



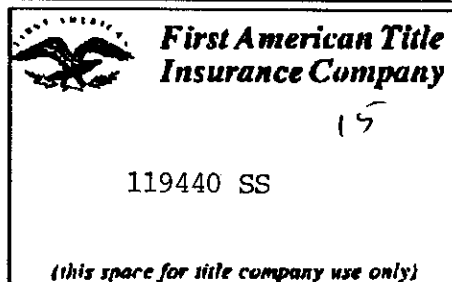
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Page: 1 of 31
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Spokane Co. WA

AFTER RECORDING MAIL TO:

Name Custom Closing
Address E. 111 Lincoln #104
City/State Spokane, WA 99208

Document Title(s): (or transactions contained therein)

1. Decl. of Covenants
- 2.
- 3.
- 4.



Reference Number(s) of Documents assigned or released:

Additional numbers on page of document

Grantor(s): (Last name first, then first name and initials)

1. Little Spokane River Limited Liability Company
- 2.
- 3.
- 4.
5. Additional names on page of document

Grantee(s): (Last name first, then first name and initials)

- 1.
- 2.
- 3.
- 4.
5. Additional names on page of document

Abbreviated Legal Description as follows: (i.e. lot/block/plat or section/township/range/quarter/quarter)

ALL OF BUCKEYE VALLEY ESTATES (Survey 4048906 - All lots)
Complete legal description is on page of document

Assessor's Property Tax Parcel/Account Number(s):

37093.9055

31

NOTE: The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.



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Page: 2 of 31
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Spokane Co. WA

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATIONS OF EASEMENTS

FOR

BUCKEYE VALLEY ESTATES
SPOKANE COUNTY, WASHINGTON



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DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR

BUCKEYE VALLEY ESTATES
SPOKANE COUNTY, WASHINGTON

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, AND RESERVATION OF EASEMENTS ("Declaration"), is made on the date hereinafter set forth, by LITTLE SPOKANE RIVER LIMITED LIABILITY COMPANY, a Washington limited liability company ("Declarant"), with reference to the following facts:

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

B. Declarant has improved or intends to improve the Property by constructing thereon certain residential improvements and related facilities, and to establish thereon a planned residential development, to be managed, operated, and maintained by an incorporated Association of Owners, for the benefit of all parts of the Property.

C. The development shall sometimes be hereinafter referred to as the "Project." The Owner of each Lot shall receive fee title to his individual Lot and the residential Dwelling thereon and all rights associated with membership in THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION.

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

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



ARTICLE 1
DEFINITIONS

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

1.1 Architectural Committee: the Architectural Committee created pursuant to Article 6 of the Declaration.

1.2 Articles: the Articles of Incorporation of the Association as amended from time to time.

1.3 Assessment: that portion of the costs of maintaining, improving, repairing, operating, and managing the Property which is to be paid by the Lot Owners as determined by the Association under this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 3 of this Declaration.

1.4 Association: THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION, a Washington non-profit corporation, formed or to be formed by Declarant, the members of which shall be the Owners of Lots in the Project.

1.5 Board or Board of Trustees: the governing body of the Association.

1.6 Bylaws: the Bylaws of the Association as amended from time to time. The initial Bylaws shall be adopted by the incorporating members of the Board of Trustees.

1.7 Common Area: all the real property and improvements located within the Project, other than the Lots, including the Landscaped Common Areas, and the Roads, all of which shall be owned by the Association for the common use and enjoyment of all Owners.

1.8 Common Expenses: means and includes the actual and estimated expenses of administration of the Association, and of the maintenance, repair, or replacement of those parts of the Project for which the Association is responsible, and any reasonable reserve for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the Project Documents.

1.9 Declarant: LITTLE SPOKANE RIVER LIMITED LIABILITY COMPANY, and its successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing completed Lots.



