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COVER SHEET FOR:	Master Declaration of Covenants, Conditions, and Restrictions for Trutina Home Owners Association
DECLARANT:	Rivercrossing, LLC
PARTIES BOUND:	Declarant, Mortgagees and Owners of the Project
ABBREVIATED LEGAL:	Ptn. NW ¼ 10-25-45
FULL LEGAL ON:	<u>Exhibit A</u>
TAX PARCEL NUMBERS:	55102.9013, 55102.9067

MASTER DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS

TRUTINA HOMEOWNERS ASSOCIATION

CITY OF LIBERTY LAKE  
SPOKANE COUNTY, WASHINGTON

MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
TRUTINA HOMEOWNERS ASSOCIATION

TABLE OF CONTENTS

	Page No.
ARTICLE 1.	
DEFINITIONS .....	1
1.1 ACCESS AREAS .....	1
1.2 APARTMENT SUBASSOCIATION .....	2
1.3 ARCHITECTURAL AND DESIGN GUIDELINES .....	2
1.4 ARTICLES .....	2
1.5 ASSESSMENT .....	2
1.6 ASSOCIATION RULES .....	2
1.7 BOARD OF DIRECTORS .....	2
1.8 BUILDER .....	2
1.9 BYLAWS .....	2
1.10 COMMITTEE .....	2
1.11 COMMON AREA .....	2
1.12 COMMON EXPENSES .....	2
1.13 COMMON PARKING AREAS .....	2
1.14 DECLARANT .....	3
1.15 DEVELOPER .....	3
1.16 DIRECTOR .....	3
1.17 DRAINAGE EASEMENT AREAS .....	3
1.18 ELIGIBLE HOLDER .....	3
1.19 HOMEOWNER SUBASSOCIATION .....	3
1.20 HOPA .....	3
1.21 IMPROVEMENTS .....	3
1.22 LANDSCAPE AREAS .....	3
1.23 "MASTER ASSOCIATION" .....	3
1.24 MASTER DECLARATION .....	3
1.25 MEMBER .....	3
1.26 MORTGAGE .....	4
1.27 MORTGAGEE .....	4
1.28 MORTGAGOR .....	4
1.29 MULTIFAMILY COMMON AREA .....	4
1.30 MULTIFAMILY UNIT .....	4
1.31 OWNER .....	4
1.32 PARCEL .....	4
1.33 PERIOD OF DECLARANT CONTROL .....	4
1.34 PERSON .....	4
1.35 PHASE .....	4
1.36 PROJECT .....	4
1.37 PROJECT DOCUMENTS .....	4
1.38 PROPERTY .....	4
1.39 SIGNAGE EASEMENT AREAS .....	5
1.40 SINGLE FAMILY PARCEL .....	5
1.41 SUBASSOCIATION .....	5
1.42 SUPPLEMENTAL DECLARATION .....	5
1.43 UTILITY EASEMENT AREAS .....	5

ARTICLE 2.	
ASSOCIATION, ADMINISTRATION, MEMBERSHIP,	
AND VOTING RIGHTS.....	5
2.1 ORGANIZATION OF ASSOCIATION.....	5
2.2 DUTIES AND POWERS .....	5
2.3 MEMBERSHIP .....	5
2.4 TRANSFERRED MEMBERSHIP .....	6
2.5 CLASSES OF MEMBERSHIP.....	6
2.6 VOTING RIGHTS .....	6
2.7 VOTING REQUIREMENTS .....	6
2.8 MEMBERSHIP MEETINGS .....	6
2.9 BOARD OF DIRECTORS .....	7
2.10 USE OF AGENT .....	7
2.11 BOOKS AND RECORDS.....	7
2.12 SUBASSOCIATIONS .....	7
2.13 POWERS OF THE ASSOCIATION .....	7
2.14 DUTIES OF THE ASSOCIATION .....	8
2.15 PERSONAL LIABILITY .....	9
2.16 BUDGETS AND FINANCIAL STATEMENTS.....	10
2.17 MEETINGS OF THE ASSOCIATION.....	10
ARTICLE 3.	
RIGHTS IN COMMON AREA .....	10
3.1 COMMON AREA .....	10
3.2 DESIGNATION OF COMMON AREA AND MULTIFAMILY .....	11
3.3 DELEGATION OF RIGHTS TO USE.....	11
3.4 RECIPROCAL PARKING AND ACCESS .....	11
3.5 LANDSCAPE AREAS.....	11
3.6 NO SEPARATE CONVEYANCE OF RIGHTS .....	11
3.7 REGULATION OF COMMON AREA USE .....	11
3.8 DAMAGE BY MEMBER.....	11
3.9 USE AGREEMENT FOR MULTIFAMILY COMMON AREA .....	12
ARTICLE 4.	
ARCHITECTURAL CONTROL .....	12
4.1 ARCHITECTURAL CONTROL COMMITTEE .....	12
4.2 PROHIBITION OF ALTERATION AND IMPROVEMENT.....	12
4.3 ARCHITECTURAL AND DESIGN GUIDELINES.....	12
4.4 PLANS AND APPROVAL .....	13
4.5 CONSTRUCTION COMPLETION REQUIREMENTS .....	14
ARTICLE 5.	
REPAIR AND MAINTENANCE .....	14
5.1 RIGHTS AND DUTIES OF ASSOCIATION AND SUBASSOCIATIONS .....	14
5.2 RIGHTS AND DUTIES OF OWNERS.....	14
ARTICLE 6.	
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS .....	15
6.1 COVENANT TO PAY ASSESSMENTS.....	15
6.2 PURPOSE OF ASSESSMENTS .....	15
6.3 REGULAR ASSESSMENTS.....	15
6.4 EXTRAORDINARY ASSESSMENTS .....	15
6.5 SPECIAL ASSESSMENTS .....	15

6.6	ALLOCATION OF ASSESSMENTS .....	16
6.7	SEWER AND WATER CHARGES .....	16
6.8	DATE OF COMMENCEMENT OF ASSESSMENTS .....	16
6.9	NOTICE AND DUE DATES .....	16
6.10	ESTOPPEL CERTIFICATE .....	17
6.11	LIENS AND PERSONAL OBLIGATIONS FOR ASSESSMENTS .....	17
6.12	TRANSFER OF PARCEL BY SALE OR FORECLOSURE .....	17
6.13	FAILURE TO PAY ASSESSMENTS .....	18
6.14	PAYMENT OF TAXES ASSESSED AGAINST THE COMMON AREA OR PERSONAL PROPERTY OF THE ASSOCIATION .....	18
6.15	SPECIAL NOTICE AND QUORUM REQUIREMENTS .....	18
ARTICLE 7.		
ANNEXATION OF ADDITIONAL PROPERTIES .....		19
7.1	BY DECLARANT .....	19
7.2	RIGHTS AND OBLIGATIONS OF OWNERS OF ANNEXED PARCELS .....	19
7.3	METHOD OF ANNEXATION .....	19
7.4	DE-ANNEXATION .....	19
ARTICLE 8.		
EASEMENTS AND UTILITIES .....		20
8.1	COMMON AREA EASEMENTS .....	20
8.2	ENCROACHMENT EASEMENTS .....	20
8.3	UTILITY EASEMENTS .....	20
8.4	DRAINAGE EASEMENTS .....	20
8.5	LANDSCAPE EASEMENT .....	20
8.6	SIGNAGE EASEMENTS .....	20
ARTICLE 9.		
USE RESTRICTIONS .....		21
9.1	AGE RESTRICTIONS – HOUSING FOR OLDER PERSONS .....	21
9.2	RESIDENTIAL PARCELS .....	21
9.3	COMMERCIAL PARCELS .....	21
9.4	TEMPORARY STRUCTURES .....	21
9.5	FURTHER SUBDIVISION PROHIBITED .....	22
9.6	PARCEL MAINTENANCE .....	22
9.7	NUISANCES .....	22
9.8	MINING; WELLS; POTABLE WATER .....	22
9.9	HAZARDOUS ACTIVITIES .....	22
9.10	NO UNSIGHTLY ARTICLES .....	22
9.11	SIGNS .....	22
9.12	LEASING OF PARCELS .....	23
9.13	VEHICLES; RECREATIONAL VEHICLES; RESIDENTIAL PARKING .....	23
9.14	ANIMALS; PETS .....	23
9.15	LANDSCAPING .....	23
9.16	LIGHTING .....	23
9.17	ANTENNAS .....	23
9.18	FIREWORKS AND OUTDOOR BURNING .....	23
9.19	NO WARRANTY OF ENFORCEABILITY .....	24
ARTICLE 10.		
COMMON PARKING AREAS .....		24
10.1	DESIGNATION OF COMMON PARKING AREAS .....	24
10.2	USE OF COMMON PARKING AREAS .....	24

10.3 PARKING AREA MAINTENANCE .....	24
10.4 RULES, REGULATIONS AND ENFORCEMENT .....	24
ARTICLE 11.	
INSURANCE .....	25
11.1 DUTY TO OBTAIN INSURANCE; TYPES.....	25
11.2 WAIVER OF CLAIM AGAINST ASSOCIATION .....	25
11.3 RIGHT AND DUTY OF OWNERS TO INSURE .....	25
11.4 NOTICE OF EXPIRATION REQUIREMENTS .....	25
11.5 INSURANCE PREMIUMS .....	26
11.6 TRUSTEE FOR POLICIES .....	26
ARTICLE 12.	
DESTRUCTION OF IMPROVEMENTS .....	26
12.1 DAMAGE TO COMMON AREA .....	26
12.2 EXTRAORDINARY ASSESSMENTS .....	26
12.3 DAMAGE TO PARCELS .....	26
ARTICLE 13.	
EMINENT DOMAIN .....	26
13.1 TAKING OF PARCELS .....	26
13.2 TAKING OF COMMON AREA .....	26
ARTICLE 14.	
RIGHTS OF MORTGAGEES .....	26
14.1 IN GENERAL .....	26
14.2 RIGHT OF MORTGAGEE PARAMOUNT .....	27
14.3 NO RESPONSIBILITY FOR CERTAIN DELINQUENT ASSESSMENTS.....	27
14.4 RIGHT TO INFORMATION .....	27
14.5 RIGHT TO PARTICIPATE IN AMENDMENTS TO PROJECT DOCUMENTS .....	27
14.6 ACTION TO TERMINATE THE PROJECT.....	28
14.7 IMPLIED APPROVAL OF CERTAIN ACTIONS .....	28
14.8 RIGHT TO NOTICE .....	28
14.9 AUTHORITY TO ENTER INTO CERTAIN CONTRACTS .....	28
ARTICLE 15.	
DURATION AND AMENDMENT .....	28
15.1 DURATION.....	28
15.2 AMENDMENT PROCEDURES.....	29
ARTICLE 16.	
DECLARANT'S RIGHTS AND RESERVATIONS.....	29
16.1 WITHDRAWAL OF LAND.....	29
16.2 PLATTING AND SUBDIVISION.....	29
16.3 PUBLIC ROADS AND EASEMENTS .....	29
16.4 DELEGATION OF WORK.....	30
16.5 DECLARANT'S DUTIES AND OBLIGATIONS.....	30
ARTICLE 17.	
GENERAL PROVISIONS .....	30
17.1 ENFORCEMENT.....	30
17.2 INVALIDITY OF ANY PROVISION.....	31
17.3 CONSTRUCTION.....	31
17.4 NOTICE .....	31

17.5 CONFLICT OF PROJECT DOCUMENTS .....	31
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EXHIBIT A      –      LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B      –      DESIGN AND USE RESTRICTIONS



MASTER DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS

TRUTINA HOMEOWNERS ASSOCIATION

CITY OF LIBERTY LAKE  
SPOKANE COUNTY, WASHINGTON

This MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Master Declaration") is made on the date hereinafter set forth by RIVERCROSSING, LLC, a Washington Limited Liability Company ("Declarant"), to encumber the Property (as hereinafter defined).

