11/15/2021 03:29:01 PM 7150104
Recording Fee $262.50 Page 1 of 60
Covenant LUKINS, & ANNIS PS
Spokane County Washington

RECORDING REQUESTED AND WHEN RECORDED:
SEND TO:

Garden District Homeowners Association
c/o Lukins & Annis, P.S.
Attn: Hannah Kitz
717 W. Sprague Ave., Suite 1600
Spokane, Washington 99205

Document Title:	Declaration of Covenants, Conditions, and Restrictions for Garden District, a Common Interest Community
Reference to Related Documents:	The Final Plat of Garden District, recorded on November 15th, 2021 as Recording No. 7150103
Grantor:	Garden District Land Development, LLC, a Washington limited liability company
Grantee:	The Garden District, a common interest community
Legal Description of Property (abbreviated):	A PTN of NW 1/4 of NE 1/4 AND SE 1/4 of the NW ¼ of S.33 T.25N R43E W.M. in Spokane County, Washington Complete legal descriptions on Exhibit A
Parcel No.	35335.3213
Legal Description of Expansion Property (abbreviated):	A PTN of SE 1/4 of the NW 1/4 of S.33 T.25N R43E W.M. in Spokane County, Washington Complete legal descriptions on Exhibit B
Parcel No.	35332.3114

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GARDEN DISTRICT, A COMMON INTEREST COMMUNITY (subject to RCW 64.90)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 29 day of July, 2021 by Garden District Land Development, LLC, a Washington limited liability company, hereinafter referred to as "Declarant." Declarant is the owner of the property described on Exhibit "A" attached hereto. Declarant hereby adopts the following covenants, conditions and restrictions for the Garden District, a common interest community. These covenants, conditions and restrictions (hereinafter referred to collectively as "Declaration") shall run with the land, and shall apply to the subject Property and to any interest in that Property. This Declaration and The Garden District are governed by the Washington Uniform Common Interest Community Act (Ch 64.90 RCW), (the "Act"). The Garden District is a plat community as defined in the Act.

ARTICLE I.
RECITALS

1.1 Real Property Description. Declarant is the owner of the real property located in the City of Spokane (sometimes referred to as the "City"), County of Spokane, State of Washington, as described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

1.1.1 Lot Boundaries. Declarant shall establish the boundaries of Lots within the Property by recording the Plat in the real property records of the Spokane County. Subject to Section 14.1.2 of this Declaration, the Declarant may, in its sole discretion, partition, subdivide or combine Lots. No other Person may partition or combine Lots. Unless the Plat specifically indicates that a Lot may be developed with a Commercial Building, no Commercial Building may be constructed on any Lots.

1.1.2 Maximum Lots. Excluding Lots that may be added in the Expansion Property (which, if added, will be the subject of a Supplemental Declaration), a maximum of thirty-one (31) Lots may be located on the Property.

1.1.3 Allocated Interests. Exhibit "C" sets forth the Allocated Interests of each Lot for the purposes of Regular Assessment liability and interest in the Common Areas. The formula for determining the Allocated Interest of a Lot is the number of square feet of that Lot divided by the total number of square feet of all of the

Lots in the Garden District. Each Lot will be entitled to cast one vote with respect to matters submitted to a vote of the Members.

1.2 Right to Expand. Declarant may, in the future, own additional real estate in the City of Spokane, Spokane County, some or all of which it may desire to incorporate into the Property (the "Expansion Property"). As described in Section 12.1, the Declarant has reserved the right, but will not be obligated, to incorporate the Expansion Property in whole or in part in the regime established under this Declaration. All as provided herein below, so that Expansion Property, if and when developed, may be treated as an integral part of the Garden District.

1.3 Development. Declarant intends to develop those portions of the Property in phases, generally in accordance with the maps and plans approved under the Act, the zoning and subdivision ordinances and regulations of the City of Spokane, Spokane County and the State of Washington, as applicable. Subject to Section 12.1, in order to facilitate the phased development of said Property the Declarant may record, in Declarant's sole discretion, Supplemental Declarations which may subject some or all of the Expansion Property to this Declaration.

1.4 Neighborhoods. Lots may, but are not required to, be located in one or more Neighborhoods. Each such Lot will be the subject of a Neighborhood Declaration and each Neighborhood will have a separate Neighborhood Association.

1.5 Intent. Upon recordation of this Declaration, Declarant desires to submit and subject the Property hereto, together with all buildings, Improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of the Property), to the covenants, conditions, restrictions, liens. assessments, easements, privileges and rights contained herein.

Declarant deems it desirable to establish covenants, conditions and restrictions upon the Property and each and every portion thereof, and certain mutually beneficial restrictions and obligations with respect to the proper use, occupancy and enjoyment thereof, all for the purpose of enhancing the quality of life within the Property.

Declarant also deems it desirable for the efficient management of the Property to create an Owners' Association to which will be delegated and assigned the powers of owning, managing, maintaining and administering the Common Areas within the Property; administering and enforcing these covenants, conditions, restrictions and easements; collecting and disbursing funds pursuant to the Assessments and charges hereinafter created; and the performance of such other acts as are herein provided or which generally benefit its members, the Property, and the Owners of any interests therein.

The Garden District Homeowners Association, a nonprofit corporation, has been incorporated under the laws of the State of Washington for the purpose of exercising the powers and functions of an Association for the Property.

Declarant desires and intends that the Lot Owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights set forth herein and in the Declaration, all of which are declared to be in furtherance of a plan to promote and protect the Property.

1.6 Conditions. Subject to any limitations or requirements imposed by the Act, any development plans for any of the Property, or any of the Expansion Property, are subject to change at any time by Declarant, at Declarant's sole discretion, and impose no obligations on Declarant, as to how said real property is to be developed or improved. Any purchaser of a Lot acknowledges that said Lot is subject to Spokane County zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed. Said purchaser acknowledges familiarity with the same, constructively or otherwise.

1.7 Other Declarations. There may be other declarations, as amended or restated, with respect to other real property, which may utilize or make reference to the words "garden district." The same shall not be confused with, nor shall the same have any force or effect upon the Garden District or this Declaration.

1.8 Purpose. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that apply to the Property. The Restrictions are designed to preserve the value, desirability and attractiveness of said real property, to ensure a well-integrated, high-quality development, and to guarantee adequate maintenance of any Common Area and Improvements in a cost effective and administratively efficient manner.

ARTICLE II.
Declaration

Declarant hereby declares that those portions of the Property brought within the jurisdiction hereof, and each Lot, or portions thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and Restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale thereof, and to enhance the value,

desirability and attractiveness thereof. The terms, covenants, conditions, easements and restrictions set forth herein shall run with the land, and with each estate therein, and shall be binding upon all Persons having or acquiring any right, title or interest in said Property shall inure to the benefit of and be binding upon Declarant, Declarant's successors in interest, and each grantee, Lot Owner and such grantee's or owner's respective successors in interest; and may be enforced by Declarant, by any Lot Owner or such owner's successors in interest, or by the Association, as hereinafter defined, against any other Lot Owner, tenant or occupant of said real property.

Notwithstanding the foregoing, no provision of this Declaration shall be construed so as to prevent or limit Declarant's right to complete development of the Property 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 Property.

ARTICLE III.
Definitions

The terms defined below are used in this Declaration as so defined. Terms that are defined within other sections will have the meanings described to them therein.

3.1 "Act" shall mean the Washington Uniform Common Interest Ownership Act, Chapter 64.90 RCW, as it may be amended from time to time.

3.2 "Allocated Interest" shall mean, with respect to a Lot, the share of expense liability and interest in Common Areas associated with that Lot determined in accordance with the formula set forth in Section 1.1.3 and listed in Exhibit "C." Voting rights associated with Lots are described in Section 1.1.3.

3.3 "Articles" shall mean the Amended and Restated Articles of Incorporation of the Association or other organizational or charter documents of the Association.

3.4 "Assessments" shall mean those payments required of Lot Owners including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

3.5 "Association" shall mean the Garden District Homeowners' Association, a Washington nonprofit corporation, its successors and assigns, established by Declarant to exercise the powers and to carry out the duties set forth in this Declaration or any Supplemental Declaration.

3.6 "Association Rules" shall mean 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 Association Rules and regulations, and procedural matters for use in the conduct of business of the Association.

3.7 "Board of Directors" or "Board" shall mean the Board of Directors or other governing board of the Association.

3.8 "Builder" shall mean a Person who purchases a Lot for the purpose of building a Single Family Residence for resale and not for such Person's own primary residence.

3.9 "Building Envelope" shall mean that portion of each Lot within which the entire Building Footprint shall be constructed. The Building Envelope for each Lot may be established by the Design Review Committee at any time prior to construction on such Lot, taking into account the proposed dwelling design submitted by the Lot Owner, and shall not be less restrictive than the setbacks established by the City of Spokane. Any application to the City for a variance of the setbacks shall first require approval of the Design Review Committee.

3.10 "Building Footprint" shall mean the area of a Lot which is within the perimeter created by a vertical extension to the ground of the exterior walls of all portions of a Single Family Residence, including attached garages and enclosed decks, porches, solariums, and similar enclosed extensions, attachments and accessory structures, whether enclosed or unenclosed, including but not limited to unenclosed decks, porches, Porte cocheres, eaves and roof overhangs.

3.11 "Budget" shall mean the budget adopted by the Board and ratified by the Members as provided in the Bylaws.

3.12 "Bylaws" shall mean the Bylaws of the Association.

3.13 "Commercial Building" shall mean a building located on a Lot, the primary purpose of which is for the owners or occupants thereof to conduct commercial activities.

3.14 "Common Area" shall mean all real property in which the Association holds an interest or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the Owners, and may include, without limitation, trails, parks, recreational facilities, private roads, alleys, sidewalks, drainage ponds and storm water swales. Common Area may be established from time to time by Declarant on any portion of the Property by describing it on a Plat, by granting or

reserving it in a deed, easement or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Common Area may include easement and/or license rights. Certain Common Areas are hereby designated as Limited Common Areas, as described in Exhibit "D."

3.15 "Declarant" shall mean Garden District Land Development, LLC, a Washington limited liability company. The term "Declarant" shall also include the successors in interest of the Declarant or any Person to whom the rights under this Declaration are expressly transferred by Declarant or its successor(s).

3.16 "Declaration" shall mean this Declaration as it may be amended from time to time.

3.17 "**Design Guidelines**" or "**Guidelines**" shall mean the architectural standards, rules, regulations, restrictions and design guidelines adopted from time to time by the Design Review Committee.

3.18 "**Design Review Committee**" shall mean the committee created by the Declarant pursuant to ARTICLE XI hereof, and may be referred to herein and in the Design Guidelines as the "Committee."