1.10 Declaration: This Declaration of Covenants, Conditions, and Restrictions and Reservations of Easements, as it may be amended from time to time.

1.11 Dwelling: that portion of any building which is located on a single Lot and which is designed and intended for use and occupancy as a residence by a single-family unit.

1.12 Landscape Common Areas: those portions of the Common Area which consist of landscape and entrance or parking areas, designated as such on the Maps of the Property, to be owned in fee and maintained by the Association.

1.13 Lot: any residential lot within the Project, created for the construction of a private Dwelling. The term "Lot" does not include any portion of the Common Area.

1.14 Member: a person entitled to membership in the Association as provided herein.

1.15 Mortgage: includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Lot.

1.16 Mortgagee: includes a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, or other holder of a mortgage on any Lot.

1.17 Mortgagor: includes a mortgagor, the trustier of a deed of trust, real estate contract vendee or other individual granting a security interest in any Lot.

1.18 Owner or Owners: the record holder or holders of title to or a contract vendee's interest in a Lot in the Project, other than Declarant. This shall include any person having a fee simple title to any Lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, shall be considered the "Owner" and the fee owner would be considered as a mortgagee.

1.19 Person: any natural person, corporation, partnership, association, trustee, or legal entity.

1.20 Maps: the recorded map or maps (and further maps relating to subsequent Phases) prepared by or for Declarant showing the surface of the Property and the division thereof into Lots and Common Area, and under further subdivision thereof into Landscape Common Areas and Roads.

1.21 Phase: a particular parcel of property which is or shall become part of the Project pursuant to the recordation of an appropriate Declaration of Annexation. The Property described in Exhibit A to this Declaration shall be deemed to be the first Phase of the Project and any parcel annexed to the Property described in Exhibit A under a Declaration of Annexation shall be deemed to be a subsequent Phase of the Project.

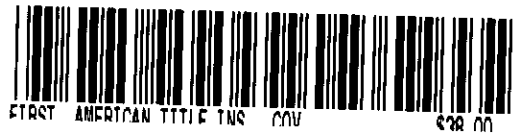


1.22 Project Documents: this Declaration, the Maps, the Articles and Bylaws of the Association, and any architectural or other rules promulgated by the Declarant or the Association pursuant to this Declaration or the Articles or Bylaws, as each shall be amended from time to time.

1.23 Property or Project (synonymous): the real property covered by this Declaration (including subsequent Phases when annexed), all easements, rights and appurtenances belonging thereto, and all improvements erected or to be erected thereon.

1.24 Roads: those portions of the Common Area consisting of private streets and roadways providing access from the Lots to the public rights of way, designated as such on the Maps for the Property to be owned in fee and maintained by the Association. The Roads are declared to be easements for the joint use of all property owners within the Project for ingress and egress between their lots and public streets.

END OF ARTICLES 1
DEFINITIONS



ARTICLE 2

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

2.1 Organization of Association

The Association is or shall be incorporated under the name of THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION, pursuant to the Washington Nonprofit Corporation Act.

2.2 Duties and Powers

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

2.3 Membership

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

2.4 Transferred Membership

Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer shall be void. If the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

2.5 Classes of Membership

The Association shall have two (2) classes of voting membership:



2.5.1 Class A Membership: Class A Membership shall be that held by each owner of a Lot other than Declarant, and each Class A Member shall be entitled to one (1) vote for each Lot owned. If a Lot is owned by more than one (1) person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote for each Lot. Fractional voting with respect to a particular Lot shall not be allowed, and if the Owners off a Lot present at a meeting of the Association , in person or by [proxy, cannot agree on how their vote should be cast, no vote shall be cast with respect to that Lot.