In order to establish a general plan for the improvement and development of the Property, Declarant desires to impose on it mutual, beneficial covenants, conditions and restrictions for the benefit of the entire Property and for the benefit of Declarant and the Owners (as hereinafter defined).

Declarant hereby declares that the Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved subject to the following declarations, limitations, covenants, conditions, restrictions, assessments and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the establishment of the Property as an age-restricted residential development known as "Trutina." All of the declarations, limitations, covenants, conditions, restrictions, assessments and easements constitute covenants and encumbrances that will run with the land and will be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property.

Declarant intends that the Project be an age restricted community of individuals age 55 and over. The Project shall be constructed, marketed, managed and maintained in accordance with the provisions of the Federal Fair Housing Act and its exemptions from discrimination based on familial status for housing for older persons (the Housing For Older Persons Act "HOPA"). The Project shall be advertised and promoted as an "age restricted" or "Adult community, and shall establish reasonable means of verifying age and compliance with the Federal Fair Housing Act and HOPA.

Notwithstanding the foregoing, no provision of this Master Declaration shall be construed so as to prevent or limit Declarant's right to complete the Project and to construct improvements thereon, nor Declarant's right to maintain model homes, construction, sales or leasing offices or similar facilities (temporary or otherwise) on any portion thereof, including any common area or any public right-of-way, nor Declarant's right to post signs incidental to construction, sales or leasing, nor Declarant's right to modify plans for the Project.

Article 1.  
DEFINITIONS

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

1.1 Access Areas. The areas within the Property and on each Parcel set aside for avenues of pedestrian and vehicular ingress and egress to, over and across the Property and to the public roadways adjacent thereto, including ingress and egress between the contiguous Parcels thereof. Each time a new



Parcel is either created within the Property or sold to an Owner, an access easement burdening such Parcel may be granted, at the sole election of Declarant or the Board of Directors, in favor of such other contiguous Parcels to ensure functional access among all Parcels.

1.2 Apartment Subassociation. A Subassociation comprised of the Owner of the Multifamily Units and established for the purpose of passing through costs allocated exclusively or disproportionately to Multifamily Units.

1.3 Architectural and Design Guidelines. Defined in Section 4.3.

1.4 Articles. The Articles of Incorporation of the Association as restated or amended from time to time.

1.5 Assessment. That portion of the cost of maintaining, improving, repairing, operating, insuring, and managing the Common Area (or otherwise needed for the administration or management of the Project) that is to be paid by the Owners as determined by the Association under this Master Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 6 of this Master Declaration.

1.6 Association Rules. Those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of the Association, the imposition of fines and forfeitures for violation of the Association Rules and regulations, and procedural matters for use in the conduct of business of the Association.

1.7 Board of Directors. The governing body of the Association.

1.8 Builder. Any Person who purchases a Parcel for the purpose of building a residential dwelling unit for resale and not for such Person's own primary residence.

1.9 Bylaws. The Bylaws of the Association as restated or amended from time to time.

1.10 Committee. The Architectural Control Committee appointed as provided in Article 4. As used in the Project Documents, "Committee" refers to Declarant, the Board of Directors or the independent Committee, whichever has jurisdiction at the time over architectural issues under Article 4.

1.11 Common Area. The Access Areas, Landscape Areas, Common Parking Areas and facilities owned, operated, and/or maintained by the Association for the benefit of all Parcels and their Owners. The Common Area also includes the Signage Easement Areas, Drainage Easement Areas, Utility Easement Areas, and any other shared areas and amenities and easements as may be designated as Common Area by the Declarant or by the Board of Directors, but exclusive of the Multifamily Common Area.

1.12 Common Expenses. The actual and estimated expenses of maintenance, improvement, repair, operation, insurance, and management of the Common Area and of administering the Association and the Project, and any reasonable reserve for such purposes as determined by the Board of Directors, and all sums designated as Common Expenses by or pursuant to the Project Documents.

1.13 Common Parking Areas. The area or areas on each Parcel set aside for the parking, related maneuvering and passage of passenger motor vehicles and for passage of pedestrians.

1.14 Declarant. Rivercrossing, LLC, a Washington limited liability company, and its successors-in-interest and assigns with respect to the entire Project, but excluding independent third parties purchasing Parcels.

1.15 Developer. Declarant, or any person or entity acquiring one or more Parcels for purposes of constructing Improvements thereon for sale to third parties (including a purchaser of multiple Parcels or a single Parcel to be further divided, if allowed), and who is designated as a "Developer" by the Declarant in its discretion.

1.16 Director. A member of the Board of Directors.

1.17 Drainage Easement Areas. The area or areas on each Parcel set aside for drainage of surface water. The Drainage Easement Areas will be designated as such on the Plat, or any approved building permit plans, together with those surface areas of the Property allowing for the free flow of surface water to collection and drainage facilities.

1.18 Eligible Holder. A holder or insurer of any first Mortgage on a Parcel who has provided a written request to the Association to be notified of any proposed action requiring the consent of a specified percentage of such holders or insurers.

1.19 Homeowner Subassociation. A Subassociation comprised of Owners of Single Family Parcels and established to pass through costs allocated exclusively or disproportionately to the Single Family Parcels.

1.20 HOPA. The Housing for Older Persons Act, 42 U.S.C. §§ 3601, *et seq.*, and 24 C.F.R. part 100, subpart E, as such codes and rules shall exist at any given time.

1.21 Improvements. Any man-made changes in the natural condition of the land, including but not limited to, structures and construction of any kind, whether above or below the surface of the land.

1.22 Landscape Areas. Includes without limitation the landscape areas around buildings, the park and greenbelt areas reflected on the Plat, any areas that may be located in or adjacent to the Common Parking Areas and Access Areas or that border the Property on which grass, shrubs, trees or other landscaping type items may from time to time be planted, including the irrigation systems to maintain the Landscape Areas.

1.23 "Master Association". Trutina Homeowners Association, a Washington nonprofit corporation, formed by Declarant in conjunction with the creation of the Project, to (a) operate and maintain those areas and facilities as may be designated as Common Area in the Project Documents, and (b) otherwise manage the Project, the Members of which will be the Owners as provided herein. The existence of the Association under this Master Declaration will be without prejudice to the establishment of Subassociations charged with administering special requirements of particular Parcels. References to the "Association" herein shall, unless expressly stated otherwise, refer to the Master Association.

1.24 Master Declaration. This Master Declaration of Covenants, Conditions, and Restrictions, as it may be amended from time to time.

1.25 Member. A person entitled to membership in the Association as provided herein.

1.26 Mortgage. Includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Parcel.

1.27 Mortgagee. Includes a mortgagee, beneficiary, or holder of a deed of trust, vendor of a real estate contract, or other holder of a Mortgage (including Declarant or Declarant's assignee with respect to any purchase-money security interest retained by Declarant on the sale of any Parcel).

1.28 Mortgagor. Includes a mortgagor, the trustor of a deed of trust, vendee of a real estate contract, or other individual granting a security interest in any Parcel.

1.29 Multifamily Common Area. That portion of the Project designated as Multifamily Common Area by Declarant, which area shall include the clubhouse and related amenities adjacent to the structure containing the Multifamily Units.

1.30 Multifamily Unit. A residential unit utilized as an apartment rental and not sold or marketed for sale to individual buyers.

1.31 Owner. The record holder of title to a Parcel. This includes any Person having fee simple title to any Parcel, but excludes Persons having any interest merely as security for the performance of any obligation. Further, if a Parcel is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, will be considered the "Owner."

1.32 Parcel. Any separately numbered parcel of land that is part of or has been subdivided from the Property as a buildable parcel, intended for sale to and use and enjoyment by an Owner (excluding areas designated by Declarant as Common Area).

1.33 Period of Declarant Control. The period beginning the date this Master Declaration is first recorded in the records of the Auditor of Spokane County, Washington, and ending on the earlier of: (a) the date which is twenty-five (25) years later, or (b) the date on which the Declarant has sold ninety percent (90%) of the Parcels to Owners other than Declarant in each of the Plats. The Period of Declarant Control may be reinstated or extended by agreement between Declarant and the Association, subject to terms, conditions, and limitations as the Board of Directors may impose on the subsequent exercise by Declarant of the Special Declarant Rights. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will continue to have all the rights and duties ordinarily given to Owners under this Master Declaration.

1.34 Person. Any individual or any corporation, limited liability company, joint venture, limited partnership, partnership, firm, association, trust, or other similar entity or organization.

1.35 Phase. Any Parcel or Parcels that have been designated by Declarant as a phase to be developed separately from the remaining Parcels, subject to the terms of this Master Declaration.

1.36 Project. The development of the Property.

1.37 Project Documents. This Master Declaration, the Plat, the Articles, the Bylaws, and the Association Rules, as each may be restated or amended from time to time.

1.38 Property. That certain real property located generally at 22495 East Clairmont Lane, Liberty Lake, Spokane County, Washington, which is more particularly described in Exhibit A attached



hereto and incorporated herein by this reference, together with all Improvements thereon, and every easement or right appurtenant thereto, and all personal property intended for use in connection therewith or for the use, benefit, or enjoyment of the Owners. The Property is depicted in the Plat.

1.39 Signage Easement Areas. The areas within the Property set aside for the installation, maintenance and operation of a Project sign or other signage for the Project and/or its Owners, as determined by either the Declarant or the Association in its sole discretion.

1.40 Single Family Parcel. A Parcel dedicated for use as a detached single family home.

1.41 Subassociation. A non-profit association established for purposes of owning, operating, maintaining, repairing, and replacing portions of Common Area located within a particular Phase, Parcel or Parcels, which may be of particular benefit to the Owners of such Parcel or Parcels, and to which the Master Association may delegate responsibilities under this Master Declaration.

1.42 Supplemental Declaration. Any supplemental declaration to the Master Declaration, including additional covenants, conditions and restrictions that might be adopted with respect to any portion of the Property or additional real property or improvements which may be made part of the Property as provided herein.

1.43 Utility Easement Areas. The areas within the Property set aside for the community water distribution mains, the community sewer collection mains, the community lighting system along the Access Areas and Common Parking Areas, and for the installation, maintenance and operation of said utilities on a Parcel or Parcels, as determined by Declarant or the Association. The Utility Easement Areas will be designated as such on the Plat. The Utility Easement Areas may be further defined and placed of record in conjunction with installation of utility lines thereon. Each time a new Parcel is either created within the Property or sold to an Owner, a utility easement burdening such Parcel may be granted, at the sole election of Declarant or the Board of Directors, in favor of such other contiguous Parcels, or the Property, to ensure streamlined functionality with respect to the placement of utilities among all Parcels.

## Article 2.

### ASSOCIATION, ADMINISTRATION, MEMBERSHIP, AND VOTING RIGHTS

2.1 Organization of Association. The Association is or will be incorporated under the name of Trutina Homeowners Association, as a nonprofit corporation under the Washington Nonprofit Corporation Act.