3.19 "Expansion Property" the land described on Exhibit "B", some or all of which may be designated by Declarant in a Supplemental Declaration for annexation to the Property. Upon the making of this Declaration, no portion of the Expansion Property is included within the Property or subject to this Declaration. Upon the making of a Supplemental Declaration that describes some or all of the Expansion Area and subjects it to the Declaration, such portion of the Expansion Property shall become part of the Property and subject to this Declaration.

3.20 "Garden District" shall mean the Garden District, common interest community.

3.21 "Garden District Documents" shall mean the basic documents creating and governing the Garden District, including, but not limited to, this Declaration, the Amended and Restated Articles of Incorporation, Bylaws, the Design Guidelines, and any other procedures, rules, regulations or policies adopted under such documents by the Association, all as may be amended from time to time.

3.22 "Improvement" shall mean any structure, facility or system or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, drives, driveways, patios, bicycle paths, curbs, landscaping,

signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, waterways, recreational facilities, and fixtures of any kind whatsoever.

3.23 "Limited Assessment" means those expenses of the Association that are allocated to Lots on some basis other than the method of allocation for Regular Assessments or Special Assessments, as provided this Declaration.

3.24 "Limited Common Area" shall mean the real property, and the Improvements situated thereon, which are part of the Common Areas and which are designated in this Declaration or in a Neighborhood Declaration as being for the sole or primary benefit of the Lot Owners of a particular part of the Property as described in Exhibit "D". Limited Common Areas may include, without limitation, private streets, access gates, drainage or retention areas, landscape medians and Neighborhood Maintenance Areas that benefits some, but not all, Lot Owners.

3.25 "Lot" shall mean a parcel of land within the Property, whether improved or unimproved, that is intended for independent ownership, development, use, and occupancy, the boundaries of which are described in Section 1.1.1 and shown on the Plat. The term "Lot" includes the land upon which a Single Family Residence may be developed and any Single Family Residence thereon. Streets, roads and Common Areas on the Plat shall not be considered to be separate Lots.

3.26 "Lot Owner" shall mean the person or other legal entity, including the Declarant, that holds fee simple title of record to any Lot, or, if the Lot is subject to one or more real estate contracts, the buyer under the most recent real estate contract; provided, however, that if the seller under such contract notifies the Association in writing that the buyer under said contract is in default, then the seller under said contract shall be the Lot Owner for purposes of this Declaration. The Association shall be entitled to rely on such notification without further inquiry. "Lot Owner" does not mean or refer to any Person who holds such interest merely as security for the performance of a debt or other obligation, including a Deed of Trust, unless and until such Person has acquired fee simple title pursuant to foreclosure or other proceedings.

3.27 "Member" shall mean each person or entity owning membership in the Association.

3.28 "Neighborhood" means a subset of all Lots that are designated as a "Neighborhood" by the Declarant in a Neighborhood Declaration.

3.29 "Neighborhood Association" means any property owners association, homeowners' association, condominium association or other such entity, its successors and assigns, responsible for administering one or more Neighborhood.

3.30 "Neighborhood Declaration" means any covenants, conditions, restrictions and other provisions imposed by a recorded instrument executed by the Declarant (or other party to whom that Declarant has specifically assigned such right in writing) applicable to one or more, but fewer than all, Neighborhoods.

3.31 "Neighborhood Maintenance Area" means a portion of Property designated as a specific maintenance area for a Neighborhood pursuant to this Declaration or a Neighborhood Declaration.

3.32 "Period of Declarant Control" shall mean the period beginning on the date this Declaration is first recorded in the office of the County Auditor of Spokane County, Washington, and ending on the earlier of: (a) the date that is sixty (60) days after seventy-five percent (75%) of the total number of Lots contemplated in this Declaration or a Supplemental Declaration have been conveyed to Lot Owners other than the Declarant; (b) two (2) years after the last conveyance of a Lot, except to a Builder; (c) two (2) years after any right of the Declarant to add new Lots was last exercised; or (d) when the Declarant notifies the Association of the termination of the Period of Declarant Control and records an amendment to this Declaration voluntarily surrendering all rights to appoint and remove officers Board members. After the termination of the Period of Declarant Control, Declarant, if still a Lot Owner, will continue to have all the rights and duties ordinarily given to Lot Owners under this Declaration.

3.33 "Person" shall mean any individual, partnership, corporation, limited liability company or other legal entity.

3.34 "Plat" shall mean (a) the plat recorded in Spokane County, Washington on _____, 2021, under recording number _____, together with any amendments thereto and (b) any other plats or Maps (as defined in RCW 64.90.010) that may be recorded with respect to the Property from time to time. Each document referred to in this Declaration as a "Plat" is intended to be a "Map" as defined in RCW 64.90.010.

3.35 "Property" shall mean the Property described on Exhibit "A" attached hereto and incorporated herein by this reference, including each Lot, Common Area and interest therein, including all water rights associated with or appurtenant to such property. The Property included in Exhibit "A" is subject to this Declaration upon the recording of this Declaration and without the filing of a Supplemental Declaration. Upon the making of a Supplemental Declaration that describes some or all of the Expansion Property and includes it within the Property and subjects it to the Declaration, "Property" means the land described on Exhibit "A" and the portion of the Expansion Property described in the Supplemental Declaration.

3.36 "Regular Assessment" shall mean all actual or estimated expenses incurred, or anticipated to be incurred, in connection with general operation of the Association and improving, maintaining, operating and replacing the Common Areas, including, but not limited to, the following: (a) expenses of administration, maintenance, operation, repair or replacement of the Common Areas; (b) premiums and deductibles for all insurance policies required or permitted by the Garden District Documents; (c) all property and other taxes and assessments on the Common Areas, or otherwise payable by the Association; (d) utility and service charges; (e) reserves for anticipated operational shortfalls; (f) reserves for the major maintenance, repair and replacement of the Common Areas, including any such costs that are infrequent, significant and impractical to include in a Budget; (g) legal fees and costs; (h) collection costs; (i) recoupment of unpaid assessments against a foreclosed Lot; (j) fees for services provided to the Design Review Committee, (k) fees for management services provided to the Association by the Declarant or by a professional manager; and (l) any other expenses established from time to time as reasonably necessary by the Board.

3.37 "Reserve Study" shall mean the reserve study described in RCW 64.90.545 as it may be amended or supplanted.

3.38 "Single Family Residence" means a dwelling located on a Lot consisting of one or more rooms, occupied by one family or group of people living independently from any other family or group of people and having cooking facilities that are generally limited to the use of the one family or group.

3.39 "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements, shortages in Regular Assessments, or charges for special maintenance and operating services applicable only to a sub group of Association members (which may, but need not, constitute a Neighborhood) which are authorized and to be paid by each Lot Owner to the Association, or to those Lot Owners (sub group of Association members) specially benefited by special maintenance or operational services, pursuant to the provisions of this Declaration or a Supplemental Declaration.

3.40 "Special Declarant Rights" shall mean those rights of Declarant as set forth in ARTICLE XIV of this Declaration.

3.41 "Supplemental Declaration" shall mean any Supplemental 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.

3.42 "Voting Representative" means the designee appointed by a Lot Owner to vote the votes attributable to that Lot Owner as evidenced by written notice to

the Board, or the Lot Owner appointed by Lot Owners in a Neighborhood to vote the votes attributable to that Neighborhood, as provided in Section 6.5.3.

ARTICLE IV.
ARCHITECTURAL CONTROL

4.1 Structures-Generally. All structures (except for sales offices or similar facilities of Declarant) are to be designed, constructed and used in such a manner as shall be compatible with this Declaration, and shall meet the following minimum standards.

4.1.1 Use of Dwelling Structure. No Lot shall be improved, except with a Single Family Residence, and accessory structures designed to accommodate single family use and such other Improvements as are necessary or customarily incident to a single family residence. A guesthouse, accessory dwelling residence or similar ancillary structure designed to accompany the Single Family Residence on a Lot may be permitted upon written approval by the City and/or County under the applicable City and County zoning ordinances and delivery by the Lot Owner of such City and/or County approval to the Association. Except for any amenities provided by the Declarant and as otherwise may be expressly provided in this Declaration, all Lots shall be improved and used solely for residential purposes and no gainful occupation, profession, trade, church, or other non-residential use shall be conducted on any Lot. Provided, however, nothing in this Declaration shall prevent the rental of a portion of the Property by a Lot Owner for residential purposes on a long or short-term basis, nor the use of a portion of the residence for in-home office purposes or as an accessory dwelling as provided in this Declaration and the Design Guidelines, provided each Lot Owner complies with the parking restrictions set forth in the Garden District Documents.

4.1.2 Design Review. No Improvements, alterations, repairs, excavation, grading, landscaping, tree removal or other exterior work which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and plot plan or other appropriate plans and specifications have been reviewed in advance by the Design Review Committee and the same have been approved in writing. 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 the other Improvements on the Property, and any and all other factors which the Design Review Committee, in its sole discretion, may deem relevant. The Design Guidelines adopted for the Property, and as amended from time to time shall be enforceable as though they were a part of this

Declaration, and shall be binding on all Lot Owners and other Persons as if expressly set forth herein. It shall be the responsibility of each Lot Owner to obtain and review a copy of the most recent set of Guidelines prior to the purchase of a Lot.

4.2 Covenants, Conditions, Restrictions and Easements Applicable to Lots The following covenants, conditions, restrictions and reservation of easements and rights shall apply to all Lots and the Lot Owners thereof (except those Lots owned by the Declarant):

4.2.1 Insurance Rates. Nothing shall be done or kept on any Lot, which will increase the rate of insurance on any other portion of the Property without the approval of the Lot Owner of such other portion, nor shall anything be done or kept on the Property or any Lot which would result in the cancellation of insurance on any property owned or managed by the Association or which would be in violation of any law.

4.2.2 No Further Subdivision. Except as provided in the Design Guidelines and subject to ARTICLE XIV below, no finally platted Lot may be further subdivided.

4.2.3 Signs. No sign of any kind shall be displayed to the public view, except:

1) such Signs as may be used by Declarant in connection with the construction, development, management or administration of the Property and sale of Lots and/or Improvements thereon;

2) temporary construction signs as permitted in the Design Guidelines;

3) such way-finding and informational signs, of customary and reasonable dimensions as prescribed by the Design Review Committee, may be displayed along road rights of way or on the Common Area;

4) signs regarding candidates for public or association office, or ballot issues; and

5) such signs as may be required by legal proceedings or as required under Washington state law.

6) No sign shall be placed on the Property without the written approval of the Design Review Committee.

In particular, and subject to the provisions of ARTICLE XIV, no "For Sale" or "For Rent' sign or any other advertising device of any kind shall be placed in public view or otherwise posted on the Property, unless such signage is in strict compliance with the Design Guidelines.

4.2.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property, and no odor shall be permitted to arise there from so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any portion of the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes or outdoor patio stereo speakers, which have been approved by the Design Review Committee, provided, however that such speakers may not be used at a level that is offensive to other Lot Owners), flashing lights or search lights, shall be located, used or placed on the Property without the prior written approval of the Association. Normal holiday decorations and lighting shall be permitted.