2.5. Class B Membership: Class B Membership shall be that held by Declarant who shall be entitled to three (3) votes for each Lot owned by Declarant; provided, that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(a) When the total outstanding voting power held by Class A Members in a particular Phase equals the total outstanding voting power (tripled as above) held by the Class B Member; provided, however, that Class B Membership shall thus terminate only with respect to that particular Phase; or

(b) On the tenth anniversary of the recordation of this Declaration or of the Declaration of Annexation for the most recently annexed Phase of the Project; or

(c) Declarant's voluntary conversion of Class B Membership to Class A Membership by written notice to the Association.

Upon conversion of Class B Membership, Declarant shall convey to the Association all of Declarant's right title and interest in any Common Area that has not previously been conveyed.

2.6 Voting Requirements

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

2.7 Membership meetings

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



2.8 Board of Trustees

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

2.9 Use of Agent

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

END OF ARTICLE 2
ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS



ARTICLE 3

ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

3.1 Creation of the Lien and Personal Obligation of Assessments

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

- 3.1.1 Regular Assessments;
- 3.1.2 Extraordinary Assessments; and
- 3.1.3 Special Assessments

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

3.2 Purpose of Assessments

The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the entire Project, for the improvement and maintenance of the Common Area, and for the common good of the Project. The Regular Assessments shall include an adequate reserve fund for maintenance, repair, and replacement of all such items which must be replaced on a periodic basis.

3.3 Regular Assessments

Until the end of the Association's fiscal year immediately following the closing of the sale of the first Lot in the Project, the annual maximum Regular Assessment per Lot shall be in the amount of \$200.00 as is set forth in the Project budget prepared by Declarant, payable in advance in one yearly installment. Each Lot's assessment for the first fiscal year shall be prorated based on the number of months remaining in that fiscal year. Thereafter, the Board



shall determine and fix the amount of the maximum annual Regular Assessment against each Lot at least sixty (60) days in advance of the beginning of each fiscal year.

3.4 Extraordinary Assessments

In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, an Extraordinary Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or of any component of any Dwelling for which the Association is responsible, to defray any unanticipated or underestimated expense not covered by the Regular Assessment (and, where necessary, for taxes assessed against the Common Area); provided, however, that the aggregate Extraordinary Assessments for any fiscal year shall not exceed twenty percent (50%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of two-thirds of the voting power of each class of Members.

3.5 Special Assessments

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

3.6 Allocation of Assessments: Limited Exemption

Each Lot shall bear an equal share of each Regular and Extraordinary Assessment; provided, however, that any Lot which does not include a completed Dwelling shall be exempted from the payment of such Assessments, for a period commencing upon closing of Declarant's sale of the Lot to an Owner until the earlier of the following:

- (a) a certificate of occupancy or its equivalent for the Dwelling has been issued; or
- (b) one hundred twenty (120) days after the issuance of a building permit for the Dwelling; or
- (c) one year after closing of the Owner's purchase of the Lot.

3.7 Date of Commencement of Assessment: Due Dates

The Regular Assessments provided for herein shall commence as to all Lots in the Project on the first day of the month following closing of the sale of the first Lot in the Project. Assessments shall be paid in advance, in quarterly installments. Except as provided in Section 3.6, the due date of the first installment of Assessments shall be the first day of the month



following the closing of the sale of each Lot individually. Annual notices shall be sent by the Association setting forth the amount of Assessments for the coming year, as provided in Section 3.3 above.

3.8 Exempt Property

Notwithstanding any other provision included in Article 3 herein the following property, which is otherwise subject to this Declaration, shall be exempt from all Regular, Extraordinary and Special Assessments created herein.

3.8.1 All lots or property owned y the Declarant which have not been improved with a residential structure for dwelling use; provided Declarant shall bear the difference between costs of operation and Assessments levied, during the period described in Section 2.5.2;

3.8.2 All lots or properties dedicated to and accepted by a local public authority;

3.8.3 All Common Area.

3.9 Transfer of Lot by Foreclosure or Sale

3.9.1 The sale or transfer of any Lot shall not affect any Assessment lien, or relieve the Lot from any liability therefore, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, the sale or transfer of any Lot pursuant to foreclosure or by deed in lieu of foreclosure of a recorded mortgage given in good faith and for value shall extinguish the lien of all such Assessments as to payment which became due prior to such sale or transfer (except for Assessments liens arising prior to the recordation of the mortgage). Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this Paragraph shall be deemed to be Common Expenses collectible from all of the Lots, including the Lot for which the lien was extinguished.