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

2.3 Membership. Upon becoming an Owner, a Person will automatically be a Member of the Association, and will remain a Member thereof until such time as the Owner's ownership ceases for any reason, at which time the Owner's membership in the Association will automatically cease. Membership will be in accordance with this Master Declaration, the Articles and Bylaws.

2.4 Transferred Membership. Membership in the Association may not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Parcel to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event a seller fails or refuses to transfer the membership to the purchaser of the Parcel, the Association will have the right to record the transfer upon its books effective as of the date of the transfer of ownership, and thereupon the old membership outstanding in the name of the seller will be null and void.

2.5 Classes of Membership. The Association will initially have three classes of Members as described below. The Bylaws may set forth additional classifications of membership from time to time, except no additional classifications shall be created during the Period of Declarant Control unless the Declarant agrees in writing to any new or different class.

(a) Class A Members. Owners of the Parcel or Parcels containing Multifamily Units are Class A Members. Each Class A Member will be entitled to cast .5 votes for each Multifamily Unit (per door) owned by such Class A Member on the date of the vote.

(b) Class B Members. Owners of Single Family Parcels are Class B Members. Each Class B Member will be entitled to cast 1 vote for each Single Family Parcel owned by such Owners on the date of the vote.

(c) Class C Members. Declarant is the Class C Member, and will be entitled to ten (10) votes per Single Family Parcel owned by Declarant, including Single Family Parcels that have been preliminarily platted but have not been finally platted on the date of the vote. Provided, however, that Class C membership shall cease to exist after the termination of the Period of Declarant Control, and at such time, Declarant, if still an Owner of a Single Family Parcel or Parcels, will become a Class C Member and shall be entitled to one (1) vote for each Single Family Parcel owned. Any Class C votes held by Declarant shall be in addition to Declarant's Class A votes arising from Declarant's ownership of Multifamily Units during any period where Declarant owns any such Multifamily Units.

2.6 Voting Rights. Each Member will be entitled to vote on Association matters based on the number of votes to which that Member is entitled based on such Member's membership class. When more than one Person holds an interest in any Parcel, all such Persons shall be Members, but shall share the votes attributable to the Parcel. Fractional votes will not be allowed. In the event joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they will lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed conclusively for all purposes that such Owner was acting with the authority and consent of all joint Owners of the Parcel from which the vote derived. The right to vote may not be severed or separated from the ownership of the Parcel to which it is appurtenant, except that any Owner may give a revocable proxy in accordance with the Bylaws.

2.7 Voting Requirements. Except where otherwise expressly provided in this Master Declaration, the Articles, or Bylaws, any action by the Association that must have the approval of the Association membership before being undertaken will require the vote or written assent of a simple majority of the total voting power of the Association.

2.8 Membership Meetings. Regular and special meetings of Members will be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws.

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

2.10 Use of Agent. The Board of Directors, on behalf of the Association, may contract with a professional management agent for the management and oversight of maintenance and repair of the Common Area, and for conducting other activities on behalf of the Association, as may be determined by the Board of Directors. Any contract for professional management services must contain term and termination provisions, must allow termination without penalty on advance notice of not more than ninety (90) days, and must otherwise be subject to such limitations as may be set forth in the Bylaws.

2.11 Books and Records. The membership register, books of account, and minutes of meetings of the Board of Directors and committees of the Association shall be made available for inspection and copying by any Member of the Association or by such Member's duly appointed representative(s). No Member or any other Person shall copy the membership register for purposes of solicitation of, or direct mailing to, any Member of the Association. The Board of Directors shall establish reasonable rules with respect to: (i) notice to be given to the custodians of the records by the Persons desiring to make the inspection; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing copies of documents requested pursuant to this section.

2.12 Subassociations. Nothing in this Master Declaration precludes Declarant, any Developer, or the Owners from establishing one or more separate Subassociations for purposes of administering special requirements for specific Phases or Parcels. The establishment of any such Subassociation will have no effect on the rights and obligations of Owners and Parcels under this Master Declaration or the remaining Project Documents, without the written approval of Declarant (so long as Declarant has any interest in the Project) and the Board of Directors. All Owners of a Single Family Parcel shall be members of the Homeowner Subassociation and all Owners of a Multifamily Unit shall be members of the Apartment Subassociation.

2.13 Powers of the Association. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Washington law and under this Master Declaration, and the Articles and Bylaws, and to do and perform and any all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, and the affairs and performance of the other responsibilities herein assigned, including without limitation:

(a) Right of Enforcement. The power and authority, in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Master Declaration, Association Rules, Articles or the Bylaws, and to enforce by injunction or otherwise, all provisions hereof.

(b) Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees or to any Person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of the Common Area. Neither the Association nor the Board of Directors shall be liable for any omission or improper use of any such duty or power so delegated.



(c) Association Rules. The power to adopt, amend and repeal, by majority vote of the Board of Directors, the Association Rules. A copy of the Association Rules, as adopted, amended, or repealed from time to time, shall be provided to each Owner. Upon such provision, the Association Rules shall have the same force and effect as if set forth in and part of this Master Declaration. In the event of any conflict between the Association Rules and any other provisions of this Master Declaration, Articles or Bylaws, the provisions of this Master Declaration will control.

(d) Emergency Powers. The power, exercised by the Association or by any Person authorized by it, to enter upon any Parcel in the event of any emergency involving illness or potential danger to life or property, or when necessary in connection with any maintenance or construction for which the Association is responsible.

(e) License, Easements and Rights-of-Way. The power to grant and convey to any third party licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

(1) Underground lines, cables, wires, conduits or other devices for the transmission of electricity or electronic signals for lighting, heating, power, telephone, television or other purposes, and the above ground lighting stanchions, meters, and other facilities associated with the provisions of lighting and services.

(2) Sewers, storm drains, underground irrigation pipes, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.

(3) Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, public and private streets or land conveyed for any public or quasi-public purpose including, but not limited to, bicycle pathways.

(f) Delegation of Certain Costs to Subassociations. The power to allocate certain costs and expenses, via Special Assessments, to any Subassociation if such Owners of such Subassociation exclusively or disproportionately utilize any portion of the Common Area.

2.14 Duties of the Association. In addition to duties necessary and proper to carry out the power delegated to the Association by this Master Declaration, and the Articles and Bylaws, without limiting the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the duties set forth below.

(a) Operation and Maintenance of Common Area. Operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area, including the repair and replacement of property damaged or destroyed by casualty loss. The Association shall, at Declarant's sole discretion, operate and maintain all properties owned by Declarant which are designated by Declarant for temporary or permanent use by Members.

(b) Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association or title insurance company authorized to do business in the State of Washington, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

(c) Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Common Area, the Association, or any other property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided, however, that such taxes and assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and assessments.

(d) Water and Other Utilities. Acquire, provide and/or pay for water, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area.

(e) Insurance. Obtain insurance in accordance with Article 11.

(f) Rule Making. Make, establish, promulgate, amend and repeal such Association Rules as the Board of Directors shall deem advisable.

(g) Newsletter. If it so elects, prepare and distribute a newsletter on matters of general interest to Association Members, the cost of which shall be included in Regular Assessments.

(h) Architectural Review Committee. Appoint and remove members of the Committee, subject to the provisions of this Master Declaration.

(i) Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Master Declaration, as may be reasonably advisable or necessary to carry out or enforce any of the provisions of the Master Declaration, or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Spokane County Auditor, as more fully provided herein.

(j) Private Streets, Signs and Lights. Maintain, repair or replace any private streets, street signs and private street lights located on the Property. This duty shall run with the land and cannot be waived by the Association unless the City of Liberty Lake consents to such waiver.

2.15 Personal Liability. No member of the Board of Directors, any Member or officer of any committee of the Association, the Declarant, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board of Directors, the manager, if any, or any other representative or employee of the Association, the Declarant, or the Committee, or any other committee, or any officer of the Association, or the Declarant, provided that such Person, upon the basis of such information as may be possessed by such Person, has acted in good faith without willful or intentional misconduct, and, provided that such Person has so acted, the Association shall indemnify and hold harmless said Person from any damage, loss or prejudice aforesaid.

2.16 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and copies shall be distributed to each Member of the Association as follows:

(a) Budgets. A pro forma operating statement or budget, upon which the Regular Assessments for the current year are based, shall be distributed prior to, or at each Annual Meeting. The budget shall state the estimated number of Owners subject to Regular Assessments.

(b) Annual Financial Statements. Within one-hundred twenty (120) days after the close of each fiscal year, the Association shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and annual operating statements reflecting the income and expenditures of the Association for its prior fiscal year.

2.17 Meetings of the Association. Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws. Only Members shall be entitled to attend Association meetings and all other Persons may be excluded.

(a) Notice and Place of Meetings. Notice for all Association meetings, regular or special, shall be given by regular mail to all Members at their last known address not less than ten (10) days nor more than fifty (50) days before the meetings and shall set forth the place, date, and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board of Directors.

(b) Quorum. The presence of any meeting in person or by proxy of twenty-five percent (25%) of the voting power of the Association shall constitute a quorum for the conduct of regular business of the Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If any meeting cannot be held because a quorum is not present, the Members present may, as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled. A second meeting may be called as the result of such adjournment, provided notice is given as provided above.

### Article 3.

#### RIGHTS IN COMMON AREA

3.1 Common Area. Each Owner will have a nonexclusive right to the use and benefit of all of the Common Area in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the lawful rights of any other Owners, subject to the Association Rules and the following provisions:

(a) The right of the Association, as it may hold or control such Common Area, to levy and increase Assessments;

(b) The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area and Multifamily Common Area recreational facilities (but not including access to private streets, cul-de-sacs, alleys and walkways of the Property) by an Owner for any period during which any Assessment or charge against such Owner's Parcel remains

unpaid; and for a period not to exceed sixty (60) days for an infraction of the Association Rules; and

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members. No dedication or transfer of said Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed by Members representing sixty percent (60%) of the voting power of the Association has been recorded.

(d) The right of the Association or the Declarant, to construct Improvements on all Common Areas, including but not limited to providing utility access, private streets, crossings, walkways, trails and other recreational improvements deemed desirable by the Association.

3.2 Designation of Common Area and Multifamily. Declarant shall designate and reserve the Common Area and Multifamily Common Area in this Master Declaration, and Declarant shall have such authority with respect to any Supplemental Declarations and/or recorded Plats, deeds, leased Common Area or other instruments and/or as otherwise provided herein.

3.3 Delegation of Rights to Use. Any Owner may delegate, in accordance with the Bylaws and Association Rules as the case may be, such Owner's right of enjoyment to the Common Area, to the members of such Owner's family in residence, and such owner's tenants or contract purchasers who reside on such Owner's Parcel. Only Declarant or the Association shall have the right to delegate the right of enjoyment to the Common Area to the general public.

3.4 Reciprocal Parking and Access. Each Owner will have a nonexclusive right to use and benefit from all Common Parking Areas and Access Areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the lawful rights of any other Owners, subject to the Association Rules.

3.5 Landscape Areas. The Association will be responsible for the maintenance of all Landscape Areas within the Property once the final and complete landscaping has been installed by each Owner consistent with the requirements of the Committee.

3.6 No Separate Conveyance of Rights. The right of each Owner to use the Common Area is appurtenant to such Owner's Parcel, and may not be assigned or conveyed except with the Parcel. The Common Area (a) will be dedicated to the exclusive use and enjoyment of the Owners (and their guests, tenants, employees, customers, clients and invitees); (b) will have no independent value; and (c) will not be converted to any use other than as Common Area, or sold, transferred, or encumbered without the amendment of this Master Declaration and the prior written consent of Declarant. To the extent possible, Declarant and the Association will take all reasonable measures to assure that the Common Area is separately assessed for real estate tax purposes. The value of the use and enjoyment of the Common Area will be reflected in the Assessments levied against the individual Parcels.