4.2.5 Exterior Maintenance-Owner's Obligations. No Improvement shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Lot Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Lot 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, upon fifteen (15) days prior written notice to the Lot Owner of such property, shall have the right to correct such condition, and to enter upon such Owners Lot for the purpose of doing so, and such Lot Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in ARTICLE VIII of this Declaration. The Lot Owner of the offending property shall be personally liable, and such Lot Owner's property shall be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, including reasonable attorneys' fees. Each Lot Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand for such amounts. Alternatively, such amounts may, at the option of the Board, be added to the amounts payable by such Lot Owner as Regular Assessments.

4.2.6 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Design

Review Committee, as well as the City of Spokane. For the purposes hereof, "established drainage" is defined as the system of drainage, whether natural or otherwise, which exists at the time the overall grading of any portion of the Property is completed by Declarant, or that drainage which is shown on any plans approved by the Design Review Committee and the applicable agency, which may include drainage from public roadways and alleys and any Common Area over any Lot in the Property.

4.2.7 Grading. With respect to any Lot within the Property on which grading or other work has been performed, the Lot Owner shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of the Association, or a public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Regular, Special, and Limited Assessments provided in ARTICLE VIII herein, as may be applicable. No grading may occur without an approved grading plan. An approved grading plan means such plan as may have been approved by the applicable government agency (if any) and the .Design Review Committee.

4.2.8 Mining; Wells; Potable Water. No portion of any Lot 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 Lot. Each Lot Owner shall obtain potable water for its Lot, at the Lot Owner's expense, from the City of Spokane, or other applicable public water purveyor.

4.2.9 No Hazardous Activities. No activities shall be conducted on the Property, and no Improvements constructed on any portion of the Property, which are or might be unsafe or hazardous to any Person or property.

4.2.10 No Unsightly Articles. No unsightly articles shall be permitted to remain on any Lot so as to be visible from any other portion of the Property. 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 Design Review Committee and removed on a timely basis at the expense of each Lot Owner. No clothing or fabrics shall be hung, dried or aired except in a manner approved by the Design Review 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 Lot 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 Lot Owner for window treatments. No vacant residential structures shall be used for the storage of building materials.

4.2.11 No Temporary Structures. No house trailer, mobile home, tent, shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property, and as specifically authorized by the Design Review Committee. Also excepted from this requirement is any temporary structure(s) necessary for the exercise by Declarant of the Special Declarant Rights.

4.2.12 No Unscreened Items. No garbage cans, trash containers, firewood, boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, bicycles, dilapidated or un-repaired and unsightly vehicles or similar items, vehicles or equipment shall be placed or parked upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are screened from view or otherwise permitted in a manner approved by the Design Review Committee. To the extent possible, garage doors shall remain closed at all times.

4.2.13 Sewage Disposal Systems. The city of Spokane municipal sewer system will service the Property. The system will utilize gravity flow lines, although some dwelling units may require a pump system depending on the slope of the Lot and location of the dwelling unit vis-a-vis the sewage lines.

4.2.14 Water System. The city of Spokane municipal water system is will service the Property.

4.2.15 Energy Devices, Outside. No energy production devices, including, but not limited to, generators of any kind and solar energy devices, shall be constructed or maintained on any portion of the Property without the written approval of the Design Review Committee consistent with RCW 64.90.510(3)-(7). This Section shall not apply to passive solar energy systems incorporated into the approved design of a residential structure.

4.2.16 Vehicles and Recreational Vehicles. 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 Property and on each Lot. 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 Lot, unless expressly approved by the Design Review Committee and unless such approved storage area is screened from neighboring properties using landscaping approved by the Design Review Committee. Generally, the storage of all such recreational vehicles shall be integrated into the architectural design of the house or stored off-site.

4.2.17 Animals/Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Property unless the presence of such creatures does not constitute a nuisance, and does not otherwise violate any further conditions of this Section. A maximum of two household (2) pets is permitted per Lot, which may consist of two (2) domesticated dogs, two (2) domesticated cats, or other household pets, or combinations thereof, which do not unreasonably bother or constitute a nuisance to others. A maximum of five (5) chickens is permitted per Lot, except that roosters shall not be kept on the Property in any circumstance. Without limiting the generality of the foregoing, consistent 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 Lot Owner's Lot. Each Lot Owner shall immediately clean up defecation from its animal(s), wherever located. Failure to do so may, at the Board's discretion, result in a Limited Assessment being levied against such Lot Owner. The construction of dog runs or other pet enclosures shall be subject to Design Review Committee approval, shall be appropriately screened, and shall be maintained in a sanitary condition. Pet enclosures must comply with the applicable provisions of the Design Guidelines regarding fencing. The use of "invisible" fencing to control or restrain dogs is strongly encouraged and is recommended. In addition to the above restrictions, no large animal keeping, including horses, shall be allowed on any Lot or any Common Area.

4.2.18 Landscaping. Each Lot Owner shall landscape its Lot in conformance with Design Guidelines, which are incorporated herein by this reference, and the Lot Owner's specific landscape plan submitted to and approved by the Design Review Committee. Each Lot Owner shall complete all landscaping within one (1) year of occupancy.

4.2.19 Drainage Swale/Planting Strip. Each Lot Owner shall maintain the drainage swale/planting strip in the public right-of-way adjacent to that Lot Owner's Lot, with a permanent live cover of lawn turf. A Lot Owner may install shrubbery or trees on the drainage swale/planting strip so long as no vegetation obstructs the flow or percolation of storm drainage water in the drainage swale/planting strip.

4.2.20 Fireworks and Outdoor Burning. The use of fireworks is strictly forbidden and subject to fines by the Association. Additionally, the act 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 Air Pollution Control Authority.

4.2.21 Antennas. Except as may be provided in ARTICLE XIV or as required to be permitted under applicable law, no radio, television or other antennas of any kind or nature, or device for reception or transmission of radio, microwave, or similar signal, shall be placed or maintained upon any Lot unless in accordance with

the Design Review Guidelines and specifically approved by the Design Review Committee.

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

4.2.23 Utilities and Transportation Improvements and Easements. No lines, wires or other services for the communication of electric current or power, including telephone, television, and radio signals, shall be constructed or maintained on the Property unless they are contained in conduits or cables installed underground, or concealed in, under, or on buildings or other structures approved by the Design Review Committee.

The Declarant hereby reserves, declares, grants and conveys to the Association, and/or any providing utility company nonexclusive easements upon, across, over and under all Common Areas, and also a strip of land extending 10 to 15 feet from each side of the edge of each road or alley right-of-way or easement, unless indicated differently on the recorded plat, for the purpose of constructing, repairing, maintaining and operating: all utilities (whether public or private), including, but not limited to, water, sewer (if any). electricity, gas, telephone, cable television, communication or control lines; and all roadways, alleys, paths, and trails, whether or not such improvements physically encroach on any Lots when finally completed. By virtue of this easement, it shall be expressly permissible for the Declarant and its contractors, the Association, and/or any providing utility company to construct and maintain the necessary facilities, including said portions of Lots, to accomplish the foregoing.

4.2.24 Exemption of Declarant. Subject to ARTICLE XII, nothing contained herein shall limit the right of Declarant to subdivide, recombine, reconfigure or re-subdivide any portion of the Property, including unsold Lots and Common Areas, to grant licenses, to reserve rights-of-way and easements to utility companies, public agencies or others. Nor shall anything contained herein limit the right of Declarant to excavate, grade and construct improvements, including landscaping alterations, or to alter any of the foregoing or its construction plans and designs, or to construct such additional improvements as Declarant deems advisable in its sole discretion in the course of development of the Property so long as any Lot within the Property remains unsold. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures, signs and displays as may be reasonably necessary for the conduct of Declarant's business of completing the work and disposing of the same by sales lease or otherwise. Declarant shall have the right at any

time prior to acquisition of title to a Lot by a purchaser from Declarant to grant, establish and/or reserve on that Lot additional licenses, reservations and rights-of-way to Declarant, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Declarant may use any structures on the Property as model home complexes or real estate sales or leasing offices. Declarant need not seek, or obtain approval from the Lot Owners or the Design Review Committee in connection with any improvement constructed or placed by Declarant or an affiliate of Declarant on any portion of the Property owned by Declarant or an affiliate of Declarant. The rights of Declarant hereunder may be assigned by Declarant to any successor in interest in connection with Declarant's interest in any portion of the Property, by an express written assignment recorded in the Office of the Spokane County Auditor.

4.2.25 Conveyances to and from Municipalities The Association shall not convey any Common Area to any political subdivision without the approval of Lot Owners representing at least eighty percent (80%) of the total votes in the Association. Proceeds of the sale, if any, shall be an asset of the Association. The Board shall have the power to receive a conveyance of any property interest from a political subdivision or any or individual or entity and to hold such property interest as Common Area. This Section does not apply to eminent domain proceedings pursuant to RCW 64.90.030.

4.2.26 Natural Gas Services. Additional Common Area interests have been created within the easement areas through construction by the Declarant of natural gas lines intended to provide service to each Lot. Costs for installation, including excavation and related charges, have been paid by the Declarant on behalf of the Association.

ARTICLE V.
Neighborhood Associations

5.1 Failure of Neighborhood Association to Maintain Neighborhood. In furtherance of the Declarant's overall plan for development of the Property as a uniformly landscaped, designed, and maintained community, if any Neighborhood Association does not enforce any or all provisions of its Neighborhood Declaration or perform any of its duties and responsibilities pursuant to its articles of incorporation, bylaws or rules and regulations, the Declarant, in its sole discretion, or the Association may enforce such Neighborhood Declaration, and perform such duties and responsibilities, including any and all maintenance provisions, and obtain the payment of the cost of such enforcement and maintenance pursuant to this Declaration. The Declarant or the Association will be entitled to reimbursement of attorney's, fees and court costs incurred during the enforcement by it of any such Neighborhood Declaration.

5.2 Entry Rights. Each Neighborhood Association, Builder and Lot Owner shall permit the Declarant, the Association, their designee, or any agent or employee to enter upon Neighborhood Maintenance Areas, Lots, and upon any other portions at such Property, as necessary and at reasonable times, to carry out the provisions of this Declaration and the same will not constitute a trespass.

