of which shall be sent to all members not less than fourteen (14) days nor more than thirty (30) days in advance of the meeting) of the Association, the Members shall determine whether (1) to rebuild and restore in substantially the same manner as the Improvements existed prior to damage and to raise the necessary funds over the insurance proceeds by levying Reconstruction Assessments or (2) to rebuild and restore in a way which utilizes all available insurance proceeds and an additional amount not in excess of Eighteen Thousand and 00/100 Dollars (\$18,000.00) which is raised by levying Reconstruction Assessments, but which is less expensive than replacing these improvements in substantially the same manner as they existed prior to being damaged, or (3) subject to the provisions of Article XIII, to not rebuild and to distribute the available insurance proceeds equally to the Owners and Mortgagees of Lots as their interest may appear.

(d) Each Member shall be liable to the Association for any damage to the Common Area which may be sustained by reason of the negligence or willful misconduct of said Member or the Persons deriving their right and easement of use and enjoyment of the Common Area from said Member, or of their respective family and guests, both minor and

adult. The Association reserves the right, acting through the Board, after Notice and Hearing, to (1) determine whether any claim shall be made upon the insurance maintained by the Association and (2) charge a Special Assessment (in addition to the Special Assessment described in Section 6.04) equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member or the Persons for whom such Member may be liable as described herein. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. After Notice and Hearing, the cost of correcting such damage shall be a Special Assessment.

Section 11.02. Condemnation. If all or any part of the Common Area shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this section shall apply. The Board shall provide each Owner and each First Mortgagee with a written notice of the commencement of any such condemnation proceeding and of any proposed sale or disposition in lieu or in avoidance of such proceeding.

All compensation, damages, or other proceeds, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association. In the event that all of the Common Area is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condemnation Award shall be divided equally among the Owners and Mortgagees of the Lots as their interests may appear.

In the event that less than the entire Common Area is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the rights, title, interests, privileges, duties and obligations of an Owner and Mortgagee in, to or with respect to the Common Area not so taken or condemned shall continue in full force and effect as provided in this Declaration.

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 11.01 above.

## ARTICLE XII

### PROPERTY INSURANCE

Section 12.01. Property Insurance. The Association shall keep all buildings, Improvements and fixtures of the Common Area insured against loss or damage by Special Form or Open Peril Coverage for the full insurance 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 property whether real or personal, 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. The

insurance coverage with respect to the Common Area shall be written in the name of the Association and the 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 are Common Expenses included in the Common Assessments levied by the Association.

Section 12.02. Replacement or Repair of 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, or distribute such insurance proceeds, subject to the provisions of Article XI of this Declaration. 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 Reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds.

Section 12.03. Waiver of Subrogation. All policies of physical damage insurance maintained by the Association shall provide, if reasonably possible, for waiver of: (1) any defense based on coinsurance; (2) any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association; (3) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured; (4) any rights of the insurer to repair, rebuild or replace, and, in the event any Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured of the fair market value thereof; or (5) notice of the assignment of any Owner of its interest in the insurance, by virtue of a conveyance of any Lot. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 12.04. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments, liquor liability insurance, and malicious mischief, for at least \$1,000,000 per occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The Association may also obtain, through the Board, Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Lot Owner and the Association, Board of Directors and Manager, from liability in connection with the Common Area, Structural Maintenance Areas and Landscape Maintenance Areas, the

premiums for which are a Common Expense included in the Common Assessments levied by the Association. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board, the officers of the Association and any volunteers against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or on any committee thereof. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the requirements for planned unit developments established in compliance with applicable standards.

### ARTICLE XIII

#### MORTGAGEE PROTECTION CLAUSE

Notwithstanding any and all provisions hereof to the contrary, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) Each First Mortgagee of a Mortgage encumbering any Lot, at its written request, is entitled to written notification of any default by the Mortgagor of such Lot in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation of the Association or by Bylaws, which default is not cured within thirty (30) days after the Association learns of such default.

(b) Each Owner, including every First Mortgagee or a Mortgage encumbering any Lot which contains title to such Lot pursuant to the remedies provided in such Mortgage, or by foreclosure of such Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

(c) Each First Mortgagee of a Mortgage encumbering any Lot which obtains title to such Lot pursuant to the remedies provided in such Mortgage or by foreclosure of 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 acquisition of title to such Lot by the Mortgagee.

(d) 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 of annual financial reports and other financial data within ninety (90) days following the end of any fiscal year of the Association, (3) receive written notice of all meetings of the Members, and (4) designate in writing a representative to attend all such meetings.

(e) All First Mortgagees shall be given (i) thirty (30) days' written notice prior to the effective date of any proposed material amendment to this Declaration or the Articles of Incorporation or Bylaws of the Association, prior to any abandonment of the Properties, and prior to the effective date of any termination of any agreement for professional management of the Properties following a decision of the Owners to assume self-management of the Properties; and (ii) immediate notice following any damage to or destruction of the Common Area or any Dwelling Unit if such loss or destruction exceeds Ten Thousand and 00/100 Dollars (\$10,000.00) and as soon as the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Common Area or any Dwelling Unit.