3.7 Regulation of Common Area Use. The rights and easements of use and enjoyment of the Common Area will be subject to the Association Rules.

3.8 Damage by Member. Each Owner will be liable to the Association for any damage to the Common Area not fully reimbursed to the Association by insurance, if the damage is sustained because of



the negligence or willful misconduct of, or the unauthorized or improper use of the Common Area by, the Owner or any family member, guest, tenant, employee, customer, client or invitee of the Owner. The Board of Directors reserves the right to determine whether any claim will be made upon the insurance maintained by the Association. The cost of correcting the damage, to the extent not reimbursed to the Association by insurance, will be a Special Assessment against the Parcel or Parcels of the liable Owner.

3.9 Use Agreement for Multifamily Common Area. Each Owner of a Single Family Parcel shall, pursuant to a Use Agreement between the Multifamily Subassociation and the Master Association, have the right to use the Multifamily Common Area.

#### Article 4.

#### ARCHITECTURAL CONTROL

##### 4.1 Architectural Control Committee.

(a) Declarant. Until Declarant, in its discretion and in writing, turns over the function of architectural control to the Board of Directors, all functions of the Committee described in this Article 4 will be undertaken by Declarant (or agents of Declarant appointed for such purpose).

(b) Board of Directors. Once turned over to the Board of Directors, such functions will be undertaken by the Board of Directors, unless and until the Board of Directors determines to appoint an independent Architectural Control Committee.

(c) Independent Committee. If an independent Architectural Control Committee is thereafter appointed, all members thereof will be appointed by the Board of Directors from the Members of the Association. There must not be less than three (3) nor more than five (5) members of the Committee, as determined by the Board of Directors. The members of the Committee will receive no compensation for services rendered, other than reimbursement for authorized expenses incurred by them in the performance of their duties hereunder. Neither the Committee nor any member of the Committee will be liable in damages or otherwise for decisions made in good faith pursuant to the authority granted in this Article 4.

(d) Meetings. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time by resolution unanimously adopted in writing, a Committee representative (who may, but need not be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section [insert]. In the absence of such designation, the vote of a majority of the members of the Committee taken without a meeting shall constitute an act of the Committee.

4.2 Prohibition of Alteration and Improvement. Subject to the exemption of Declarant hereunder, no Improvement of any kind that would be visible from the public right of way or any other area outside of any Parcel may be constructed, installed, painted, or maintained upon the Property, nor may any alteration or improvement of any kind be made thereto, unless and until the same has been approved in writing by the Committee.

4.3 Architectural and Design Guidelines. It is the intent of this Master Declaration to (a) avoid a mixture of architecture that would create disharmony of design and appearance as determined by the Committee. In furtherance of these objectives, the Committee has the authority to adopt "Architectural and Design Guidelines" that will refer to the quality and character specifications required to be followed

by any Developer within the Project, and to augment, amend, or otherwise modify such guidelines from time to time; provided that they will at all times be consistent with the remaining Project Documents and building restrictions imposed by law. The Architectural and Design Guidelines will be subject to the restrictions contained in the attached Exhibit B, incorporated herein by this reference. The Architectural and Design Guidelines will be maintained by the Committee and made available to Developers and other Owners upon request. The Architectural and Design Guidelines shall not apply to, and nothing contained in this Master Declaration shall be construed to prevent or impair in any way, any development operation, construction or improvements by Declarant or any related development, building or construction entity within the Property, or other parcels outside the Property that may become part of the Property in the future. The Architectural and Design Guidelines shall be enforceable as though they were a part of this Master Declaration, and shall be binding on all Owners and other Persons as if expressly set forth herein.

4.4 Plans and Approval. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of any Improvements or alterations must be submitted to the Committee for approval as to quality of workmanship and design. The plans for any Landscape Areas and Common Parking Areas located on any Parcel must also be submitted to the Committee for approval. The Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Master Declaration, and perform such other duties as from time to time shall be assigned to it by the Board of Directors, including the inspection of construction in progress to assure its conformance with the plans approved by the Architectural Review Committee. The Board of Directors shall have the power to hire architects licensed in the State of Washington to assist the Committee in its review of proposals or plans and specifications submitted to the Committee.

(a) Detailed Plans. The Committee may establish rules and/or guidelines setting forth the required detail in plans and specifications for its review as it deems proper, including, without limitation, floor plans, site plans, landscape plans, drainage plans, elevation drawings and descriptions of samples of exterior materials and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plan submitted for approval.

(b) Conditions on Approval. The Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate, and/or upon the agreement of the Owner submitting the to grant appropriate easements to the Association for the maintenance thereof, and/or upon the agreement of the Owner to reimburse the Association for the costs of maintenance, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, physical or aesthetic impacts on other property, artistic conformity to the terrain and other Improvements on the Property, and any and all other factors which the Committee, in its sole discretion, may deem relevant.

(c) Committee Rules and Fees. The Committee may establish a design review fee for each set of plans submitted for approval. The Committee, from time to time, shall determine the amount of such fee in a reasonable manner. Such fees shall be used to defray the costs and expenses of the Committee, including the cost and expense of hiring architect(s), as provided above, or for such other purposes as established by the Board of Directors.



(d) Decisions. Decisions of the Committee and the reasons therefore shall be transmitted by the Committee to the Owner at the address set forth in the application for approval within thirty (30) calendar days after filing all materials required by the Committee.

4.5 Construction Completion Requirements. Any structure erected or placed on any Parcel must be completed as to external appearance, including finished painting and landscaping, pursuant to approved plans and specifications, as soon as reasonably practicable, and in any case within eighteen (18) months from the date of commencement of construction.

## Article 5.

### REPAIR AND MAINTENANCE

#### 5.1 Rights and Duties of Association and Subassociations.

(a) Association Obligation. Subject to provisions in this Master Declaration pertaining to eminent domain and destruction of Improvements, the Association will maintain, repair, and replace the Common Area and all elements thereof, or will contract for such maintenance, repair, and replacement thereof, with all of the Common Area to be kept in good condition, reasonable wear and tear excepted. This obligation will not apply to maintenance of common areas that may be established in connection with the development of individual Phases or Parcels, which will be the responsibility of the Parcel Owners or Subassociations set up for such purpose with respect to a specific Phase, Parcel or Parcels.

(b) Owner Failure to Repair. In the event an Owner fails to maintain its Parcel, or if a Subassociation fails to execute its maintenance responsibilities, in a manner that the Board of Directors deems necessary to preserve the appearance and value of the Property, the Board of Directors may notify the Owner or Subassociation of the work required and request that it be done within sixty (60) days from the giving of such notice. In the event the Owner or Subassociation fails to carry out such work within such period, the Board of Directors may cause such work to be done without any liability for damages for wrongful entry, trespass or otherwise. The cost of such work will be a Special Assessment against the Parcel or Parcels of such Owner or Subassociation.

(c) Emergency Repairs. For the purpose of performing the maintenance, repair, or replacement of the Common Area as authorized by this Article 5, or for purposes of making emergency repairs necessary to prevent damage to the Common Area or to any Parcels, or for any other purpose reasonably related to the performance by the Board of Directors of its rights or responsibilities under this Master Declaration, the Board of Directors (and its agents and employees) has the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter upon any Parcel.

5.2 Rights and Duties of Owners. Except for those portions of the Property the Association is required or elects to maintain and repair, each Owner will maintain and repair its Parcel and all Improvements thereon, keeping the same in good condition, at its sole cost and expense. This obligation includes the responsibility for the maintenance, repair, and replacement of utility service lines (e.g., sewer and water lines) that are located on or service only such Parcel. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or so as to damage adjoining property or facilities, the Board of Directors, upon fifteen (15) days prior written notice

to the Owner of such property, shall have the right to correct such condition, and to enter upon the Owner's Parcel for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such Assessment shall be a Special Assessment and shall create a lien enforceable in the same manner as other Assessment set forth in Article 6 of this Master Declaration. The costs of such work will be a Special Assessment against the Parcel or Parcels of such Owner.

#### Article 6.

#### ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

6.1 Covenant to Pay Assessments. Upon transfer of a deed following final plat of a Parcel and acceptance of such deed to any property within the Property, each Owner of such property hereby covenants and agrees to pay when due all Regular Assessments, Extraordinary Assessments, and Special Assessments, and charges made against such Owner pursuant to the provisions of this Master Declaration or other applicable instrument, provided, however, that for a period of two years, an Owner that is also a Builder shall be required to pay only fifty percent (50%) of the amount otherwise assessed against each Parcel owned by said Builder, other than any Parcel owned by said Builder for construction of Builder's own personal residence and not for resale. After two years, if the Parcel has not been sold, the Builder shall be required to pay the full assessment. No Parcel owned by Declarant, or a building company or Builder owned, controlled, or having an element of common ownership with the Declarant shall be subject to Assessment.

6.2 Purpose of Assessments. The Assessments levied by the Association will be used exclusively: (a) to promote the health, safety, and welfare of all the Owners; (b) for the operation, maintenance, improvement, repair, and replacement of the Common Area for the common good of the Project; and (c) for the usual and necessary expenses for administration of the Association. The Regular Assessments will include an adequate reserve fund for maintenance, repair, and replacement of those elements of the Common Area that must be replaced on a periodic basis. Such reserve fund will be maintained as a segregated fund, separate from the other funds of the Association.

6.3 Regular Assessments. The costs of the Common Expenses and other costs as specified herein will be levied as "Regular Assessments." The Board of Directors shall determine and fix the amount of the maximum annual Regular Assessment against each Parcel, on a yearly basis, at least sixty (60) days in advance of the effective date of the new assessment; provided, however, that the new maximum annual Regular Assessment may not be increased by more than twenty percent (20%) of the maximum annual Regular Assessment for the immediately preceding year, without the vote or written assent of the Association.

6.4 Extraordinary Assessments. In addition to the Regular Assessments, the Board of Directors may levy, in any fiscal year, for that year only, an "Extraordinary Assessment" for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement element of the Common Area, including fixtures and personal property related thereto, or to defray any unanticipated Common Expenses or underestimated Regular Assessments; provided, however, that the aggregate Extraordinary Assessments for any fiscal year may not exceed ten percent (10%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of the Association.

6.5 Special Assessments. In addition to the Regular Assessments and Extraordinary Assessments, the Board of Directors may levy "Special Assessments" (without limitation as to amount or frequency) against an individual Parcel and its Owner or to any Subassociation for the following

purposes: (a) to defray, in whole or in part, the costs incurred by the Association as a result of functions performed for, or benefits conferred upon, only one particular Owner or a group of Owners (including, without limitation, those comprising the Apartment Subassociation or the Homeowner Subassociation, including, without limitation, costs incurred by the Association with respect to shared Common Parking Areas, Access Areas, Landscape Areas and associated facilities of such Owners; or (b) to reimburse the Association for costs incurred in bringing such Owner and its Parcel into compliance with the provisions of the Project Documents, including interest, penalties, and actual attorneys' fees and costs.

6.6 Allocation of Assessments. Each Parcel, including Parcels owned by Declarant, will bear such share of each aggregate Regular Assessment and Extraordinary Assessment as corresponds to the voting power attributable to such Parcel pursuant to the Articles and Section 2.5; provided that Declarant has the right to defer the commencement of Assessments against Parcels owned by Declarant or any Developer as provided in Section 6.8(b).