5.3 Neighborhood Maintenance Areas The Association may, in accordance with, and in furtherance of, the Declarant's overall plan for development of the Property as a uniformly landscaped, designed, and maintained community, maintain, repair, and replace as necessary any Neighborhood Maintenance Areas in a neat, aesthetically pleasing, and proper manner. A Neighborhood Association may, if and as provided for in its Neighborhood Declaration, contract with the Association to engage in such common maintenance responsibilities. The cost of common maintenance responsibilities for which the Association has contracted to perform will be charged against the Neighborhood Association in accordance with the agreement reached between the Association and that Neighborhood Association. Notwithstanding anything contained herein, the Declarant reserves the right, in its sole discretion, to cause portions of the Common Areas to become Neighborhood Maintenance Areas by recording an instrument containing provisions to that effect in the land records of Spokane County. Upon recordation of such an instrument, the real property described therein will no longer be Common Areas but will be Neighborhood Maintenance Areas in lieu thereof and the use and easement rights and the obligations pertaining thereto, including but not limited to, maintenance and administration obligations, will be those pertaining to such Neighborhood Maintenance Areas and not Common Areas. Furthermore, the expense thereof will no longer be allocated as a Regular Assessment.

ARTICLE VI.
THE GARDEN DISTRICT HOMEOWNERS' ASSOCIATION

6.1 Organization of The Garden District Homeowners' Association. The Garden District Homeowners' Association shall be initially organized by Declarant as a Washington nonprofit corporation under the provisions of the Washington Code relating to general nonprofit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration or with any Supplemental Declaration which Declarant might adopt pertaining to the Garden District.

6.2 Board of Directors and Officers. Subject to the rights and obligations of Declarant as set forth in this Declaration and to the rights and obligations of the other Lot Owners and the Association will be responsible for the administration and operation

of the Property. The Board of Directors will exercise all powers, duties and authority of the Association not reserved to Declarant or the Members by this Declaration, the other Garden District Documents, or other applicable law.

6.3 Appointment of Officers and Directors by Declarant. During the Period of Declarant Control, the Declarant will have the right to appoint and remove the directors of the Board and the officers of the Association; provided, that: (a) not later than sixty (60) days after conveyance of twenty five percent (25%) of the Lots that may be created to Lot Owners other than the Declarant, at least one member and not less than twenty five percent (25%) of the members of the Board must be elected by the Members other than the Declarant; and (b) not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created to Lot Owners other than the Declarant, not less than one-third of the members of the Board must be elected by Lot Owners other than the Declarant. During the Period of Declarant Control the Declarant may: (w) veto or approve a proposed action of the Board or the Association; (x) control any construction or design review process (including, without limitation, the Design Review Committee); (y) attend meetings of Members and meetings of the Board (except during executive session of the Board); and (z) have access to the records of the Association to the same extent as a Member. Within thirty (30) days after the termination of the Period of Declarant Control, the Board must schedule a transition meeting, as contemplated in RCW 64.90.415(4) and elect members to the Board. Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint, remove and replace Directors and officers of the Association before the end of the Period of Declarant Control by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require that specified actions of the Association or the Board, as described in an instrument executed and recorded by Declarant in the office of the County Auditor of Spokane County, Washington, be approved by Declarant before those actions become effective.

6.4 Membership. Each Lot Owner, by virtue of being a Lot Owner and for so long as such ownership is maintained, shall be a Member of the Association Memberships in the Association, shall be appurtenant to the Lot owned by such Lot Owner. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of the Lot Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

6.5 Voting Rights. Each Member will be entitled to vote on Association matters and the Lot Owner of each Lot shall vote for the Lot, provided that the authorized officer of the Neighborhood Association for any Neighborhood created

within the Garden District shall cast all votes attributable to Lots owned by Members in that Neighborhood.

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

6.5.2 Voting Representative – Owners. Any Lot Owner may assign his or her voting right to a Voting Representative provided that a copy of the instrument of assignment is furnished to the Secretary of the Association prior to any meeting at which the tenant exercises the voting right. The voting representative need not be a Lot Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the person designated is a lender on the Lot.

6.5.3 Voting Representative – Neighborhoods. Each Neighborhood shall elect a Voting Representative. Except as provided in the Bylaws of the Association or this Declaration, the Voting Representative will be responsible for casting all votes attributable to Lots owned by Members in that Neighborhood, with respect to matters put to a vote of the Members. Members may not cast individual votes separate from the vote cast by the Voting Representative. Until a Voting Representative is appointed for a Neighborhood, all Lot Owners within that Neighborhood will be entitled to cast the votes attributable to their Lots on Association matters submitted to a Member vote.

6.5.4 Appointment and Removal of Neighborhood Voting Representatives. A Voting Representative must be appointed within one year after the creation of a Neighborhood by a Neighborhood Declaration. Each Member who owns a Lot in the Neighborhood of that Neighborhood Association will be entitled to cast one vote for each Lot owned by that Member. The candidate who receives the greatest number of votes will be the Voting Representative. The candidate who receives the next greatest number of votes will be the alternative Voting Representative, who shall vote on Association matters when the Voting Representative is unable to do so. Voting Representatives are appointed for a one-year term. A Neighborhood Association Voting Representative may be removed by majority vote of the Members who own Lots

in that Neighborhood. If a Neighborhood fails to appoint a Voting Representative as required in this Section, the Board may appoint a Voting Representative until such time as the Neighborhood makes its own appointment. A Board-appointed Voting Representative must be a Lot Owner in the Neighborhood for which that Person is appointed the Voting Representative.

6.6 Transfer of Membership. A Lot Owner may not transfer, pledge, assign or alienate its membership in the Association in any way except upon transfer of its title in its respective Lot and then only to the transferee of such title. If the transfer is pursuant to a contract for deed, the Lot Owner's membership shall transfer to the buyer under said contract. The Board may impose a Limited Assessment on the transfer of membership to cover the administrative costs of the membership transfer process by the Association.

6.7 Notice of Membership. Any Person, on becoming a Member, will furnish the Secretary of the Association with a photocopy or certified copy of the recorded instrument or such other evidence as may be specified by the Board under the Bylaws, vesting the Person with the interest required to make him a Member.

6.8 Owner's and Association's Addresses for Notices. At the same time that the Member provides notice of membership as required by Section 6.7 herein, the Member will provide the Association with (a) the single name, address and email address for which any notices given pursuant to the Garden District Documents shall be sent to the Member associated therewith, (b) written consent of the Member to receive electronically transmitted notices, and (c) the number of Lots owned by the new Member. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Member will give a new written notice to the Association containing all of the information required to be provided in the original notice described in Sections 6.7 and 6.8. The Association will keep and preserve the most recent written notice received by the Association with respect to each Member. If no address is provided to the Association, or if all of the Lot Owners cannot agree on a single address, then all notices will be sent to the address of the Lot until the Owner provides a single address to the Association as required under this Section 6.8. If the Association sends any notice to the address of the Lot, such notice will be deemed duly given if delivered to any person occupying the Lot or sent to the Lot by any other means specified for a particular notice in the Garden District Documents. If a Lot is unoccupied, the notice will be held and available for the Lot Owners of the unoccupied Lot at the principal office of the Association.

6.9 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by the Board and such officers as may be appointed by the Declarant during the Period of Declarant Control or by the Board in accordance with the Articles and Bylaws, as the same may be amended from time to time. Following the

expiration of the Period of Declarant Control, the Board of the Association shall be elected in accordance with the provisions set forth in the Bylaws.

6.10 Power and Duties of the Association.

6.10.1 Powers. The Association shall have the powers of a corporation organized under the corporation laws of the State of Washington applicable to nonprofit corporations, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. 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 Declaration, and the Articles and Bylaws, and to do and perform any and 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 the performance of the other responsibilities herein assigned, including without limitation:

6.10.1.1 Assessments. The power to levy Assessments on any Lot Owner and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

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

6.10.1.3 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 members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated. The foregoing notwithstanding, the Declarant will have the right to appoint and remove the members of the Design Review Committee for a period of time, as provided in ARTICLE XI.

6.10.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable. The Association may govern the use of the Common Areas by the Lot Owners, their families, invitees, licensees, lessees or contract purchasers; provided, however, that any

Association Rules shall apply equally to all Lot Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed shall be delivered to each Owner and shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any other provisions of this Declaration, or other Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

6.10.1.5 Emergency Powers. The power, exercised by the Association or by any Person authorized by it, to enter upon any property (but not inside any building constructed thereon) 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. Such entry shall be made with as little inconvenience to the Lot Owner as practicable, and any damage caused thereby shall be repaired by the Association.

6.10.1.6 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of -way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Lot 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; and

(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.

6.10.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Association by the Act, this 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. The Association may hire a manager or outside management company to perform any or all of these duties.

6.10.2.1 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. Additionally, 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.

6.10.2.2 Reserve Account. Undertake a Reserve Study when required to by Washington law. The Budget must take the results of the most recent Reserve Study into account and must include an allocation to a reserve fund in an amount determined by the Board to be sufficient to meet the projected capital needs of the Association to fund major maintenance, repair and replacement of Common Areas. The reserve fund will either be (a) deposited with a banking institution insured by the FDIC or successor entity or (b) invested in obligations of, or fully guaranteed as to principal by, the United States of America. Sums in the reserve fund will be expended only for the costs of repair, replacement, maintenance and improvement of the Common Areas.

6.10.2.3 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Common Area or against the Association and/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. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax exempt corporation.

6.10.2.4 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.

6.10.2.5 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Washington, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation the following policies of insurance:

(1) Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all Improvements, equipment and fixtures located within the Common Area.

(2) Comprehensive public liability insurance insuring the Board, the Association, the Declarant and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area in such amounts as the Association shall determine.

(3) At the option of the Board full coverage directors' and officers' liability insurance with limits in such amounts as the Association shall determine.

(4) Such other insurance, including motor vehicle insurance and Workers' Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other Person charged with the management or possession of any Association funds or other property.

(5) The Association shall be deemed trustee of the interests of all Lot Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Lot Owner's interests in such proceeds and to deal therewith.

(6) Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

(7) In its discretion, the Board may adjust any minimum insurance limits to reflect the impact of inflation on the value of the particular coverage required.

6.10.2.6 Rule Making. Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable.

6.10.2.7 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.

6.10.2.8 Design Review Committee. Appoint and remove members of the Design Review Committee, after the Declarant no longer has the right to appoint and remove the members of the Design Review Committee, as provided in ARTICLE XI.

6.10.2.9 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to carry out or enforce any of the provisions of the 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.

6.10.2.10 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 Spokane consents to such waiver.

6.11 Personal Liability. No member of the Board, member of any committee of the Association, member of any special Declarant committee (including the Design Review Committee) any officer of the Association, the Declarant, or the manager, if any, shall be personally liable to any Lot 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, the manager, if any, or any other representative or employee of the Association, the Declarant, or the Design Review 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.

6.12 Budgets and Financial Statements. Financial statements for the Association shall be prepared at least annually and copies shall be distributed to each Member of the Association as follows:

6.12.1 Preparation of Budget. Not less than thirty (30) days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the Regular Assessments of the Association to be paid during the year. The Budget must reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus from prior years, any income expected from sources other than assessments, and the amount to be generated via assessments. Subject to the ratification requirements set forth below, the Board may revise the Budget from time to time to account for and defray additional expenses of the Association. Upon ratification of a Budget each such fiscal year, the Board shall assess all Lots with assessments as provided in this Declaration.