3.9.2 In a voluntary conveyance of a Lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter up to the time of the grantor conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement form the Board, setting forth the amount of the unpaid Assessments due the Association, and such grantee shall not be liable for, nor shall the Lot conveyed by subject to a lien for, Any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such Assessment becoming due after the date of any such statement.



3.10 Endorsement of Assessment Obligation; Priorities

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

END OF ARTICLE 3
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENT

REPAIR AND MAINTENANCE4.1 Repair and Maintenance Rights and Duties of Association

Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, the Association shall paint, maintain, repair and replace all parts of the Common Area (including Landscape Common Areas and Roads), or shall contract for such maintenance, repair and replacement to assure maintenance of such areas in good condition. However, the Association shall not be responsible for or obligated to perform those items of maintenance, repair or improvement which are the responsibility of the Owners as provided in Paragraph 4.2 below. In the event an Owner fails to maintain his Dwelling or Lot, or to provide other maintenance or repair as provided herein in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify the Owner of the work required and request it be done within thirty (30) days, five (5) days for routine landscaping maintenance, from the giving of such notice. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and if necessary, lien his Lot for the amount thereof, plus interest, attorneys fees and costs.

For the purpose of performing any maintenance, repair or replacement as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the Project or to other Dwellings, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agents and employee) shall have an irrevocable easement over and onto all portions of the Common Area, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Lot.

4.2 Repair and Maintenance Rights and Duties of Owners

Except for those portions of the Property which the Association is required or elects to maintain and repair, each Lot Owner shall, at his sole cost and expense, maintain and repair all components of his Dwelling and Lot (including interior and exterior, structural and non-structural, and all landscaping), keeping the same in good condition, and shall repair all damage to the Common Area for which the Owner is responsible. Each Owner shall have the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the interior of his Dwelling.

END OF ARTICLE 4
REPAIR AND MAINTENANCE



ARTICLE 5

EASEMENTS AND UTILITIES

5.1 Access and Maintenance Easements

Declarant expressly reserves for the benefit of the Owners reciprocal, nonexclusive easements for access, ingress and egress and utilities over all of the Roads and other Common Area, and for the use and enjoyment thereof. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the property, for walkways, vehicular access and such other purposes reasonable necessary for use and enjoyment of a Lot in the Project.

Declarant also expressly reserves for the benefit of the Board of Trustees and all agents, officers and employees of the Association, nonexclusive easements over the Common Area as necessary to maintain and repair the Common Area, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Area shall be appurtenant to, binding upon and shall pass with the title to, every Lot conveyed.

5.2 Encroachments: Maintenance and Utility Easements

Each Lot within the Property is hereby declared to have an easement over all adjoining Lots and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easements for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots of Common Area shall be permitted and that there shall be a valid easements for the maintenance of said encroachment so long as they shall exist.

Declarant also expressly reserves for the benefit of itself and its successor-in-interest and assigns, including the Association, easements over and under the Property as shown on the Maps (together with the right to grant and transfer the same) for the installation, repair, and maintenance of utilities, including without limitation sanitary sewer, water, electric, gas and telephone lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities and other services now or hereafter considered to be utilities, and for walkways and landscaping as may be hereafter required to serve the Property. Declarant expressly reserves to itself, together with the right to grant to Washington Water Power



Company and/or Inland Power and Light, U.S. West Communications, and Cox Cable and other utility providers and their successors such written easements as may be necessary for the installation, maintenance and repair of utility facilities serving the Project.