(f) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

(g) The Association Reserve Fund described in Article VI of this Declaration must be funded by regularly scheduled monthly payments rather than by large Special Assessments.

(h) The Board shall secure and cause to be maintained in force at all times a fidelity bond for any Person handling funds of the Association, including, but not limited to, employees and volunteers of any professional Manager.

In addition to the forgoing, the Board of Directors may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for purchase, insurance or guaranty, as the case may be, by such entities of First Mortgages encumbering Lots with Dwelling Units thereon. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their Dwelling Units, if such agencies approve the Properties as a qualifying Planned Unit Development under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot.

#### ARTICLE XIV

#### GRANTOR EXEMPTION

[ OMITTED ]

## ARTICLE XV

### ANNEXATION OF ADDITIONAL PROPERTY

Additional real property may be annexed and subject to this Declaration by any of the following methods:

Section 15.01. Other Additions. Additional real property may be annexed to the Properties and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of no less than two-thirds (2/3) of the voting power of the Members.

Section 15.02. Title to Common Area. Prior to the Close or Sale of any Lot within the Annexed Property, title to the Common Area, if any, within said Annexed Property shall be conveyed to the Association free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration and in any Supplemental Declaration.

Section 15.03. Notice of Addition of Territory. The additions authorized under Sections 15.01 and 15.02 of this Article XV shall be made by filing of record a Notice of Addition of Territory, or similar instrument (which Notice or Instrument may contain the Supplemental Declaration, if any, affecting such Annexed Property) with respect to the additional property which shall be executed by Grantor or the Owner thereof and, in the case of additions made pursuant to Section 15.02, two (2) officers of the Association certifying that the vote or written consent of the requisite percentage of Members has been obtained. Recordation of such Notice of Addition of Territory shall extend the general plan and scheme of this Declaration to such Annexed Property. The filing of record of said Notice of Addition shall constitute and effectuate the annexation of the Annexed Property described therein and thereupon said Annexed Property shall become and constitute a part of the Properties, become subject to this Declaration, and become subject to the functions, powers and jurisdiction of the Association; and the Owners of Lots in said Annexed Property shall automatically become Members of the Association. Such Notice of Addition may contain such additions and modifications of the covenants, conditions, restrictions, reservation of easements and equitable servitudes contained in this Declaration as may be necessary to reflect the different character, if any, of the Annexed Property, or as Grantor may deem appropriate in the development of the Annexed Property. In no event, however, shall such Notice of Addition revoke, modify or add to the covenants, conditions, restrictions, reservation of easements or equitable servitudes established by this Declaration as the same shall pertain to the real property originally covered by this Declaration. No addition of territory shall substantially increase assessments.



## ARTICLE XVI

### GENERAL PROVISIONS

Section 16.01. Enforcement. The Declaration, the Articles of Incorporation and the Bylaws may be enforced as follows:

(a) Breach of any of the covenants contained in the Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Owner or by the Association or the successors-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney's fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The result of every act or omission whereby any of the covenants contained in the Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association or its successors-in-interest.

(c) The remedies herein provided for breach of the covenants contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure of the Association or any Owner to enforce any of the covenants contained in the Declaration or in the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(e) A breach of the covenants, conditions or restrictions contained in this Declaration or in the Bylaws shall not effect or impair the lien or charge of any bona fide First Mortgage or Deed of Trust made in good faith and for value on any Lot or the improvements thereon; provided, however, that any subsequent Owner of such property shall be bound by said covenants, whether such Owner's title was acquired by foreclosure or in a trustee's sale or otherwise.

Section 16.02. Severability. Invalidity of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 16.03. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association

or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successive Owners and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants, condition, reservations of easements, equitable servitudes and restrictions shall automatically extend for successive periods of ten (10) years, unless a Declaration of Amendment meeting the requirements of an amendment to this Declaration as set forth in Section 16.05 of this Article has been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part.

Section 16.04. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Landscape Maintenance Areas, the Structural Maintenance Areas and Common Areas. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

Section 16.05. Amendments. This Declaration may be amended only by the affirmative vote or written consent of not less than seventy-five percent (75%) of the Members; provided, however, that the prior written approval of at least seventy-five percent (75%) of all First Mortgagees must be obtained also, before Article XIII may be amended. Any supplement or amendment of this Declaration must be signed by at least two (2) officers of the Association, indicating that the requisite approvals have been obtained, and such amendment or supplement must be recorded in the Office of the Spokane County Auditor.

Section 16.06. No Public Right of Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Properties to the public; or for any public use.

Section 16.07. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Properties does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Properties or any portion thereof.