6.12.2 Ratification of Budget. Within thirty (30) days after the adoption by the Board of any proposed regular or special Budget, the Board shall mail a summary of the Budget to all Members and shall call for a meeting of the Members to consider ratification of the Budget. The date of the meeting cannot be less than fourteen (14) days, nor more than fifty (50) days, after the mailing of the summary. As part of the summary, the Board shall disclose to the Members those matters described in RCW 64.90.525, as it may be amended or supplanted. The Budget will be automatically be ratified unless disapproved at a meeting by Members representing at least sixty-seven percent (67%) of the total Members in the Association. Such ratification will be effective regardless of whether a quorum is present. If any proposed Budget is disapproved or the Board fails for any reason to determine the Budget for any fiscal year, then the Budget most recently in effect will continue in effect until a new Budget is ratified.

6.12.3 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 Lot 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 last fiscal year.

6.13 Meetings of 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.

6.13.1 Notice and Place of Meetings. Notice for all Association meetings, regular or special, shall be given to each Member as set forth in the Bylaws. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board.

6.13.2 Quorum. The presence at any meeting in person or by proxy of twenty percent (20%) 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 an adjournment, provided notice is given as provided above.

ARTICLE VII.
RIGHTS TO COMMON AREAS

7.1 Use of Common Area. Every Lot Owner shall have a right to use the Common Area, which right shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

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

7.1.2 The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area recreational facilities (but not including access to private streets, cul-de-sacs, alleys and walkways of the Property) by a Lot Owner for any period during which any Assessment or charge against such Lot Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of the Association Rules.

7.1.3 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 all or any part of a Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed by Members representing eighty percent (80%) of the voting power of the Association has been recorded.

7.1.4 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.

7.1.5 The rights of the Declarant as expressly provided in Article 13.

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

7.2.1 The Declarant hereby designates Tract D and Tract E (as identified on the Plat) as Common Areas.

7.3 Delegation of Right to Use. Any Lot 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 Lot. Only Declarant or the Association shall have the right to delegate the right of enjoyment to the Common Area to the general public.

7.4 Damages. Each Lot Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Lot Owner, such owner's resident tenant or contract purchaser, or such owner's family or guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Lot Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Lot may be collected as provided herein for the collection of other Assessments.

ARTICLE VIII.
ASSESSMENTS

8.1 Covenant to Pay Assessments. Upon transfer of a deed following final plat of a Lot and acceptance of such a deed to any property in the Garden District, each Lot Owner of such property hereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Lot Owner pursuant to the provisions of this Declaration or other applicable instrument.

8.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

8.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Lot Owner of such property beginning with the time when the Assessment falls due. 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 obligation regardless of whether such person remains a Lot Owner.

8.2 Regular Assessments. All Lot Owners are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

8.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorneys' fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, including all Improvements located on such areas owned and/or managed and maintained by the Association, and subject to Section 5.11.2.2 of this Declaration, an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements for the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expense").

8.2.2 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in monthly, semi-annual or annual installments. Each Lot Owner shall be assessed and shall pay an amount determined annually by the Board of Directors pursuant to Section 6.12 of this Declaration. In computing any change to the amount of Regular Assessments, the Board shall follow procedures for ratification of a budget described in Section 6.12.2 of this Declaration.

8.3 Special Assessments. The Board, at any time, may propose a Special Assessment, provided that the Board follows the procedures for ratification of a budget described in Section 6.12.2 and that the Members do not reject the proposed assessment. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the projected expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorneys' fees and/or litigation costs, other professional fees, or for any other reason, the Board shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment against the Property. Every Special Assessment levied by and for the Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of

Regular Assessments for the Association, provided that the Board may provide that the Special Assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

8.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against a Lot Owner in the following circumstances:

8.4.1 Compliance Assessment/Fines. As a remedy to reimburse and compensate the Association and other Members for costs incurred in bringing the Lot Owner or and/or such owner's Lot into compliance with the provisions of the Garden District Documents. This includes, without limitation, the ability to impose and collect per diem fines as a Limited Assessment, which may be assessed and imposed separately for each distinct violation.

8.4.2 Limited Assessments Applicable to Limited Common Areas. The Board may impose a Limited Assessment in addition to the Regular Assessment for any special maintenance or operating services for Limited Common Areas, as set forth in this Declaration or a Neighborhood Association Declaration. This would include services for landscape maintenance to Limited Common Areas, including, but not limited to, private drive maintenance on individual Lots or private access roads or drives. Such Limited Assessments shall be imposed by the Board and charged to those Lot Owners so specially benefited by the such services by means of an allocation formula established by the Board.

8.4.3 Limited Assessments Applicable to Neighborhood Maintenance Areas. The Association may levy a specific assessment against the Lots within a Neighborhood to reimburse the Association or Neighborhood Association for the costs incurred in bringing the Neighborhood into compliance with the Garden District Documents or for the costs incurred pursuant to Section 8.4.1.

8.4.4 Sewer and Water Charges. Where sewer and water charges by the City of Spokane serve more than a single Lot through a single water tap, the Association shall be responsible for paying the water or sewer charge and shall charge the Lot Owner the full costs necessary to reimburse the Association, as applicable.

8.4.5 Permanent Electric Service Obligation. Each Lot must connect for permanent electric service within five (5) years of the date on which the final plat containing such Lot is recorded. In the event that a Lot has not connected for permanent electric service within the applicable period, the Lot Owner shall be responsible for payment of a fee to the Association, in an amount equal to the pro rata share of the total line extension fees charged to the Declarant or its agents. The Association shall apply all funds received from this Limited Assessment for payment of

the line extension fees charged to Declarant or its agents or to reimburse the Declarant or its agents for payment of such fees, as applicable.

8.5 Rate of Assessment. Regular and Special Assessments shall be fixed for each Lot by the Board and may vary from Lot to Lot depending on the level of amenities and services available to each Lot. As an example, Lots in a gated subdivision within the Property may be assessed for the maintenance and operation of the additional gate.

8.6 Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment period, the "fiscal year," shall commence on January 1 of each year and terminate December 31 of such year. The first Assessment shall be prorated according to the number of months remaining in the fiscal year and shall be payable in advance. Regardless of the pro rata portion remaining in the current fiscal year, an amount equal to the Assessment for one full year shall be collected upon by the Escrow Agent as part of the closing on an owner's Lot.

8.7 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the Owner of each Lot subject thereto, and to any Person in possession of such Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be established by the Board. Each installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within (10) days after its due date. There shall accrue with each delinquent installment payment a late charge equal to Twenty-five Dollars ($25.00). In addition, each installment payment which is delinquent for more than twenty (20) days shall accrue interest at the lesser of the highest rate permitted by law or eighteen percent (18%) per annum calculated from the date of delinquency to and including the date full payment is received by the Association. Late charges can be modified by a majority vote of the Board. The Association may bring an action against the delinquent Lot Owner and may foreclose the lien against such owner's Lot as more fully provided herein. Each Lot Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Lot Owner may exempt such Lot Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Lot Owner's Lot.

8.8 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 Lot is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Lot Owner. Any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the Lot Owner's Lot. Reliance on such

certificate may not extend to any default as to which the signor shall have had no actual knowledge.

8.9 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 a Special 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 Lot not less than ten (10) days nor 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 fifty percent (50%) 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 IX.
ENFORCEMENT OF ASSESSMENTS; LIENS; PROCEEDINGS

9.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Lot Owner, upon becoming an owner of such Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Lot Owner agrees to pay reasonable attorneys' fees in addition to any other relief or remedy obtained against such Lot Owner. The Board or its authorized representative may enforce the obligations of the Lot Owners to pay such assessments by claim of lien and foreclosure pursuant to Section 9.3 and 9.4 or by commencement and maintenance of a suit to recover a money judgment for an unpaid Assessment. The latter shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Authorization Required to Commence Proceedings. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of a majority of the Board of Directors and Members, and, during the Period of Declarant Control, by the Declarant. This Section shall not apply, however, to: (a) actions brought by the Association to enforce the provisions of the Declaration; (b) the imposition and collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. During the Period of Declarant Control, this section

shall not be amended unless such amendment is made by the Declarant and is approved by the percentage votes, and pursuant to the same procedures, necessary to Institute proceedings as provided above. Thereafter, amendment of this section must be approved by the percentage of Board and Member votes required above to comment proceedings.

9.3 Assessment Liens.

9.3.1 Creation. There is hereby created a claim of lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against such Lot pursuant to this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective lots upon recordation of a claim of lien with the Spokane County Auditor. Subject to Section 9.3.5, such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of this Declaration and claim of lien except for tax liens for real property taxes on any Lot and Assessments on any Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.3.2 Claim of Lien. Upon default of any Lot Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Spokane County Auditor a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Lot(s) against which the same have been assessed, and the name of the record Lot Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction or relief of such delinquent sums and charges. The Association may require that the Lot Owner pay the cost of preparing and recording such release before the Association records the same.

9.4 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association, its attorney or other Person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of Chapter 61.12, RCW. The Board is hereby authorized to appoint its attorney, any officer or director of the Association. or any title company authorized to do business in Washington as trustee for the purpose of conducting such power of sale or foreclosure.

9.5 Subordination to Certain Trust Deeds and Mortgages. The lien for the Assessments provided for herein in connection with a given Lot will also be superior to

any lien of a deed of trust or mortgage on the Lot Owner's Lot recorded before the date on which the unpaid Assessment became due, but only to the extent of an amount equal to:

(1) Regular Assessments, excluding any amounts for capital improvements, along with any Special Assessments that are properly assessable against the Lot, which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of proceedings to foreclose either the Association's lien or the lien of a deed of trust or mortgage; and

(2) The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien, but incurred after the giving of the notice described below in this Section 9.5; provided, that the costs and reasonable attorneys' fees that will have priority shall not exceed two thousand dollars ($2,000) or an amount equal to the amount described in (1) of this Section 9.5, whichever is less.

The amounts described above in this Section 9.5, shall be prior to the lien of a deed of trust or mortgage on the Lot Owner's Lot recorded before the date on which the unpaid Assessment became due, only if the Association has given that holder not less than sixty (60) days' prior written notice that the Lot Owner is in default in payment of an Assessment consistent with RCW 64.90.485(3)(iii). Upon payment of the amounts described above in this Section 9.5, by the holder of a deed of trust or mortgage on the Lot Owner's Lot the Association's lien shall thereafter be fully subordinated to the lien of such holder's security interest on the Lot.

Except as provided in this Section 9.5 with respect to a trustee or mortgagee who acquires title to or a security interest in a Lot, the sale or transfer of any Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Lot Owner for delinquent Assessments as provided for in this Declaration.

9.6 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the beneficiary under any deed of trust upon a Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such deed of trust such Lot shall remain subject to this Declaration as amended.