6.7 Sewer and Water Charges. Where sewer and water charged by the City of Liberty Lake serve more than a single Parcel through a single water tap, and where under such circumstances an Owner fails to timely pay such sewer and water billing from the City of Liberty Lake, then the Association shall be responsible for paying the delinquent water or sewer charge and shall charge the Owner the full costs necessary to reimburse the Association, including late fees and interest, as applicable.

6.8 Date of Commencement of Assessments.

(a) First Month After Closing of Sale. The Regular Assessments will commence with respect to each Parcel on the first day of the month following closing of the sale of such Parcel by Declarant to a third party who is not identified by Declarant as a Developer. The first Assessment shall be prorated according to the number of months remaining in the fiscal year and shall be payable in advance.

(b) Declarant or Developer Ownership. The Regular Assessments with respect to each Parcel still owned by the Declarant or a Developer will commence on the earlier of: (1) the occupancy of the Improvements on such Parcel; or (2) eighteen (18) months from the date of commencement of building Improvements on the Parcel. This special deferral, however, will be available only for so long as the Declarant and/or the Developer subsidize all actual maintenance and repair of the Common Area to the extent such maintenance and repair is not covered by Assessments against Parcels not owned by the Declarant or Developers.

6.9 Notice and Due Dates. Assessments will be due the first day of every calendar month, or as otherwise directed by the Board of Directors. The only notice of Assessments required will be an annual notice setting forth the amount and frequency of the Assessments for the upcoming year. Ten (10) days prior written notice of Regular and Extraordinary Assessments shall be sent to the Owner of every Parcel subject thereto, and to any Person in possession of such Parcel. The due dates for installment payment of Regular Assessments and Extraordinary Assessments shall be established by the Board of Directors. Each installment of the Regular Assessment or Extraordinary Assessment shall become delinquent if not paid within ten (10) days after its due date. A late charge equal to ten percent (10%) shall accrue with each delinquent installment payment. Each installment payment which is delinquent for more than twenty (20) days shall accrue interest at eighteen percent (18%) per annum, or the highest rate permitted by law, from the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Parcel as more fully provided herein. Each Owner is personally liable for



Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Parcel.

6.10 Estoppel Certificate. The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Parcel is in default under the provisions of this Master Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the Owner's Parcel. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

6.11 Liens and Personal Obligations for Assessments.

(a) Assessments Against Declarant. Declarant, for each Parcel it owns, hereby covenants and agrees, and each Owner, by acceptance of a deed for its Parcel or Parcels, whether or not it is so expressed in such deed, is deemed to covenant and agree, to pay to the Association the following Assessments, which will be established and collected as provided herein: (1) Regular Assessments; (2) Extraordinary Assessments; and (3) Special Assessments.

(b) Continuing Lien. All Assessments, together with interest, costs, penalties and actual attorneys' fees, will be a charge and a continuing lien upon the Parcel against which each Assessment is made, the lien to become effective upon recordation of a "Notice of Assessment Lien" by the Board of Directors.

(c) Personal Obligation of Owner. All Assessments for each Parcel, together with interest, costs, penalties and actual attorneys' fees, will be the personal obligation of the Person who was the Owner of such Parcel at the time the Assessment fell due. No Owner may exempt itself from liability for its contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or any other part of the Property, or by the abandonment of such Owner's Parcel. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them, but shall remain such Owner's personal obligations regardless of whether he or she remains an Owner.

6.12 Transfer of Parcel by Sale or Foreclosure. The sale or transfer of a Parcel will not affect any Assessment lien, or relieve the Parcel from any liability therefor, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer.

(a) Transfer Pursuant to Foreclosure. Notwithstanding the foregoing, the sale or transfer of a Parcel pursuant to foreclosure, or by deed in lieu of foreclosure, of a recorded first Mortgage given in good faith and for value will extinguish the lien of all such Assessments as to payments that became due prior to such sale or transfer. The sale or transfer pursuant to Mortgage foreclosure will not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this Section 6.12 will be deemed to be Common Expenses collectible from all of the Parcels, including the Parcel for which the lien was extinguished.

(b) Voluntary Transfer. In a voluntary conveyance of a Parcel, the grantee will be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to

the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee will be entitled to a statement from the Board of Directors setting forth the amount of the unpaid Assessments, and such grantee will not be liable for, nor will the Parcel conveyed be subject to a lien for, any unpaid Assessments in excess of the amount set forth in the statement; provided, however, that the grantee will be liable for any Assessments becoming due after the date of any such statement.

6.13 Failure to Pay Assessments.

(a) Penalties. If any part of an Assessment is not paid and received by the Association or its designated agent within ten (10) days after the due date, an automatic late charge equal to ten percent (10%) of the Assessment (and in no event less than Ten Dollars (\$10.00)) will be added to and collected with the Assessment. Additionally, if any part of an Assessment is not paid and received by the Association or its designated agent within thirty (30) days after the due date, the total unpaid Assessment (including the late charge) will thereafter bear interest at the rate of eighteen percent (18%) per annum until paid.

(b) Lien Priorities. Each unpaid Assessment will constitute a lien on each respective Parcel, prior and superior to all other liens recorded subsequent to the recordation of the Notice of Assessment Lien, except (1) all taxes, bonds, assessments, and other levies that, by law, would be superior thereto; (2) labor or materialmen's liens arising under Washington law (timely and duly filed) if the legal effective date is prior to the recording of the Notice of Assessment Lien and (3) any first position mortgage holder in excess of six (6) months worth of Assessments.

(c) Enforcement. Such lien, when delinquent, may be enforced by sale of the Parcel by the Association (acting through the Board of Directors) in accordance with the provisions of Washington law applicable to the exercise of powers of sale in deeds of trust (with the Board of Directors having the right and authority to appoint an independent trustee), or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the Owners, will have the power to bid for the Parcel at the foreclosure sale, and to acquire and hold, lease, encumber, and convey the same. The Association will have the right to reduce or eliminate any redemption rights of the defaulting Owner as allowed by law. Suit to recover a money judgment for unpaid Assessments, rent, interest, costs, penalties, and attorneys' fees will be maintainable without foreclosing or waiving the lien securing the same. The Board of Directors may impose reasonable monetary penalties including actual attorneys' fees and costs and may temporarily suspend the Association membership rights of an Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

6.14 Payment of Taxes Assessed Against the Common Area or Personal Property of the Association. In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than against the Parcels, said taxes will be included in the Assessments made under the provisions of this Article 6, and, if necessary, an Extraordinary Assessment may be levied against the Parcels in an amount equal to said taxes (regardless of the limitation on Extraordinary Assessments set forth in Section 6.4).

6.15 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of levying an Extraordinary Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent to all Members of the Association and to any

Person in possession of a Parcel not less than ten (10) days no more than fifty (50) days before such meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast forty percent (40%) of the total votes of the Association shall constitute a quorum. If such quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at the subsequent meetings shall be twenty percent (20%) of the quorum required at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

#### Article 7.

ANNEXATION OF ADDITIONAL PROPERTIES By Declarant. Declarant intends to develop the Property, together with additional property, and may, in Declarant's sole discretion, deem it desirable to annex some or all of such properties to the Property covered by this Master Declaration. Tracts may be annexed to the Property and brought within the provisions of this Master Declaration as provided herein by Declarant, its successors or assigns, at any time, and from time to time, without the approval of any Owner or the Association.

7.2 Rights and Obligations of Owners of Annexed Parcels. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any Parcel, all provisions contained in this Master Declaration shall apply to the Parcel in the same manner as if it were originally covered by this Master Declaration, subject to such modifications, changes and deletions as are specifically provided in such Supplemental Declaration, such Parcel shall be treated for all purposes as a Parcel as defined above. The Owner of Parcels located in the Parcels shall become Members of the Association and shall become liable for their appropriate share of Assessments. Title to the Common Areas which are to be owned and managed by the Association, within said Parcels, 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 Master Declaration or any Supplemental Declaration applicable to such Parcels.

7.3 Method of Annexation. The addition of a Parcel to the Property authorized under Section 7.1 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the Parcel, which shall be executed by Declarant or the Owner thereof and which shall annex such property to the Property. Thereupon each Parcel shall be a part of the Property, shall be subject to his Master Declaration and encompassed within the general plan and scheme hereof as modified by this Supplemental Declaration, and shall be subject to the functions, powers and jurisdiction of the Association. Such Supplemental Declaration or other appropriate document may contain such additions, modifications, or deletions as may be deemed by Declarant desirable to reflect the different character, if any, of the Parcel, or as Declarant may deem appropriate in the development of the Parcel. If any Parcel is created, the Association shall have the authority to levy Assessments against the Owners located within such Parcel, and the Association shall have the duty to maintain additional Common Area located within the Parcel if so specified in any Supplemental Declaration.

7.4 De-Annexation. Declarant may delete all or a portion of the Property except unsold platted Parcels, including previously annexed Parcels, from the Property and from coverage of this Master Declaration and jurisdiction of the Association, so long as the Declarant has an interest in such Parcels and provided that a Supplemental Declaration of Deletion of Property is recorded in the Office of the Spokane County Auditor in the same manner as a Supplemental Declaration of Annexation. After the Period of Declarant Control, Members may deannex all or any portion of a Parcel upon the favorable vote of seventy-five percent (75%) of all Members of the Association and written approval of Declarant so



long as the Declarant owns any portion of the property described on Exhibit A or any other real property which is then part of the Property.

#### Article 8.

#### EASEMENTS AND UTILITIES

8.1 Common Area Easements. Declarant expressly reserves for the benefit of the Board of Directors and all agents, officers, and employees of the Association, nonexclusive easements as necessary to maintain and repair the Common Area, including Access Areas, Common Parking Areas, and Landscape Areas, and to perform all other tasks in accordance with the provisions of this Master Declaration. Each Owner will likewise have a perpetual non-exclusive easement for the use and enjoyment of the Common Area, consistent with the intended purpose of the Common Area, subject to the power of the Board of Directors to enact reasonable Association Rules governing such use.

8.2 Encroachment Easements. Each Parcel is hereby declared to have an easement over all adjoining Parcels for the purpose of accommodating any encroachment due to engineering errors, errors in original construction or reconstruction, repair, shifting, settlement, or other movement of any portion of the Improvements. There will be valid easements for the maintenance of said encroachments as long as they exist, and the rights and obligations of Owners will not be altered in any way by said encroachment; provided, however, that in no event will a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners.

8.3 Utility Easements. Each Parcel is hereby declared to have an easement over all Utility Easement Areas. Utility Easement Areas must be maintained on each Parcel at all times to the extent necessary to provide utility services to the Parcels, including area on both sides of utility lines as is the ordinary custom and practice to provide for the installation, operation and maintenance of utility lines. Each Owner must make all arrangements and pay directly for all utilities and services furnished to or used by such Owner, including without limitation, water, sewer, gas, electricity, garbage collection, telephone service, and television receiving.

8.4 Drainage Easements. Each Parcel is hereby declared to have an easement over all Drainage Easement Areas. There must not be any obstruction of the free flow of surface water over and across the Property to the areas set for the retention and drainage thereof.