5.3 Owner's Right and Duties With Respect to Utilities

The rights and duties of the owners within the Project with respect to utilities shall be as follows:

5.3.1 Whenever sanitary sewer, water, electric, gas, television receiving, or telephone or other utility lines or connections are located or installed within the Project, which connections serve more than one Dwelling, the Owner of each Dwelling served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his Dwelling.

5.3.2 In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board which shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

END OF ARTICLE 5

EASEMENTS AND UTILITIES



ARTICLE 6

ARCHITECTURAL CONTROL

6.1 Architectural Committee

The Architectural Committee shall consist of three (3) members, all of which shall be appointed by the Declarant. The Declarant may at any time transfer the responsibility to appoint members of the Architectural Committee to the Association.

6.2 Prohibition of Alteration and Improvement

Subject to the exemption of Declarant hereunder, no structure, improvement, landscaping or alteration of any kind (which will be visible from other Lots, the Common Area or any public right of way) shall be commenced, erected, painted or maintained upon the Property, until the same has been approved in writing by the Architectural Committee.

6.3 Plans and Approval

Plans and specifications showing the nature, kind, shape, color, size, materials and location of any such structure, improvement or alteration shall be submitted to the Architectural Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to rebuild in accordance with plans and specifications previously approved by the Architectural Committee.

The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Article and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. An application submitted to the Architectural Committee pursuant to this Article shall be deemed approved, unless written disapproval or a request for additional information or materials by the Architectural Committee shall have been transmitted to the applicant within forty-five (45) days after the date of receipt by the Architectural Committee of all required materials.

6.4 Architectural Committee May Adopt Rules

The Architectural Committee, by majority vote of its members, may adopt or revise rules and regulations regarding the nature, kind, shape, color, size, materials and location of structures or improvements within the Property.



6.5 Non-Liability of Architectural Committee Members

Neither the Architectural Committee nor any member thereof shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder unless due to the willful misconduct or bad faith of the Architectural Committee or member. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed structure, improvement or alteration, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Project generally, 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.

6.6 Contractor

No home may be constructed on any Lot other than by a contractor licensed as general contractor under the statutes of the State of Washington without the prior approval of the Architectural Committee.

END OF ARTICLE 6
ARCHITECTURAL CONTROL

RESIDENCE AND USE RETRICTIONS

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

7.1 Use of Individual Lots

No commercial structure or building or any kind shall be erected on any Lot other than a single family dwelling for single family residential occupancy only, not to exceed two stories in height. All houses will have a minimum two (2) car garage. Outbuildings that compliment the exterior of homes shall also be premitted.

7.2 Business Use Prohibited

No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon an Lot, or within any Dwelling located on a Lot, nor shall any goods, equipment, vehicles, including buses, trucks and trailers of any description, or materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, or any vehicles in excess of 20,000 pounds gross weight (including buses, trucks, and trailers of any desription) used for private purposes, be kep, parked, stored, dismantled or repaired on any Lot, unless the same is garaged or totally screened from view from adjacent Lots and raodways, or on any of the Roads. Home occupations may be permitted with the specific written approval of the Architectural Committee.

7.3 Temporay Sturctures

No trailer, basement, tent, shack, garage, barn or other outbuilding or any structure of a temporary character erected or placed on the Property shall at any time be used as a residence permanently. No mobile homes shall be erected, installed or maintained on any Lot. Manufactured modular homes may be allowed with the consent of the Architectural Committee, subject to the same restrictions, rules and regulations governing other construction.

7.4 Minimum Dwelling Size

The ground floor of the main structure of a Dwelling, exclusive of open porches, decks, and garages, shall not be less than fifteen hundred (1,500) square feet for a one story Dwelling, nor less than one thousand two hundred (1,200) square feet for the ground floor area of a Dwelling of more than one story. For purposes of this provision, a Dwelling with a daylight basement shall be considered a Dwelling of more than one story.