ARTICLE X.
INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

10.1 Member's Right of Inspection. The membership register, books of account, and minutes of meetings of the Board 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), at any reasonable time during business hours and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the Board shall prescribe. No Member or any other Person shall copy the membership register for the purposes of solicitation of, or direct mailing to, any Member of the Association.

10.2 Rules Regarding Inspection of Books and Records. The Board shall establish reasonable rules with respect to:

10.2.1 Notice to be given to the custodians of the records by the Persons desiring to make the inspection.

10.2.2 Hours and days of the week when such an inspection may be made.

10.2.3 Payment of the cost of reproducing copies of documents requested pursuant to this Article.

10.3 Member's Rights of Inspection. Every Member shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association, and the physical properties owned or controlled by the Association. The right of inspection by a Member includes the right to make extracts and copies of documents.

ARTICLE XI.
DESIGN REVIEW COMMITTEE

11.1 Creation. Declarant hereby creates a Design Review Committee consisting of no less than three (3) nor more than five (5) Committee members. The initial members of the Design Review Committee shall be appointed by Declarant prior to the sale of any Lot within the Property. Declarant retains the select, appoint, supervise, and remove all members of the Design Review Committee until the earlier to occur of: (a) the date that is fifty (50) years following the date this Declaration is recorded, and (b) when the Declarant voluntarily surrenders all rights to select, appoint supervise and remove Committee members as evidenced by written notification to the Board of such relinquishment of rights. Thereafter, members of the Design Review Committee shall be appointed by the Board. Individuals appointed to the Design

Review Committee, other than those appointed by Declarant, must satisfy such requirements as may be set forth in the Design Guidelines.

11.2 Design Guidelines. The Design Review Committee shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (the "Design Guidelines"), which the Design Review Committee may, from time to time, amend, repeal or augment; provided, that if Declarant has the right to appoint and remove members of the Committee, any change in the Design Guidelines will be effective only if approved by Declarant. Thereafter, any change in the Design Guidelines will be effective only if approved by the Board. The Design Guidelines are incorporated herein and shall be deemed to be a part of this Declaration and shall be binding on all Lot Owners, Members and other Persons as if expressly set forth herein. A copy of the current Design Guidelines shall at all times be a part of the Association's records.

The Design Guidelines shall not apply to, and nothing contained in this 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.

Subject to Section 14.1.2, no building, fence, wall or other structure or improvement of whatever type shall be commenced. erected or maintained upon the Property, nor shall there be any addition to or change to the exterior of any residence or other structure or improvement upon a Lot, the Building Envelope, landscaping, tree removal, grading or drainage thereof, including but not limited to the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with drawings and specifications therefore which have been submitted to and approved by the Design Review Committee, in accordance with the Design Guidelines, as to harmony of external design and location in relation to surrounding structures and topography.

The Design Guidelines may also establish procedures to assure conformity of completed improvements to drawings and specifications approved by the Design Review Committee.

11.3 Review of Proposed Construction. The Design Review Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Declarant (or the Board at such time when Declarant no longer has the right to appoint and remove members of the Committee), including the inspection of construction in progress to assure its conformance with plans approved by the Design Review Committee. Declarant (or the Board at such time when Declarant no longer has the right to appoint and remove members of the

Committee), shall have the power to determine, by rule or other written designation consistent with this Declaration, which types of Improvements shall be submitted for Design Review Committee review and approval. The Design Review Committee shall have the power to hire architects licensed with the State of Washington to assist the Design Review Committee in its review of proposals or plans and specifications submitted to the Design Review Committee. The Design Review Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration or additions contemplated thereby in the locations indicated will not be detrimental to the habitat of the Common Areas, or appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on the Association.

11.3.1 Conditions on Approval. The Design Review 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 Lot Owner submitting the same ("Applicant') to grant appropriate easements to the Association for the maintenance thereof, and/or upon the agreement of the Applicant to reimburse the Association for the cost of maintenance, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted.

11.3.2 Design Review Committee Rules and Fees. The Design Review Committee also may establish rules and/or guidelines setting forth procedures for and the required content of the applications and plans submitted for approval. Such rules will require a standard fee to accompany each application. The Design Review 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 Design Review Committee, including the cost and expense of hiring architect(s), as provided above, or for such other purposes as established by the Declarant (or the Board at such time when Declarant no longer has the right to appoint and remove members of the Committee).

Such rules and guidelines may establish, without limitation, specific rules and regulations regarding design and style elements, landscaping and fences and other structures such as animal enclosures and fences, as well as special architectural guidelines applicable to Lots located adjacent to public and/or private open space.

11.3.3 Detailed Plans. The Design Review Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, landscape plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. Until

receipt by the Design Review Committee of any required plans and specifications, the Design Review Committee may postpone review of any plan submitted for approval.

11.3.4 Design Review Committee Decisions. Decisions of the Design Review Committee and the reasons therefore shall be transmitted by the Design Review Committee to the Applicant at the address set forth in the application for approval. Normally the decision will be transmitted within thirty (30) calendar days after filing all materials required by the Design Review Committee. An applicant shall not be deemed approved until a written decision has been transmitted by the Design Review Committee.

11.4 Meetings of the Design Review Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time by resolution unanimously adopted in writing, designate a Design Review 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 Design Review Committee, except the granting of variances pursuant to Section 11.9. In the absence of such designation, the vote of a majority of the members of the Design Review Committee taken without a meeting shall constitute an act of the Design Review Committee.

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

11.6 Compensation of Members. Declarant may, in its discretion, make a recommendation to the Board for reasonable compensation to members of the Design Review Committee for their services. If the Declarant no longer has the right to appoint and remove members of the Committee, the Board may, in its discretion, provide for reasonable compensation to members of the Design Review Committee for their services. In any event, members of the Design Review Committee shall be entitled to be reimbursed for expenses incurred by them in the performance of their duties hereunder.

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

11.7.1 Upon the completion of any work for which approved plans are required under this Article, the Lot Owner shall give written notice of completion to the Design Review Committee.

11.7.2 Within sixty (60) days thereafter, the Design Review Committee or its duly authorized representative may inspect such Improvement. If the Design Review Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Lot Owner in writing of such non-compliance within such sixty (60) day period, specifying the particular noncompliance, and shall require the Lot Owner to remedy the same.

11.7.3 If upon the expiration of thirty (30) days from the date of such notification, or any longer time the Design Review Committee determines to be reasonable, the Lot Owner has failed to remedy such noncompliance, the Design Review Committee shall notify the Board in writing of such failure. Thereafter, the Association, acting through the Board, may remove the non-complying improvement, remedy the noncompliance (and the Lot Owner shall be obligated to compensate the Association and provide it with reimbursement for all costs and expenses incurred in connection therewith) or levy the Limited Assessment described in this Section. The Board, on behalf of the Association, shall have authority to immediately levy a Limited Assessment against such Lot Owner in the amount of $100.00 per day from the date of the Design Review Committee's determination of noncompliance continuing through the date corrections are completed, as a compensatory charge to the Association and other Members for such violation, plus all amounts necessary to provide reimbursement of costs expended (or an estimated amount of costs expended and to be expended) by Declarant, the Board and/or the Design Review Committee in connection with the review, removal or remedy, as applicable, of the noncompliance. The Board shall have the right, in its discretion, to periodically increase the $100.00 per day amount described in the preceding sentence in order to reflect the impact of inflation. Such reimbursable costs shall include all actual or estimated costs of remedying such non-compliance, if applicable, reasonable attorneys' fees incurred or to be incurred, reimbursement for time spent by members of the Design Review Committee, Declarant and/or the Board incurred in connection with any review or consideration of such noncompliance and all other out-of-pocket expenses. The Association may pursue collection of such limited assessment as against such Lot Owner and such owner's Lot pursuant to this Declaration.

11.7.4 If for any reason the Design Review Committee fails to notify the Lot Owner of any noncompliance within one hundred eighty (180) days after receipt of the written notice of completion from the Lot Owner, the work shall be deemed to be in accordance with the approved plans.

11.8 Non-Liability of Design Review Committee Members. Neither the Design Review Committee nor any member thereof, nor its duly authorized Design Review Committee representative, shall be liable to the Association, or to any Lot Owner, Grantee or Declarant for any loss, damage or injury arising out of or in any way connected with the performance of the Design Review Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Design Review Committee. The Design Review Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Property generally. The Design Review Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

11.9 Variances. The Design Review Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any supplemental declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may be required. Such variances must be evidenced in writing, must be signed by a majority of the members of the Design Review Committee, and shall be effective upon the date stated in such variance or, if none, upon execution thereof by the requisite majority of the members of the Design Review Committee. If any variances are granted, no violation of this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted.

ARTICLE XII.
ANNEXATION OF PROPERTY

12.1 Annexation by Declarant. The Declarant intends to develop the Property, together with additional property, and may, in Declarant's sole discretion, annex some or all of the Expansion Property. Some or all of the Expansion Property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarant, its successors or assigns, at any time, and from time to time, without the approval of any Lot Owner or the Association. The Declarant shall not be required to annex portions of Expansion Property to the Property in any particular order, nor shall the Declarant be required to annex all of the Expansion Property to the Property. If the Declarant elects to annex some or all of the Expansion Property to the Property, (a) no more than two (2) Lots may be created within the Expansion Property, and (b) the recording of all Supplemental Declarations associated

therewith must occur no later than the date that is fifty (50) years after the date that this Declaration is recorded.

12.2 Rights and Obligations of Owners of Annexed Lots. Upon recording of a Supplemental Declaration as to any portion of the Expansion Property, all provisions contained in this Declaration, and all functions, powers and jurisdiction of the Association, shall apply to such portion of the Expansion Property in the same manner as they apply to the Property initially subjected to this Declaration, subject to such modifications, changes and deletions as may be generally applicable to the Property under the Supplemental Declaration, and subject also to the reallocation of Allocated Interests among all Lots within the Property after the annexation on the same basis as Allocated Interests are allocated in this Declaration. The Owners of Lots created within the Expansion Property 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 the Expansion Property shall be conveyed to the Association, free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, conditions and restrictions then of record including those set forth in this Declaration or any Supplemental Declaration applicable to the Expansion Property.

12.3 Method of Annexation. The addition of any portion of the Expansion Property to the Property shall be made by filing of record in the office of the Spokane County Auditor a Supplemental Declaration or other similar instrument with respect thereto, which shall be executed by the Declarant. A Supplemental Declaration shall (a) identify all new Lots, Common Areas and Limited Common Areas that are created within the added property, (b) reallocate the Allocated Interests attributable to each Lot based on the formula provided in Section 1.1.3 and stated in Exhibit "C", and (c) as applicable, designate the Lot(s) to which each Limited Common Area is allocated to the extent required under RCW 64.90.240. Such Supplemental Declaration may include appropriate provisions that are reasonably desirable or necessary to complete the integration of the relevant portion of the Expansion Property into the Property. Notwithstanding any provision to the contrary in this ARTICLE XII, (y) the rights of Lot Owners prior to the annexation shall not be impaired by the annexation or other provisions in the Supplemental Declaration, and (z) any amendment of the Garden District Documents shall be subject to the limitations and requirements of Section 15.2.