8.5 Landscape Easement. Declarant expressly reserves for the benefit of the Board of Directors and all agents, officers and employees of the Association an easement over the entire Property for the purpose of installing, maintaining, replacing and restoring exterior landscaping, and natural vegetation and habitat. Such landscaping activity may include, by way of illustration and not limitation, the mowing of lawns, irrigation, sprinkling, tree and shrub trimming and pruning, walkway improvement seasonal planting and such other landscaping activities within the Property as the Association shall determine to be necessary from time to time.

8.6 Signage Easements. Declarant expressly reserves for the benefit of the Board of Directors and all agents, officers, and employees of the Association an easement over the entire Property for the location of Project signage. In addition to any Project signage, each Owner may construct and maintain such directional signs on the Common Parking Areas and Access Areas within such Owners' Parcel as are reasonably required for guidance. All such signs will be subject to the terms of this Master Declaration, any Subassociation, the Committee, and the Association Rules, and must conform to all applicable requirements of state and local governmental authorities, and must also be designed and located so as not

to conflict with the easements granted herein. Any sign constructed pursuant to this Section 8.6 will be maintained and insured at the sole cost and expense of the Owner.

Article 9.  
USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each Parcel is subject to the following:

9.1 Age Restrictions – Housing for Older Persons. The Project is an age restricted community as allowed by HOPA. The Project shall be managed and operated in compliance with this Section and HOPA.

(a) Advertising, Marketing and Sales. All advertising, marketing and sales materials or displays of any kind shall reflect that the Project is intended as housing for persons 55 years of age and older. All advertising and marketing materials shall substantially contain the following language: “Trutina is intended and operated for residents 55 years of age or older as defined in HOPA.”

Any sale or rental agreement shall be in writing and shall (i) provide that occupancy of the property shall be subject to the provisions of the Project Documents, and (ii) state the following: “Trutina is intended and operated for residents 55 years of age or older as is defined in the Housing for Older Persons Act (“HOPA”)”. In addition, rental agreements shall provide that failure by the lessee to comply with the terms of the Project Documents shall be a default under the rental or sale agreement. Sale and rental agreements shall be approved by the Board of Directors as to form and content prior to execution.

(b) Approved Occupancy. The Project is intended to be occupied by persons 55 years of age or older, as set forth in HOPA. To ensure future compliance, the following restrictions apply: To ensure that the Project meets the age requirements for occupants set forth in HOPA, the Board of Directors shall create policies and procedures to verify the ages of occupants including at a minimum a survey completed at least every two (2) years verifying the age of occupants by driver’s license or other identification, and postings in the Common Areas indicating the Project is subject to the restrictions of Section 9.1.

9.2 Residential Parcels. No Parcel designated by Declarant as a residential Parcel may be occupied and used except for single-family residential purposes by the Owner and his or her family subject to the restrictions of Section 9.1, or by a single-family tenant; provided that Declarant, in its discretion, has the right to designate certain Parcels for multi-family or condominium construction. Home businesses will be allowed, however, where there is no outward evidence of the commercial nature of the use (e.g., advertising signs, special lighting, extra parking, or increased traffic through the Property).

9.3 Commercial Parcels. No Parcel within the Project may be used for business or commercial purposes, including home-based businesses.

9.4 Temporary Structures. No trailer, tent, shack, camper, or other outbuilding or structure of a temporary nature may be used on the Property for any purpose, except as follows: (a) for eighteen (18) months during construction of an approved structure (for which a building permit has been issued); (b)

where adequate provision has been made for the disposal of sanitary waste; and (c) where the temporary structure has been approved by the Committee.

9.5 Further Subdivision Prohibited. No Parcel may be further subdivided, except by a Developer if the further subdivision is contemplated by Declarant and permitted in the conveyance to the Developer pertaining to the Developer's Parcel. No Owner may bring any action for partition or division of any Parcel. Judicial partition by sale of a single Parcel owned by two or more persons and division of the sale proceeds is not prohibited hereby (but physical partition of a single Parcel is prohibited).

9.6 Parcel Maintenance. Each Parcel, and all Improvements and landscaping thereon, must be maintained by the Parcel Owner in a clean, neat, and orderly condition and in good repair at all times. All rubbish, trash, and garbage must be regularly removed from the Parcel and is not allowed to accumulate thereon. Trash, garbage, and other waste may not be kept except in sanitary containers that are kept screened and concealed from the view of other Parcels and the public right of way.

9.7 Nuisances. No noxious, illegal, or offensive activities may be carried on in any Parcel, or in any part of the Property, nor may anything be done thereon that may be or may become an annoyance or a nuisance to, or that may in any way interfere with, the quiet enjoyment of their respective Parcels by each of the Owners.

9.8 Mining; Wells; Potable Water. No portion of any Parcel shall be used in any manner to explore for, quarry, or remove any water, oil or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth of any kind. Without limiting the generality of the foregoing, no wells for the pumping or removal of water shall be placed on any Parcel. The Owner of each Parcel shall obtain potable water for the Parcel, at the Owner's expense, from the City of Liberty Lake, or other applicable public water purveyor.

9.9 Hazardous Activities. No activities shall be conducted on the Parcels or Project, and no Improvements constructed on any portion of any Parcel, which are or might be unsafe or hazardous to any person or property.

9.10 No Unsightly Articles. No unsightly articles shall be permitted to remain on any Parcel so as to be visible from any other portion of the Project. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Committee and removed on a timely basis at the expense of each Parcel Owner. No clothing or fabrics shall be hung, dried or aired except in a manner approved by the Committee, and no containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Parcel except within suitable receptacles for temporary storage and collection of refuse. All such receptacles will be screened from the public view and from the wind and protected from animal and other disturbances. No unsightly materials such as fabric sheets or foil shall be used by any Owner for window treatments. No vacant residential structures shall be used for the storage of building materials.

9.11 Signs. Signs advertising Parcels for sale or rent may be displayed on the Property without prior approval of the Board of Directors; provided that such signs are of reasonable and customary size. Except as expressly permitted by this Section 9.11, no signs may be displayed to the public view on any Parcels or on any portion of the Property unless they are first approved by the Committee and in compliance with the Architectural and Design Guidelines, except to the extent they are required to be permitted under Washington or United States laws.



9.12 Leasing of Parcels. An Owner may lease its Parcel to any tenant or lessee under such terms and conditions as they may agree, except that no lease or rental agreement may relate to less than the whole of any Parcel (except in the case of a multi-family structure, such as an apartment building, or in the case of a multi-unit commercial Parcel). Provided, however, any lease or rental agreement must be in writing and must by its terms provide that it is subject in all respects to the Project Documents, including, without limitation, Section 9.1 of this Master Declaration. Any failure by a lessee to comply with the terms of the Project Documents will be a default under the lease, whether or not it is expressed therein, and the Owner will be liable for any costs incurred that result from the lessee's actions.

9.13 Vehicles; Recreational Vehicles; Residential Parking. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, motorcycles, snowmobiles, recreational vehicles, trailers, aircraft and boats shall be subject to all Association Rules, which may prohibit or limit the use thereof on the Project and on each Parcel. No on-street parking shall be permitted except where expressly designated for parking use. No parking bays shall be permitted in any side, front or backyard of a lot except in front of a garage. No exterior storage of any such vehicles will be permitted on any Parcel, unless expressly approved by the Committee and unless such approved storage area is screened from neighboring properties using landscaping approved by the Committee.

9.14 Animals; Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Project or any Parcel unless the presence of such creature does not constitute a nuisance, and does not otherwise violate any other conditions of this Master Declaration. This Section 9.14 does not apply to the keeping of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other household pets, which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs shall be considered a nuisance. Each dog shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the Owner's Parcel. Owner shall clean up any animal defecation immediately from Owner's Parcel, Common Areas, or public right-of-way. Failure to do so may, at the Board of Directors' discretion, result in a Special Assessment levied against such Owner. The construction of dog runs or other pet enclosures shall be subject to Committee approval, shall be appropriately screened, and shall be maintained in a sanitary condition. Pet enclosures must comply with the applicable provisions of the Architectural and Design Guidelines regarding fencing. The use of "invisible" fencing to control or restrain dogs to the Owner's respective Parcel is strongly encouraged and recommended.

9.15 Landscaping. The Owner of any Parcel shall landscape such Parcel in conformance with the Architectural and Design Guidelines, and the Owner's specific landscape plan shall be submitted to and approved by the Committee.

9.16 Lighting. Exterior lighting, including flood lighting, shall be a part of the architectural concept of the Improvements on a Parcel. Fixtures, standards and all exposed accessories shall be harmonious with building design, and shall be approved by the Committee prior to installation. Lighting shall be restrained in design, and excessive brightness or unnecessary lighting shall be avoided.

9.17 Antennas. Except as permitted under applicable law, no radio, television or other antennas of any kind of nature, or device for reception or transmission of radio, microwave, or other similar signals, shall be placed or maintained upon any Parcel unless in accordance with the Architectural and Design Guidelines and specifically approved by the Committee.

9.18 Fireworks and Outdoor Burning. The use of fireworks is strictly forbidden and subject to fines by the Association. Additionally, the acts of any and all outdoor burning, such as the burning of

brush, outdoor recreational fire pits, etc., shall comply at all times with safe fire rules and regulations in effect by the Department of Natural Resources and the Spokane County air pollution control authority.

9.19 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 9 or elsewhere in this Master Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. An Owner acquiring a Parcel in reliance on one or more of such restrictive covenants assumes all risks of the validity and enforceability thereof and, by acquiring the Parcel, agrees to hold Declarant harmless therefrom.

#### Article 10.

#### COMMON PARKING AREAS

10.1 Designation of Common Parking Areas. The Association generally will have the right to determine the size, location and arrangement of those portions of the Common Area to be designated as Common Parking Areas and the right to change such designation from time to time; provided that (a) the design and location of the Common Parking Areas have been approved by the Committee, including internal and perimeter landscaping and lighting; (b) the provision of such Common Parking Areas, whether exclusive or shared, will not exempt the Owner from Assessments with respect to such Parking Areas; and (c) the number of parking spaces required under the City of Liberty Lake's Municipal Code, and all other applicable laws, is at all times maintained on such Parcel.

10.2 Use of Common Parking Areas. All Common Parking Areas will be available for the purpose of common use by all Owners and their successors, assigns, Mortgagees, lessees, sublessees, employees, agents, customers, licensees and business invitees for parking, related maneuvering and passage of passenger motor vehicles and for passage of pedestrians, subject to the time restrictions, use restrictions and fee schedules established by the Association. No portion of the Common Parking Areas may be used for storage of goods or storage of any motor vehicle left for service, repair or sale.

10.3 Parking Area Maintenance. All driving aisles, parking aisles, driveways, parking spaces and parking structures contained within the Common Parking Areas will be properly graded, leveled and paved with concrete or asphalt and will be properly marked with painted lines for the orderly flow of traffic and the parking of motor vehicles, except as provided herein or by the Association. All Common Parking Areas will be provided with appropriate access to driving aisles and driveways of adequate width. The Association will be responsible for snow and ice removal in all Common Parking Areas.

10.4 Rules, Regulations and Enforcement. The Association, in cooperation with Declarant, may make reasonable rules and regulations governing the use of all Common Parking Areas; provided that all Common Parking Areas will be for the benefit of all Owners, their successors, assigns, Mortgagees, lessees, sublessees, employees, agents, customers, licensees and business invitees. No Owner may use any portion of the Common Parking Areas in a manner that unreasonably interferes with the use and enjoyment of any other Owner's Parcel or the Project. Enforcement of the rules and regulations governing the use of the Common Parking Areas lies with the Association, which may implement such policies and procedures, including the levying of parking fees and parking time restrictions, to enforce such rules and regulations as it reasonably deems necessary.