Section 16.08. Reservation of Easements. Reciprocal, nonexclusive easements are hereby reserved for the benefit of adjoining Lot Owners for the control, maintenance and repair of the utilities of adjoining Lot Owners. The Association and the Owners hereby reserve, reciprocal, nonexclusive easements for access, ingress and egress over all Lots, and over the Common Area, for the purposes and the enjoyment of the Lots in accordance with this Declaration, including, without limitation, for installation and repair of utility services,

for drainage over, across and upon adjacent Lots for water resulting from the normal use of adjoining Lots, and for maintenance and repair of the Landscape and Structural Maintenance Areas. In the event that any Dwelling Unit encroaches upon the Common Area and facilities, as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of the Properties, a valid easement for encroachment and for the maintenance of the same shall exist so long as the encroachment exists. The Lot Owners of each Lot on which there is constructed a Dwelling Unit along or adjacent to said Lot line shall have an easement appurtenant to said Lot over the Lot line to and over the adjacent Lot, for the purposes of accommodating any natural movement or settling of any Dwelling Unit located on said Lot, any encroachment of any Dwelling Unit due to minor engineering or construction variances, and any encroachment of eaves, roof overhangs and architectural features as parts of the original construction of any Dwelling Unit located on said Lot.

Section 16.09. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail, or other method permitted by law. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 16.10. No Representation or Warranties. No representations or warranties of any kind, express or implied, have been given or made by the Association or its agents or employees in connection with the Properties or any portion of the Properties, or any Improvement thereof, its physical condition, zoning, easements, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a planned development, except as specifically and expressly set forth in this Declaration.

## ARTICLE XVII

### PARTY WALLS

Section 17.01. General Rules of Law to Apply. Each wall or fence which is built as a part of the original construction of the Dwelling Units upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of the Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply thereto.

Section 17.02. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners of the Dwelling Units connected by such party walls.

Section 17.03. Destruction by Fire or Other Casualty. Subject to the repair obligation, if any, of the Association pursuant to Article XII, Section 12.02, if a party wall is destroyed or damaged by fire or other casualty, any Owner whose Dwelling Unit is connected thereto shall contribute equally to the cost of restoration thereof without prejudice, however, to the right of any such Owner to call, for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Section 17.04. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by their negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 17.05. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 17.06. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, then such dispute shall be submitted to and determined by arbitration. Each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator. The decision shall be by majority of all arbitrators, in accordance with the American Arbitration Association Rules of Arbitration.

***[Remainder of Page Intentionally Left Blank]***

The undersigned, pursuant to the authority of seventy-five percent (75%) of the affirmative written vote of the voting power required under Section 16.05 of the Former Declaration, have executed this Declaration, and this Declaration shall be deemed effective as of the 23 day of March, 2015 16 en

Dated this 23 day of March, 2015 16 en

PARKWOOD SOUTH HOMEOWNERS'  
ASSOCIATION OF SPOKANE, a Washington  
Non-profit Corporation

By: Cassie Neupert

Its: President

By: Diana H. Carlson

Its: Secretary

STATE OF WASHINGTON )

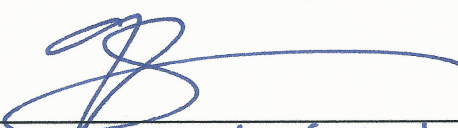
County of Spokane )

ss.

I certify that I know or have satisfactory evidence that Carl Neupert is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Parkwood South Homeowners' Association of Spokane, a Washington non-profit corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me on this 23<sup>rd</sup> day of March, 2016

**Notary Public**  
**State of Washington**  
**Nathan G Smith**  
**Commission Expires 12-28-19**

  
Printed Name Nathan G. Smith  
NOTARY PUBLIC in and for the State of Washington  
residing at Spokane  
My appointment expires: December 28, 2019

STATE OF WASHINGTON )

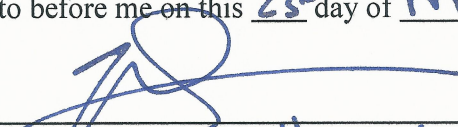
County of Spokane )

ss.

I certify that I know or have satisfactory evidence that Diana Carlson is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Secretary of Parkwood South Homeowners' Association of Spokane, a Washington non-profit corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me on this 23<sup>rd</sup> day of March, 2016

**Notary Public**  
**State of Washington**  
**Nathan G Smith**  
**Commission Expires 12-28-19**

  
Printed Name Nathan G. Smith  
NOTARY PUBLIC in and for the State of Washington,  
residing at Spokane, WA  
My appointment expires: December 28, 2019

## **Exhibit "A"**

### **LEGAL DESCRIPTION**

Lots 21 through 43, inclusive, and Lots 70 through 92, inclusive, Parkwood South, a Planned Unit Development, as per plat recorded in Volume 16 of Plats, page 71 along with Lots 44 through 49, inclusive, and Tract A, Parkwood South, First Addition, a Planned Unit Development, as per plat recorded in Volume 35 of Plats, page 3, records in the City of Spokane, Spokane County, Washington.