ARTICLE XIII.
EASEMENTS

13.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Lots due to minor unintentional wrongful placement or settling or shifting of the Improvements including but not limited

to structures, walkways, bike paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Lot Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of a Lot Owner. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Lot Owners agree that minor encroachments over adjoining Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this Section.

13.2 Easements of Access. All Lot Owners will have a perpetual easement for access, ingress and egress over the Common Area, including but not limited to the open spaces, private streets, alleys, common drives, cul-de-sacs and walkways. This easement shall run with the land. Such easements may be used by the Declarant, and by all Lot Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Lot or Common Area.

13.3 Drainage and Utility Easements. Declarant expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Lot Owners to and from their respective Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Lots and Common Areas, resulting from the normal use of adjoining Lots or Common Areas, and for necessary maintenance and repair of any Improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Declarant hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property and the Expansion Property, as appropriate, to utility companies and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Lot in the Property to a Lot Owner.

13.3.1 Improvement of Drainage and Utility Easement Areas. The Lot Owners are hereby restricted and enjoined from constructing any Improvements upon any drainage or utility easement areas as shown on the Plat or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose; provided, however that the Lot Owner of such Lots and the Declarant, the Association or designated entity with regard to the landscaping easement described in this Article, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain

fencing on such easement areas subject to approval by the Design Review Committee, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided, that any damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Lot Owner of the Lot whose Improvements were so damaged.

13.4 Rights and Duties Concerning Utility Easements. The rights and duties of the Lot Owners within the Property with respect to utilities shall be governed by the following:

13.4.1 Wherever utility connections are installed within the Property, which connections or any portions thereof lie in or upon Lots owned by a Lot Owner other than the Lot Owner of the Lot served by the connections, the Lot Owner of the Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon any lot or to have their agent enter upon any Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary.

13.4.2 Whenever utility connections are installed within the Property, which connections serve more than one Lot, the owner of each Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service for such Owner's Lot.

13.5 General Landscape Easement. An easement is hereby reserved to the Association, its contractors and agents, to enter those portions of Lots 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 of 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.

13.6 Maintenance and Use Easement Between Walls and Lot Lines. Whenever the wall of a structure, or a fence or retaining wall, is legitimately constructed on a Lot under plans and specifications approved by the Design Review Committee, and is located within three (3) feet of the Lot line of such Lot, the Lot Owner of such Lot is hereby granted an easement over and on the adjoining Lot (not to exceed three (3) feet from the Lot line) for purposes of maintaining and repairing such wall or fence and eaves or other overhangs, and the Lot Owner of such adjoining Lot is hereby granted an easement for landscaping purposes over and on the area lying

between the Lot line and such structure or fence so long as such use does not cause damage to the structure or fence.

13.7 Conservation Easement. In the event that a Conservation Easement, as defined in RCW 64.04.130, is created at any time, the following uses shall be permitted:

(a) Utility uses that benefit the Association or Lot Owners shall be permitted.

(b) Other related activities as deemed reasonable or necessary to manage and maintain the Conservation Easement consistent with the overall objective of the preservation of wildlife.

The following uses shall not be permitted:

(a) Hunting, trapping or intentional flushing of birds, deer, elk or other protected animals or any other activity that may be harmful to or which constitute harassment of such wildlife.

Only leashed pets shall be permitted on the Conservation Easement, and each Lot Owner shall be responsible for assuring compliance with regard to their household pets, or those of their family members, guests, invitees, licensees or tenants.

ARTICLE XIV.
SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

14.1 General Provisions. The rights and privileges of the Declarant as set forth below in this ARTICLE XIV are (a) in addition to and do not limit any other rights and privileges of the Declarant under any Garden District Document and (b) may not be suspended, superseded or modified in any manner without the Declarant's written consent. The Declarant shall have the following Special Declarant Rights:

14.1.1 Completion of Improvement. The right to complete Improvements as may be indicated on any Plat filed with respect to the Property, including, if any, the Expansion Property.

14.1.2 Development Rights. The right to exercise all development rights in connection with the development of the Property ("Development Rights"), including without limitation the right or combination of rights hereby reserved by Declarant as follows:

14.1.2.1 The right to annex all or part of the Expansion Property, if any, to the Property, in accordance with ARTICLE XII.

14.1.2.2 The right to create Lots and Common Area on the Property.

14.1.2.3 The right to subdivide Lots and convert Lots into Common Areas on any part of the Property, including, if any, the Expansion Property, except that:

(1) If the Declarant converts a Lot entirely into Common Areas, the Declarant must record a Supplemental Declaration in the office of the Spokane County Auditor and the Supplemental Declaration must reallocate all the allocated interests of that Lot among the other Lots and as if that Lot had been taken by condemnation under RCW 64.90.030; and

(2) if the declarant divides a Lot into two (2) or more Lots, whether or not any part of the Lot is converted into Common Areas, the Declarant must record a Supplemental Declaration in the office of the Spokane County Auditor and the Supplemental Declaration must reallocate all the Allocated Interests of the Lot among the Lots created by the division in any reasonable manner prescribed by the Declarant.

14.1.2.4 The exclusive right to modify road, water, sewer, dry utilities and fire systems in accordance with any requirements of the City of Spokane or any other governing agency having jurisdiction for such systems.

14.1.2.5 The right to develop the Property and/or the Expansion Property, if any, in such phases as Declarant deems appropriate.

14.1.2.6 The right to appoint the Design Review Committee and to exercise the rights provided to Declarant for management and operation of the Design Review Committee during the period of time stated in ARTICLE XI.

14.1.2.7 The right to appoint any other special declarant committee pursuant to the Act.

14.1.3 Sales Activities. The right to maintain sales and management offices, signs advertising the project and model residences on the Common Area and on Lots owned by Declarant, whether contained within the Property Initially subject to this Declaration, or within the Expansion Property. if any.

14.1.4 Easements. The right to use easements through the Common Area on the Property, including the Expansion Property, if any, for the purpose of making Improvements on the Property and the Expansion Property, if any.

14.1.5 Association Directors and Officers. The right to appoint any officer or Director of the Association, as provided in this Declaration or the Bylaws.

14.1.6 Order of Exercise of Declarant's Rights. Declarant makes no representations and gives no assurances regarding the legal description or the boundaries of any phase of the Expansion Property, if any, or the order or time in which the phases of the Expansion Property, if any, may be developed or incorporated in the Project, or whether or to what extent any of the Expansion Property, if any, will be developed or incorporated in the Project. Further, the fact that Declarant may exercise one or more of Declarant's Development Rights or other Special Declarant Rights on one portion of the Property (including the Expansion Property, if any) will not operate to require Declarant to exercise a Development Right or other Special Declarant Right with respect to any other portion of the Property (including the Expansion Property, if any).

14.2 Supplemental Provisions Regarding Declarant's Rights. Without limiting the generality of the foregoing, certain of these Special Declarant Rights are explained more fully in this Article below. Further, Declarant reserves the additional rights retained for the benefit of Declarant in this Article and in other provisions of this Declaration.

14.3 Reservation of Easement for Expansion and Construction. Declarant hereby reserves for itself and its successors and assigns and for Lot Owners in all future phases of the Garden District, a perpetual easement and right-of-way for access over, upon and across the Property, including the Expansion Property, if any, for construction, utilities, drainage, ingress and egress, and for the use of the Common Area, including Common Area located within the Expansion Property, if any. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in Spokane County, Washington.

Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility, ingress and egress, and other easements over and across the Common Areas, and to create other reservations, exceptions, and exclusions convenient or necessary for the use and operation of any other property of Declarant

14.4 Reservations of Easements, Exceptions and Exclusions for Utilities, Infrastructure and Access. Declarant reserves for itself and its successors and assigns, and hereby grants to the Association, acting through the Board of Directors, the concurrent right to establish from time to time, by declaration or otherwise, utility

and other easements, permits or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreations areas and parking areas, and to create other reservations, exceptions, and exclusions in the interest of the Lot Owners and the Association, in order to serve the Lot Owners within the Neighborhood as initially built and expanded.

Declarant also reserves for itself and its successors and assigns, and grants to the Association, the concurrent right to establish from time to time, by instruments recorded in Spokane County, Washington, such easements, permits or licenses over the Common Area for access by certain persons (other than Lot Owners and such owners' families and guests) who may be permitted to use designated portions of the Common Area as Declaration.

14.5 Maintenance Easement. An easement is hereby reserved by Declarant for itself and its successors and assigns and granted to the Association, and any member of the Board of Directors or Manager, and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Garden District Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot, as required by the Garden District Documents.

14.6 Drainage Easement. An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Reasonable efforts will be made to use this easement so as not to disturb the uses of the Lot Owners, the Association and Declarant, as applicable, to the extent possible; to prosecute such drainage work promptly and expeditiously; and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employee, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval will not be unreasonably withheld.

14.7 Declarant's Right Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property

owned by Declarant; provided, however, that no such rights will be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to a Lot by that Lot Owner and such owners' family, tenants, employees, guests, or invitees.

14.8 Easements Deemed Created. All conveyances of Lots hereafter made, whether by Declarant or otherwise, will be construed to grant and reserve the easement contained in this Article, even though not specific reference to such easements or to this Article appears in the instrument for such conveyance.

ARTICLE XV.
MISCELLANEOUS

15.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run for a term of thirty (30) years from the date this Declaration is recorded, unless amended as herein provided. Thereafter, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by members holding at least eighty percent (80%) of the voting power of the Association and such written instrument is recorded with the Spokane County Auditor. Further provided that the Association shall not be dissolved without the prior written approval of the City of Spokane, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable governmental requirements.

15.2 Amendment.

15.2.1 By Declarant. Except as provided in Section 15.2.2 below, upon thirty (30) days advance notice to Lot Owners, the Declarant may, without a vote of the Members or approval by the Board, unilaterally adopt, execute and record a corrective amendment or supplement to this Declaration or the other Garden District Documents to correct a mathematical mistake, an inconsistency or a scrivener's error, or to clarify an ambiguity in this Declaration or the other Garden District Documents with respect to an objectively verifiable fact. The Declarant may also, without a vote of the Members or approval by the Board, unilaterally adopt, execute and record an amendment to this Declaration or the other Governing Documents in connection with the exercise of the Declarant's development rights, as contemplated in RCW 64.90.250.

15.2.2 In General. Except where a greater percentage is required by an express provision in this Declaration, the provisions of this Declaration, may be amended (i) by the consent of the Lot Owners of two-thirds of all Lots, together with

(ii) the approval or ratification of a majority of the Board. The aforementioned consent may be evidenced by a writing signed by the required number of Lot Owners and Board members thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Association called and held in accordance with the Association's Bylaws. Any amendment shall be effective upon its recordation with the Spokane County Auditor. Any amendment to this ARTICLE XV shall require the vote or written consent of Members holding sixty-seven percent (67%) of the voting power of the Association.