Article 11.  
INSURANCE

11.1 Duty to Obtain Insurance; Types. The Association will obtain and maintain the following policies of insurance:

(a) Hazard Insurance. With respect to the Common Area, a policy of hazard insurance covering loss or damage to all parts of the Common Area in the amount of the full replacement value thereof, providing protection against all direct causes of loss. The policy must name the Association, for the use and benefit of the individual Owners, as the named insured and must contain the standard mortgage clause.

(b) Liability Insurance. With respect to the Common Area, a comprehensive general liability insurance policy, with policy limits and endorsements deemed appropriate by the Board of Directors, but having a combined single limit of liability of not less than \$5,000,000.00, covering all occurrences relating to the operation, maintenance or use of the Common Area.

(c) Fidelity Bonds. If required by any first Mortgagee, blanket fidelity bonds for anyone who either handles or is responsible for funds that are held or administered by the Association, whether or not they receive compensation for such services.

(d) Other Insurance. Such other insurance to the extent necessary to comply with all applicable laws.

11.2 Waiver of Claim Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors, and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of, or breach of any agreement by, any of said Persons.

11.3 Right and Duty of Owners to Insure. It is the responsibility of each Owner to provide insurance on all Improvements and personal property located on its Parcel, either directly or through the appropriate Subassociation. Nothing herein precludes an Owner from carrying any public liability insurance it deems desirable to cover its individual liability for damage to Persons or property occurring on such Owner's Parcel or elsewhere upon the Property. Such policies may not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies must be deposited with the Board of Directors upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association occurs, and the proceeds payable thereunder are reduced by reason of insurance carried by any Owner, such Owner must assign the proceeds of such insurance carried by it to the Association to the extent of such reduction, for application by the Board of Directors to the same purposes as the reduced proceeds are to be applied.

11.4 Notice of Expiration Requirements. If available, all policies of insurance maintained by the Association will contain a provision that said policy or policies may not be canceled, terminated, or expired by their terms without thirty (30) days' prior written notice to the Board of Directors and Declarant (so long as Declarant owns any Parcels), and to any Owners or first Mortgagees who have filed written requests with the carrier for such notice.



11.5 Insurance Premiums. Insurance premiums for any policies carried by the Association will be a Common Expense to be included in the Regular Assessments.

11.6 Trustee for Policies. The Association, acting through the Board of Directors, is hereby appointed and will be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies will be paid to the Board of Directors as trustee.

#### Article 12.

##### DESTRUCTION OF IMPROVEMENTS

12.1 Damage to Common Area. In the event of any destruction of any element of the Common Area, the repair or replacement of which is the responsibility of the Association, it will be the duty of the Association to restore and repair the same to its former condition as promptly as practical unless the Project is terminated in accordance with Section 14.6. The proceeds of any insurance maintained pursuant to Article 11 will be used for such purpose, unless otherwise provided herein.

12.2 Extraordinary Assessments. The Association is presumptively authorized to levy an Extraordinary Assessment to collect any expense of restoration and repair not covered by insurance, and to proceed forthwith with the restoration and repair.

12.3 Damage to Parcels. Restoration and repair of any damage to the Improvements on any individual Parcel will be made by and at the individual expense of the Owner of the Parcel so damaged. Such repair and restoration must be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Committee as provided herein.

#### Article 13.

##### EMINENT DOMAIN

13.1 Taking of Parcels. In the event of the taking of any Parcel by eminent domain, including actual condemnation or sale under threat of condemnation, the Owner of such Parcel will be entitled to receive the award for such taking, subject to the rights of any Mortgagee, and, after acceptance thereof, the Owner and any Mortgagee will be divested of all interest in the Property if such Owner vacates the Parcel as a result of such taking. The remaining portion of the Property will be resurveyed, if necessary, and this Master Declaration will be amended to reflect such taking and to readjust the interests of the remaining Owners.

13.2 Taking of Common Area. In the event of the taking of all or any portion of the Common Area by eminent domain, including actual condemnation or sale under threat of condemnation, the Association will be entitled to receive the award for such taking. The proceeds of the condemnation will be used to restore and repair the Common Area as necessitated by the taking unless the Project is terminated in accordance with Section 14.6.

#### Article 14.

##### RIGHTS OF MORTGAGEES

14.1 In General. In order to induce various lenders and lending agencies to participate in the financing of the sale and improvement of Parcels, this Article 14 is included in this Master Declaration. To the extent these added provisions, pertaining to the rights of such lenders and lending agencies,

conflict with any other provisions of this Master Declaration or any of the other Project Documents, these added restrictions will control.

14.2 Right of Mortgagee Paramount. Notwithstanding any other provision of the Project Documents, no amendment or violation of the Project Documents will operate to defeat or render invalid the rights of any Mortgagee under a Mortgage made in good faith and for value, provided that after the foreclosure of any such Mortgage, such Parcel will remain subject to the Project Documents.

14.3 No Responsibility for Certain Delinquent Assessments. Each first Mortgagee that obtains title to a Parcel pursuant to judicial foreclosure or the powers provided in its Mortgage will take title to such Parcel free and clear of any claims for unpaid Assessments or charges against such Parcel that accrued after the time such Mortgagee recorded its Mortgage and prior to the time such Mortgagee acquired title to such Parcel.

14.4 Right to Information. First Mortgagees, upon written request, will have the right to (a) examine the books and records of the Association during normal business hours; (b) require from the Association the submission of financial reports and other financial data; (c) receive written notice of all meetings of the Owners; and (d) designate, in writing, a representative to attend all such meetings. Each Owner hereby authorizes the first Mortgagee on their Parcel to furnish information to the Board of Directors concerning the status of the first Mortgage and the loan that it secures.

14.5 Right to Participate in Amendments to Project Documents. The Owners will have the right to amend the Project Documents in accordance with Article 15, subject to the rights of Eligible Holders to participate in the amendment process as provided in this Section 14.5. Amendments of a material nature must be agreed to by (i) Declarant (so long as Declarant owns any Parcel); and (ii) Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association. A change to any of the provisions governing the following would be considered "material":

- (a) Voting rights;
- (b) Responsibility for maintenance and repairs;
- (c) Reallocation of rights in the Common Area;
- (d) Convertibility of Parcels into Common Area or vice-versa;
- (e) Hazard or fidelity insurance requirements;
- (f) Imposition of any restrictions on the leasing of Parcels;
- (g) Imposition of any restrictions on an Owner's right to sell or transfer its Parcel;
- (h) Restoration or repair of the Property after damage or partial condemnation in a manner other than that specified in the Project Documents; and
- (i) Any provisions that expressly benefit Eligible Holders.

14.6 Action to Terminate the Project.

(a) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs must be agreed to by: (1) Declarant (so long as Declarant owns any Parcel); and (2) Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association.

(b) Any action to terminate the legal status of the Project for reasons other than substantial destruction or condemnation must be agreed to by: (1) Declarant (so long as Declarant owns any Parcel); (2) Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association.

14.7 Implied Approval of Certain Actions. Implied approval of an Eligible Holder under Sections 14.5(e) or 14.5(f) may be assumed when the Eligible Holder fails to submit a response to any written proposal for an amendment under those Sections within thirty (30) days after it receives proper notice of the proposal; provided that the notice was delivered in a manner that provides confirmation of delivery.

14.8 Right to Notice. Each Eligible Holder, upon written request therefor, is entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the Property or the Parcel securing its Mortgage;

(b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Parcel on which it holds the Mortgage;

(c) A lapse, cancellation, or material modification of any insurance policy maintained by the Association; and

(d) Any proposed action that requires the consent of a specified percentage of Eligible Holders.

14.9 Authority to Enter into Certain Contracts. In addition to the foregoing, the Board of Directors will have the power and authority, without the vote of the Association, to enter into such contracts or agreements on behalf of the Association that are required in order to satisfy the guidelines of commercial or residential lenders to allow for the purchase, guaranty, or insurance, as the case may be, by such entities of first Mortgages encumbering Parcels. Each Owner hereby agrees that it will benefit the Association and the Members of the Association, as a class of potential mortgage borrowers and potential sellers of their residential Parcels, if such agencies approve the Property as a qualifying Project under their respective policies, rules, and regulations, as adopted from time to time.

Article 15.

DURATION AND AMENDMENT

15.1 Duration. This Master Declaration will continue in full force for a term of fifty (50) years from the date hereof, after which time the same will be automatically extended for successive periods of ten (10) years, unless an earlier action to terminate the Project is taken and approved in accordance with Section 14.6 and a "Declaration of Termination" is recorded.



## 15.2 Amendment Procedures.

(a) Notice. Notice of the subject matter of a proposed amendment to this Master Declaration, in reasonably detailed form, must be included in the notice of any meeting of the Association at which the proposed amendment is to be considered.

(b) Resolution. A resolution adopting such proposed amendment may be introduced by an Owner at such meeting of the Members. The resolution will be adopted by the vote, in person, by proxy or by written consent, of Members representing not less than sixty-seven percent (67%) of the total voting power of the Association.

(c) Special Voting Provisions. Notwithstanding the foregoing, the following special voting provisions will apply:

(1) Amendments of a material nature will be enacted in compliance with the provisions of Article 14;

(2) The specified percentage of the voting power necessary to amend a specified provision of this Master Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under that provision; and

(3) The Board of Directors has the right to amend this Master Declaration, without the vote or consent of the Association, where required by an agreement for the benefit of one or more Project lenders, as contemplated under Article 14.

(d) Certificate of Amendment. A certificate, signed and sworn to by at least two (2) Directors, that the required number of Owners (and the required number of first Mortgagees, where applicable) have either voted for or consented in writing to any amendment adopted as provided above, when recorded, will be conclusive evidence of that fact. The Association must maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

## Article 16.

### DECLARANT'S RIGHTS AND RESERVATIONS

16.1 Withdrawal of Land. Declarant may, but has no obligation to, withdraw at any time or from time to time portions of the Property; provided only that the withdrawal of Parcels may not, without the joinder or consent of a simple majority of the Members, materially increase the pro rata share of Common Expenses payable by the Owners remaining after such withdrawal. The withdrawal of Parcels will be made and evidenced by recording a supplementary declaration with respect to the Parcels to be withdrawn in the public records of Spokane County, Washington.

16.2 Platting and Subdivision. Declarant is entitled, at any time and from time to time, to plat and/or re-plat any portion of the Property owned by Declarant, and to file subdivision restrictions and/or amendments with respect to any undeveloped portion of the Property.

16.3 Public Roads and Easements. Declarant reserves the right, at any time and from time to time, to delineate, plat, grant or reserve, within any portion of the Property owned by Declarant, such public streets, roads, sidewalks, ways and appurtenances thereto, and such easements for drainage and



public utilities as it may deem necessary or desirable for the development of the Project (and from time to time change the location of the same), free and clear of this Master Declaration and to dedicate the same to public use or to grant the same to any governing municipal or regulatory authority, including any appropriate public utility corporations.