7.5 Completion of Construction



Any Dwelling erected or placed on any Lot shall be completed as to external appearance, including finished painting, within nine (9) months from the date of commencement of construction. Each lot owner shall be required to clean up the lot of all cut or fallen trees, bushes, shrubs, etc. (clearing and grubbing) within two (2) months after the clearing and grubbing activity begins and to haul or burn the debris away from the subdivision. Each Owner shall also be required to clean up the lot within ten (10) days of completing construction or when deemed necessary by the Architectural Committee to present a neat and tidy appearance to each Lot during the building process. Landscaping plans shall be included in the plans submitted to the Architectural Committee, and shall be completed within 18 months after commencement of construction.

7.6 Building Set-Back and Fence Requirements: Wetland Buffers

No Dwelling or structure shall be located nearer to the side street line than the building set-back lines hereinafter provided. No structure shall be located on any Lot nearer than fifty (50) feet to the front Lot line, nor nearer than an average of thirty (30) feet to any side line, unless first approved by Architectural Committee. Fences shall be well constructed of suitable fencing materials and shall be artistic in design and shall not detract from the appearance of the Dwelling located on the Lot or in the opinion of the Architectural Committee be offensive to the other Owners within the Project, and shall be approved by the Architectural Committee. Fences, walls or shrubs are permitted to delineate the Lot lines of each Lot, subject to a determination whether such fences, walls or shrubs would interfere with utility easements reflected on the face of the Plat and other easements elsewhere recorded.

"Wetlands" for purposes of this declaration, shall be areas defined as such by applicable governmental authorities, statutes or regulations. Buffers in any wetland area shall consist of a seventy-five (75) foot structural setback from the edge of such wetlands, except in areas where slopes exceed twenty-five percent (25%) in which areas the structural set-back buffer shall be increased to one hundred (100) feet. No fences may be erected in or within the required setback buffers around wetlands.

7.7 Nuisances

No noxious, illegal, or offensive activities shall be carried on in any Dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Dwelling, or which shall be in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause as refusal to renew the same, or which will impair the structural integrity of any building.

7.8 Signs

Signs advertising Lots for sale or rent and political signs may be displayed on the appropriate Lot without prior approval of the Board or the Architectural Committee, provided that such signs shall be of reasonable and customary size, not to exceed five (5) square feet. Except as expressly permitted by this



Paragraph, no signs shall be displayed to the public view on any Dwellings or on any portion of the Property, unless first approved by the Board or the Architectural Committee.

7.9 Animals

No animals or birds of any kind shall be raised, bred, or kept in any dwelling, or on any portion of the Property, except that no more than two (2) large animals (Specifically being horses, llamas, or alpacas), and no more than three (3) usual and ordinary household pets (such as dogs and cats), may be kept, provided that no such animals may be kept, bred or maintained for any commercial purposes, and all such animals must be kept under reasonable control at all times. Large animals shall be fenced or enclosed within the owners' lot, and the fencing or other enclosure must be approved by the Architectural Committee prior to any construction or modifications thereof. Dogs shall be kept on leashes at all times that the dogs are in any common area. Owners shall prevent all of their animals, or animals temporarily on their property, from soiling all portions of the Common Area, and in any event that an animal does soil any portion of the Common Area, the owner or person in control of such animal shall immediately clean up after the animal. The Board may enact reasonable rules respecting the keeping of the animals within the Project and may designate certain areas in which animals may not be taken or kept, or may require that specific animals not be allowed on any part of the Project.

7.10 Pathways

All walks, Roads, bike paths located within the Common Area are for the use of Association Members on an equal basis, subject to reasonable rules and regulations promulgated in writing by the Association.

7.11 Garbage and Refuse Disposal

All rubbish, trash and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, wood piles, or storage piles shall be kept screened and concealed from view of other Dwellings, streets and the Common Area, except on such days designated for garbage collection.