15.3 Trust Deed and Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any deed of trust or mortgagee under any mortgage covering a Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such deed of trust or mortgage, such Lot shall remain subject to this Declaration, as amended. If any provision of this Declaration requires the consent of a holder of a security interest in a Lot as a condition to the effectiveness of an amendment to the declaration, the consent is deemed granted if a refusal to consent in a record is not received by the Association within sixty (60) days after the Association delivers notice of the proposed amendment to the holder at an address for notice provided by the holder or mails the notice to the holder by certified mail, return receipt requested, at that address. If the holder has not provided an address for notice to the Association, the Association must provide notice to the address in the security interest of record.

15.4 Notices. Any notices permitted or required to be delivered as provided herein shall delivered as set forth in the Bylaws.

15.5 Enforcement and Non-Waiver.

15.5.1 Violations and Nuisances. The failure of any Lot Owner to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action by the Declarant, the Association or any Lot Owner within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Declarant, the Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof, and only if such self-help is preceded by reasonable notice to the Lot Owner.

15.5.2 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law or equity.

15.5.3 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

15.5.4 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

15.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Washington.

15.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

15.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing Section, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

15.6.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

15.6.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

15.7 Successors and Assigns. All references herein to Declarant, Lot Owners, Association or Person shall be construed to include all successors, assigns, partners and authorized agents of such Declarant, Lot Owners, Association or Person.

[*Signature page to follow*]

The undersigned, being the Declarant herein, has executed this Declaration on the date first written above.

DECLARANT:

GARDEN DISTRICT LAND DEVELOPMENT, LLC
a Washington limited liability company

By: _____
Name: JOSEPH FRANK
Its: MANAGER

STATE OF WASHINGTON)
: ss
COUNTY OF SPOKANE)

On this 29th day of July, 2021, personally appeared before me Joseph Frank, to me known to be the Manager of Garden District Land Development, LLC a Washington limited liability company, the Company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said 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 Company.

GIVEN UNDER my hand and official seal the day and year in this certificate first above written.

KATHERINE FUNK
NOTARY
My Comm. Expires
December 6, 2023
No.156952
PUBLIC
STATE OF WASHINGTON

_____
Notary Public in and for the State of Washington
residing at Hayden, Idaho

My Commission Expires: December 6, 2023

Exhibit A:	Property Legal Description
Exhibit B:	Expansion Property Legal Description
Exhibit C:	Lot Data; Allocated Expenses
Exhibit D:	Limited Common Areas

Exhibit Index

EXHIBIT "A"
Real Property Legal Description

A portion of the Northwest Quarter of the Northeast Quarter and a portion of the Northeast Quarter and the Southeast Quarter of the Northwest Quarter of Section 33, Township 25 N, Range 43E, W.M. more particularly described as follows:

All of Lot 7, Block 3 and portions of Lots 5 and 6, Block 3 of the Final Plat of Estate Development, Recorded in Book 9 of Plats, Page 44, more particularly described as follows;

BEGINNING at the Southwest Corner of said Lot 7; thence N02°53'15"W (Record N00°12'12"W) a distance of 114.85 feet (Record 115') to the Northwest Corner of said Lot 7; thence N87°11'45"E (Record N89°52'48"E) along the North Line of said Lot 7 a distance of 205.00 feet to the Northwesterly Corner of Lot 5, Block 3 of said Final Plat of Estate Development; thence N45°48'57"E (Record N48°30'E) along the Northerly Line of said Lot 5 a distance of 110.19 feet; thence S28°20'55"E a distance of 191.19 feet to the Northwesterly Right of Way Line of Crestline Street, said point being the beginning of a non-tangent curve concave to the Southeast and having a radius of 411.97 feet and a chord bearing and distance of S26°29'36"W, 73.54 feet; thence Southwesterly along said curve through a central angle of 10°14'30" an arc distance of 73.64 feet to the Northerly Right of Way Line of 32nd Avenue; thence along said Northerly Right of Way Line the following (6) courses;

1) The beginning of a reverse curve concave to the Northwest and having a radius of 20.00 feet and a chord bearing and distance of S63°41'15"W,26.93 feet
2) Thence Southwesterly along said curve through a central angle of 84°37'498" an arc distance of 29.54 feet;
3) N73°59'51"W (Record N71°18'48"W) a distance of 40.20 feet (Record 40.18 feet) to the beginning of a tangent curve concave to the South and having a radius of 406.97 feet and a chord bearing and distance of N83°24'05"W, 132.99 feet;
4) Thence Westerly along said curve through a central angle of 18°48'28" an arc distance of 133.59 feet to the beginning of a non-tangent curve concave to the southwest and having a radius of 50.00 feet and a chord bearing and distance of N62°53'19"W, 50.13 feet;
5) Thence Northwesterly along said curve through acentral angle of 60°10'01" an arc distance of 52.51 feet to the POINT OF BEGINNING.

TOGETHER with a portion of Lots 9 and 16, Block 3 of said Final Plat of Estate Development lying Easterly of the following described line;

COMMENCING at the Northeast corner of said Lot 9; thence S87°11'45"W (Record S89°52'48"W) along the Northerly line of said Lot 9 a distance of 135.00 feet to the POINT OF BEGINNING; thence S02°53'15"E (Record S00°12'12"E) a distance of 30.22 feet (Record 30.00 feet); thence N87°11'45"E a distance of 38.94 feet; thence S05°43'27"E a distance of 139.96 feet to the North line of said Lot 16; thence continuing S05°43'27"E a distance of 23.80 feet; thence S29°05'07"W a distance of 28.41 feet; thence S02°47'18"E a distance of 95.88 feet feet to the South line of said Lot 16 and the terminus of this line description.

TOGETHER with Lots 1 thru 12, Block 1 of Resurvey of Inwood Park, Recorded in Book M of Plats, Page 32.

ALSO TOGETHER with portions of Lots 3 thru 7, Block 4 of said Final Plat of Estate Development lying Southerly of following described line;

COMMENCING at the Northwesterly corner of Lot 4, Block 4 of said Final Plat of Estate Development; thence S41°51'21"W (S44°32'24W-Record) a distance of 36.56 feet to the beginning of a tangent curve concave to the Southeast and having a radius of 351.97 feet and a chord bearing and distance of S41°07'45"W, 8.93 feet; thence Southerly along said curve through a central angle of 01°27'12" an arc distance of 8.93 feet to the POINT OF BEGINNING for this line description; thence N75°00'47"W a distance of 113.81 feet; thence N83°35'58"E a distance of 44.05 feet; thence N60°35'32"E a distance of 44.05 feet; thence N57°11'12"E a distance of 68.72 feet; thence N47°01'56"E a distance of 133.30 feet; thence N87°42'36"E a distance of 181.83 feet to the Easterly line of said lot 7 and the terminus of this line description.

EXCEPT all Rights of Way

Subject to all easements of record

Containing. 8.650 Acres more or less

Situate in the City of Spokane, State of Washington.

EXHIBIT "B"
Expansion Property Legal Description

A portion of the Northwest Quarter of Section 33, Township 25 N, Range 43E, W.M. more particularly described as follows;

A portion of Lots 9 and 16, Block 3 of Final Plat of Estate Development, Recorded in Book 9 of Plats, Page 44, lying Westerly of the following described line;

COMMENCING at the Northeast corner of said Lot 9; thence S87°11'45"W (Record S89°52'48"W) along the Northerly line of said Lot 9 a distance of 135.00 feet; thence S02°53'15"E (Record S00°12'12"E) a distance of 30.22 feet (Record 30.00 feet); to the POINT OF BEGINNING; thence N87°11'45"E a distance of 38.94 feet; thence S05°43'27"E a distance of 139.96 feet to the North line of said Lot 16; thence continuing S05°43'27"E a distance of 23.80 feet; thence S29°05'07"W a distance of 28.41 feet; thence S02°47'18"E a distance of 95.88 feet feet to the South line of said Lot 16 and the terminus of this line description.

EXCEPT all Rights of Way

Subject to all easements of record

Containing. 27,985 Square Feet more or less

Situate in the City of Spokane, State of Washington.

EXHIBIT "C"
Lot Data; Allocated Interest

ADDRESS	BLOCK	LOT	APPROXIMATE SQ. FEET	ALLOCATED INTERESTS
2007 E. 33rd Ave.	3	2	8,819	3.20%
2011 E. 33rd Ave.	3	3	7,200	3.92%
2021 E. 33rd Ave.	3	4	7,200	3.92%
2025 E. 33rd Ave.	3	5	7,200	3.92%
2111 E. 33rd Ave.	3	6	7,200	3.92%
2115 E. 33rd Ave.	3	7	7,200	3.92%
2119 E. 33rd Ave.	3	8	7,200	3.92%
2121 E. 33rd Ave.	3	9	7,200	3.92%
2127 E. 33rd Ave.	3	10	8,350	3.38%
2119 E. 33rd Ave.	3	11	14,530	1.94%
2125 E. 33rd Ave.	3	12	14,605	1.93%
2122 E. 33rd Ave.	3	13	9,685	2.92%
2128 E. 33rd Ave.	3	14	7,801	3.62%
2126 E. 33rd Ave.	4	1	9,712	2.91%
2120 E. 33rd Ave.	4	2	7,685	3.68%
2118 E. 33rd Ave.	4	3	8,361	3.38%
2114 E. 33rd Ave.	4	4	8,361	3.38%
2112 E. 33rd Ave.	4	5	7,218	3.91%
2026 E. 33rd Ave.	4	6	8,360	3.38%
2022 E. 33rd Ave.	4	7	8,360	3.38%
2014 E. 33rd Ave.	4	8	8,359	3.38%
2006 E. 33rd Ave.	4	8	7,216	3.92%
2004 E. 33rd Ave.	4	10	9,502	2.97%
2325 E. 32nd Ave.	5	1	13,321	2.12%
2319 E. 32nd Ave.	5	2	8,668	3.26%
2315 E. 32nd Ave.	5	3	7,317	3.86%
2309 E. 32nd Ave.	5	4	7,687	3.68%
2221 E. 32nd Ave.	5	5	8,809	3.21%
2215 E. 32nd Ave.	5	6	11,286	2.50%
2205 E. 32nd Ave.	5	7	10,786	2.62%
	TOTAL		265,198	100%

Notes:

1/ The formula for determining the Allocated Interest of a Lot is the number of square feet of that Lot divided by the total number of square feet of all of the Lots on the Property.

2/ Lot 1, Block 3 is approximately 27,985 sq. ft. and is located within the Expansion Property.

3/ Tract D is approximately 36,501 sq. ft. and Tract E is approximately 1.163 acres; both Tract D and Tract E are Common Areas.

EXHIBIT "D"
Limited Common Areas

None.