16.4 Delegation of Work. Declarant is undertaking the work of construction and establishment of the Project. The completion of that work and the sale, rental, and other disposal of the Parcels is essential to the establishment and welfare of the Project. In order for the work to be completed and the Project to be fully occupied as rapidly as possible, nothing in this Master Declaration will be understood or construed to:

(a) Prevent Declarant or any Developer, or their respective contractors or subcontractors, from doing on the Property or within any Parcel whatever is reasonably necessary or advisable in connection with the completion of the work;

(b) Prevent Declarant from designating particular Parcels as being for residential or commercial purposes, and making such special provisions relating to the operation of the Parcels as Declarant may deem appropriate, including the imposition of special conditions on the Parcels, and/or exempting certain Parcels from certain provisions of this Master Declaration;

(c) Prevent Declarant or any Developer or their representatives from erecting, constructing, and maintaining on any part or parts of the Property such structures as may be reasonable and necessary for the conduct of their business of completing said work and establishing said Project, and disposing of the Parcels by sale, lease or otherwise; or

(d) Prevent Declarant or any Developer from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease, or disposition thereof.

16.5 Declarant's Duties and Obligations.

(a) So long as Declarant, or its successors-in-interest or assigns, owns one or more of the Parcels, and except as otherwise specifically provided herein, Declarant, and its successors and assigns, will be subject to the provisions of this Master Declaration.

(b) In the event Declarant conveys all of its right, title, and interest in and to the Property to any third Person, Declarant will be relieved of the performance of any further duty or obligation hereunder, and such third Person will be obligated to perform all such duties and obligations of Declarant.

#### Article 17.

#### GENERAL PROVISIONS

17.1 Enforcement. The Association (acting through the Board of Directors), any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Property will have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Master Declaration, and in such action will be entitled to recover costs and reasonable attorneys' fees as ordered by the court. Any such action by the Association relating to the Common Area or more than one Parcel will be taken on

behalf of two (2) or more Owners, as their respective interests may appear. Failure by any such Person to enforce any such provision will in no event be deemed a waiver of the right to do so thereafter.

17.2 Invalidity of Any Provision. Should any provision of this Master Declaration be declared invalid or in conflict with any law of the jurisdiction where the Property is situated, the validity of all other provisions will remain unaffected and in full force and effect.

17.3 Construction. Whenever the singular number is used in this Master Declaration and when required by the context, the same will include the plural and vice versa, and the masculine gender will include the feminine and neuter genders and vice versa.

17.4 Notice. Any notice, demand, or communication required or permitted to be given by any provision of this Master Declaration will be deemed to have been sufficiently given or served for all purposes if (a) delivered personally to the Person or to an executive officer of the Person to whom the same is directed; (b) sent by registered or certified mail, postage and charges prepaid, addressed to the last known address of such Person; (c) delivered by facsimile or electronic transmission if verified by written or electronic record of transmission; or (d) delivered by reputable overnight courier. If notice is sent pursuant to clause (b) above, such notice will be deemed effective on the third Business Day after the date on which the same was deposited in the mail. If notice is sent by any other means herein specified, the notice is effective when dispatched.

17.5 Conflict of Project Documents. If there is any conflict among or between the Project Documents, priority will be given in the following order: (a) this Master Declaration; (b) the Plat; (c) the Articles; (d) the Bylaws; and (e) the Association Rules. Notwithstanding the foregoing, any provision in any of the Project Documents that is for the protection of Mortgagees will have priority over any inconsistent provision in that document or in any other Project Document.

*[Signature pages follow.]*

The undersigned, being the Declarant herein, has executed this Master Declaration on May 4<sup>th</sup>, 2016.

DECLARANT:

RIVERCROSSING, LLC,  
A Washington Limited Liability Company

By: Greenstone Land Development, LLC,  
A Washington Limited Liability Company

By: JMF Management LLC, Manager

By: [Signature]  
Joseph M. Frank, Manager

STATE OF WASHINGTON     )  
  : ss  
County of Spokane         )

On this 4<sup>th</sup> day of May, 2016, before me personally appeared JOSEPH M FRANK, to me known to be the manager of JMF MANAGEMENT, LLC, the Washington Limited Liability Company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said limited liability company.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



[Signature]  
Notary Public (Signature)

Katherine Funk  
(Print Name)

My commission expires: December 6, 2019

CONSENT TO RECORDATION OF DECLARATION

Washington Trust Bank, being a Mortgagee of the Property commonly known as the Trutina, as described in the foregoing Master Declaration of Covenants, Conditions, and Restrictions, which Property is in the process of being developed, leased and/or sold by Declarant therein, hereby consents to the execution and recording of such Master Declaration and to all of the terms and provisions thereof, and further agrees that such Property, and the interest of the undersigned therein, will be subject and subordinate to the terms and provisions of the Master Declaration.

DATED: APRIL 28, 2016.

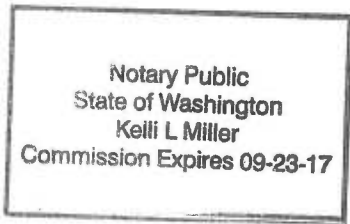
Washington Trust Bank

By [Signature]  
Name THOMAS A. McLAUGHLIN  
Its VICE PRESIDENT

STATE OF Washington )  
County of SPOKANE ) : ss

On this 28<sup>th</sup> day of April, 2016, before me personally appeared Thomas A. McLaughlin, to me known to be the Vice President of Washington Trust Bank, the banking association that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said banking association, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument on behalf of said banking association.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



Kelli L. Miller  
Notary Public (Signature)  
Kelli L. Miller  
(Print Name)

My commission expires: 9/23/17



### OWNER CONSENT TO RECORDATION OF DECLARATION

Rivercrossing, LLC, a Washington limited liability company, being an Owner of a Parcel within the Property commonly known as Trutina, as described in the foregoing Master Declaration of Covenants, Conditions, and Restrictions, which Property is in the process of being developed, leased and/or sold by Declarant therein, hereby consents to the execution and recording of such Master Declaration and to all of the terms and provisions thereof, and further agrees that such Parcel and such Property, and the interest of the undersigned therein, will be subject and subordinate to the terms and provisions of the Master Declaration.

DATED: May 4<sup>th</sup>, 2016.

DECLARANT:

RIVERCROSSING, LLC,  
A Washington Limited Liability Company

By: Greenstone Land Development, LLC,  
A Washington Limited Liability Company

By: JMF Management LLC, Manager

By: Joseph M. Frank, Manager

STATE OF Washington )  
County of Spokane ) : ss

On this 4<sup>th</sup> day of May, 2016, before me personally appeared JOSEPH M FRANK, to me known to be the manager of JMF MANAGEMENT, LLC, the Washington Limited Liability Company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said limited liability company.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



Katherine Funk  
Notary Public (Signature)  
Katherine Funk  
(Print Name)

My commission expires: December 6, 2019

EXHIBIT A  
TRUTINA  
LEGAL DESCRIPTION OF THE PROPERTY

Parcel #55102.9013:

THE NORTH 20 RODS OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, RANGE 25 NORTH, TOWNSHIP 45 EAST OF THE WILLAMETTE MERIDIAN.

Parcel #55102.9067:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SPOKANE, STATE OF WASHINGTON, AND IS DESCRIBED AS FOLLOWS:

A PORTION OF GOVERNMENT LOT 6 OF SECTION 10, TOWNSHIP 25 NORTH, RANGE 45 EAST W.M., LOCATED IN THE CITY OF LIBERTY LAKE, SPOKANE COUNTY, WASHINGTON MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 10; THENCE NORTH 01°32'46" WEST ALONG THE WEST LINE OF SAID NORTHWEST QUARTER OF SECTION 10 A DISTANCE OF 836.72; THENCE NORTH 88°27'14" EAST A DISTANCE OF 91.12 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARVARD ROAD; AND THE POINT OF BEGINNING; THENCE NORTH 01°51'22" EAST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 74.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 3070.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°36'32" AN ARC DISTANCE OF 32.62 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE, NORTH 88°27'14" EAST A DISTANCE OF 47.25 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE SOUTHWEST AND HAVING A RADIUS OF 179.50 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°51'11" AN ARC DISTANCE OF 34.00 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 470.50 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°55'59" AN ARC DISTANCE OF 73.36 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 645.50 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°57'16" AN ARC DISTANCE OF 134.68 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 529.50 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 07°53'16" AN ARC DISTANCE OF 72.89 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTH AND NORTHWEST AND HAVING RADIUS OF 655.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 65°18'39" AN ARC DISTANCE OF 747.20 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 470.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°00'43" AN ARC DISTANCE OF 49.37 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 529.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°00'43" AN ARC DISTANCE OF 55.56 FEET; THENCE NORTH 44°54'19" EAST A DISTANCE

OF 172.59 FEET; THENCE SOUTH 45°05'41" EAST A DISTANCE OF 15.00 FEET; THENCE NORTH 44°54'19" EAST A DISTANCE OF 16.08 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 985.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°48'09" AN ARC DISTANCE OF 65.41 FEET; THENCE NORTH 41°06'09" EAST A DISTANCE OF 63.93 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 30.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°56'07" AN ARC DISTANCE OF 17.24 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 64.50 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°03'01" AN ARC DISTANCE OF 41.71 FEET TO THE POINT OF BEGINNING; THENCE NORTH 46°42'02" WEST A DISTANCE OF 149.38 FEET; THENCE NORTH 04°48'44" WEST A DISTANCE OF 191.23 FEET; THENCE NORTH 09°49'26" WEST A DISTANCE OF 241.86 FEET TO THE SOUTHERLY BOUNDARY OF THE WASHINGTON STATE PARKS DEPARTMENT PROPERTY PER RECORD OF SURVEY, RECORDED IN BOOK 41 OF SURVEY, PAGE 86; THENCE ALONG SAID SOUTHERLY BOUNDARY LINE THE FOLLOWING (3) THREE COURSES;

- 1) NORTH 85°05'07" EAST (NORTH 85°05'25" EAST RECORD) A DISTANCE OF 457.32 FEET TO A CONCRETE MONUMENT WITH A 3" BRASS CAP MARKED "INLAND EMPIRE PAPER CO. MON. L.S.#13315";
- 2) SOUTH 78°12'31" EAST A DISTANCE OF 423.12 FEET TO A CONCRETE MONUMENT WITH A 3" BRASS CAP MARKED "INLAND EMPIRE PAPER CO. MON. L.S.#13315";
- 3) SOUTH 66°54'38" EAST (RECORD SOUTH 66°54'23" EAST) A DISTANCE OF 18.64 FEET;

THENCE SOUTH 32°22'50" WEST A DISTANCE OF 190.36 FEET; THENCE SOUTH 55°18'50" WEST A DISTANCE OF 295.69 FEET; THENCE SOUTH 06°25'48" WEST A DISTANCE OF 51.29 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 558.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 78°48'47" WEST, 223.90 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°08'49" AN ARC DISTANCE OF 225.43 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 485.50 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°25'55" AN ARC DISTANCE OF 12.13 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 554.50 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THOUGH A CENTRAL ANGLE OF 08°11'14" AN ARC DISTANCE OF 79.23 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 64.50 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 77°43'23" WEST, 69.32 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 65°00'40" AN ARC DISTANCE OF 73.19 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE COUNTY OF SPOKANE, STATE OF WASHINGTON.

EXHIBIT B  
TRUTINA RESTRICTED DESIGN AND USES

Signs  
Nuisances  
Drainage  
Grading  
Mining; Wells; Potable Water  
No Hazardous Activities  
No Unsightly Articles  
No Temporary Structures  
No Unscreened Items  
Sewage Disposal System  
Water System  
Energy Devices  
Vehicles and Recreational Vehicles  
Animals/Pets  
Landscaping  
Fireworks and Outdoor Burning  
Antenna  
Lighting  
Utility and Transportation Improvements and Easements  
Conveyances to and From Municipalities  
Natural Gas Services