7.12 Radio and Television Antennas

No Owner may be permitted to construct, use, or operate his own external radio or other electronic antennae, with the exception of a television dish or a television antennae for personal use, not to exceed twenty (20) feet in height, without the prior consent of the Architectural Committee.

7.13 Clothes Lines

No exterior clothes lines shall be erected or maintained without the consent of the Architectural Committee.



7.14 Power Equipment and Car Maintenance

No power equipment, work shops, or car maintenance of any nature whatsoever (other than minor repairs requiring no more than twenty-four (24) hours work) shall be permitted on the property except with prior written approval of the Board. In deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

7.15 Parking of boats, trailers, motorcycles, trucks, trucks/campers and like vehicles or equipment shall not be allowed on any street, but may be allowed within individual Lots, provided no unsightly or non-operational vehicles or equipment shall be maintained on any Lot and no accumulation of such vehicles or equipment shall be maintained or parked in such a way as to be unsightly or to constitute a nuisance. The Board of the Association shall have authority to employ a tow truck to remove any vehicle or equipment by any owner in violation of the provisions of this paragraph after prior written notice to the Owner, and the Owner of the lot upon which or in front of which such vehicle or equipment is being kept shall be responsible for any charges arising therefrom.

7.16 No Warranty of Enforceability

While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 7 or elsewhere in the Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot agrees to hold Declarant harmless therefrom.

7.17 No Shooting Area

At direction of Declarant, the entire development of BUCKEYE VALLEY ESTATES is a no shooting area.

7.18 Timber Harvesting

Clearing of timber for the sole purpose of building structures, landscaping, and roads is allowed. There shall be no harvesting of marketable timber on any Lot for commercial profit.

END OF ARTICLE 7
RESIDENCE AND USE RESTRICTIONS



ARTICLE 8

GENERAL PROVISIONS

8.1 Enforcement

The Association, or an Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. The prevailing party in any such proceeding shall be entitled to an award of attorneys' fees and costs. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Nor shall waiver of any particular covenant or restriction affect the continuing applicability of all other covenants and restrictions.

8.2 Invalidity of Any Provision

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

8.3 Conflict of Project Documents

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

END OF ARTICLE 8
GENERAL PROVISIONS



ARTICLE 9

DURATION AND AMENDMENT

9.1 Duration

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

9.2 Amendment

This Declaration may be amended at any time by a seventy-five (75%) affirmative vote of Association Members as provided in Article 2. No such waiver, termination, or modification shall be effective until a proper instrument in writing shall be executed by the Association and recorded in the office of the Auditor of the County of Spokane, State of Washington.

9.3 Exceptions

Exceptions to any of the above-listed covenants and restrictions shall be granted by the Board of Trustees when and only when two-thirds (2/3) of the Board determine such exception is in the best interest of the Association and consistent with the purposes of these covenants and restrictions; provided no exceptions shall be granted which;

9.3.1 affects or purports to affect the validity or priority of encumbrances or the rights or protections granted to encumbrancers as provided herein;

9.3.2 which would require a mortgagee after it has acquired a Lot through foreclosure to pay more than its proportionate share of any unpaid Assessment or Assessments accruing after such foreclosure;

9.3.3 which would or could result in an encumbrance being canceled by forfeiture, or in the individual Lot not being separately assessed for tax purposes;

9.3.4 which would or could result in the partition or subdivision of a Lot, in any manner inconsistent with the provisions of this Declaration;

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



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9.4 Protection of Declarant

Notwithstanding any other provision of this Declaration, the prior written approval of Declarant, as developer of the Property, will be required before any amendment which would impair or diminish the rights of Declarant to complete the Property or sell or otherwise dispose of Lots therein in accordance with this Declaration shall become effective.

END OF ARTICLE 9
DURATION AND AMENDMENT



ARTICLE 10

DECLARANT'S RIGHTS AND RESERVATIONS

10.1 Reservations to Declarant Declarant is undertaking the work of construction of the Project and the creation of the development of the Property. The completion of that work and the sale or other disposition of the Lots is essential to the establishment and welfare of the Property as a residential community. In order that said work may be completed and said Property be established as a fully residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

10.1.1 Prevent Declarant, its contractors, or subcontractors from doing on the Property, whatever is reasonably necessary or advisable in connection with the completion of the work; or

10.1.2 Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same in parcels by sale or other disposition; or

10.1.3 Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale or disposition thereof

So long as Declarant, its successors-in-interest and assigns, owns one or more of the Lots established and described in this Declaration and except as otherwise specifically provided herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declarations.

10.2 Termination of Any Responsibility of Declarant

In the event Declarant shall convey all of its right, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

END OF ARTICLE 10
DECLARANT'S RIGHT AND RESERVATION

DECLARATION OF COVENANT TO SPOKANE COUNTY

In consideration of the approval by Spokane County of BUCKEYE VALLEY ESTATES (hereinafter referred to as the "Development"), the undersigned covenants and agrees that:

1. The subdivider/sponsor will construct the private roads and associated drainage facilities in conformance with the approved plans on file in the County Engineer's Office.
2. A lot is served by the private road when: (a) the only road frontage for the lot in the Development is on the private road; or (b) a lot having frontage on more than one road (public or private) constructs an approach to private road.
3. THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION, or their successors in interest, shall maintain the private roads and associated drainage facilities in conformance with the approved plans on file in the County Engineers' office and the cost thereof shall be allocated as Common Area expenses as provided in the Declaration of Covenant for Buckeye Valley Estates. The Association shall also bear one-half of the actual and necessary expenses incurred in maintaining the usability of the roadway across the neighboring sub-division, Half Moon Lake Estates, which also provides a means of access to the Project. Shared expenses shall consist of normal operating expenses such as snowplowing and/or sanding during winter months to facilitate continuing use of the roadway. Maintenance expenses shall not, however, include charges for repair, construction, or reconstruction of any portion of the pavement or roadway.
4. The Owner(s) of any Lot created by the Development or alteration thereof and served by a private road shall be responsible for financing the maintenance of said private road including associated drainage facilities.
5. Maintenance financing of the private roads and associated drainage facilities shall be in a manner determined by THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION or their successors in interest.
6. Should THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION be terminated for any reasons, the successors in interest shall be the individual Lot Owners, or their successors in interest, who are members of THE BUCKEYE VALLEY ESTATES HOMEOWNERS ASSOCIATION at the time of said termination.
7. Prior to the issuance of a building permit for each Lot within the Project, a private well and septic disposal facility shall be developed at the Lot Owner's expense.

END OF DECLARATION OF COVENANT
TO SPOKANE COUNTY

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EXECUTED as of the 5th day of February, 1997.

DECLARANT:

LITTLE SPOKANE RIVER LIMITED
LIABILITY COMPANY

By [Signature]
Lowell McKee, Managing Member

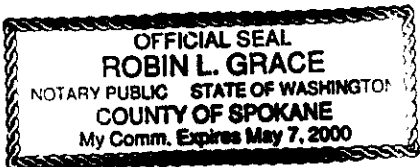
By [Signature]
William Dashiell, Managing Member

STATE OF WASHINGTON)
County of Spokane) ss
)

I certify that I know or have satisfactory evidence that ~~Gregory Blessing~~ and Lowell McKee signed this instrument, on oath stated that they were authorized to execute this instrument and acknowledged it as the managing Members of LITTLE SPOKANE RIVER LIMITED LIABILITY COMPANY, to be the free and voluntary act of such company, for the uses and purposes mentioned in the instrument.

William C Dashiell

DATED: February 5, 1997



[Signature]
Print Name: Robin L. Grace
NOTARY PUBLIC in and for the State of
Washington, resident at Spokane
My appointment expires 5-7-00