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WHEN RECORDED RETURN TO:

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SPOKANE, WA 99216

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OVERLOOK AT QUALCHAN
AND
OVERLOOK VILLAGE

LEGAL: LOTS 1 THROUGH 9, BLOCK 2 OF QUALCHAN HILLS FIRST ADDITION
(SEE EXHIBIT "A" FOR FULL LEGAL DESCRIPTION)

TAX PARCEL NO.



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DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

OVERLOOK AT QUALCHAN

AND

OVERLOOK VILLAGE

(Residential subdivisions in Spokane, Washington)

[This replaces and supercedes ab initio that certain Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Qualchan L.I.D. filed under Spokane County Auditor's No. 4353831 on April 12, 1999]

FILED AT THE REQUEST OF:

TRUNKENBOLZ | ROHR | DRISKELL PLLC
Attorneys

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Spokane, Washington 99216
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REPLACEMENT OF PRIOR COVENANTS

This Declaration of Covenants, Conditions and Restrictions shall fully replace and supercede, ab initio, that certain Document entitled Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Qualchan L.I.D., a Homeowners Association, filed of record in Spokane County, Washington, under Auditor's No. 4353831 on April 12, 1999, which was applicable to the real property described on Exhibit "A" attached hereto. These new replacement provisions contained herein will only apply to the real property described in Exhibit "B" attached hereto, and the property listed on Exhibit "A" but not on Exhibit "B", commonly referred to as the "Black Property" and the "HRH Property" will have their own new covenants filed of record at a later date.

PREAMBLE

To Establish Guidelines for Home Construction and Harmonious Living

Legal Description

The legal description to which the Covenants, Conditions and Restrictions stated herein shall apply to is appended hereto as Exhibit "B", which is incorporated herein as though set forth herein. The owners of said properties, described on Exhibit "B", hereby declare and grant this Declaration to be effective as to said real property and shall bind all current and subsequent owners, heirs, assigns, transferees, lessees and fee title holders, of any nature whatsoever, until such time as said Declaration may be amended as setforth herein or by operation of law.

COVENANTS, CONDITIONS, AND RESTRICTIONS:

A. ENTIRELY PROTECTED RESIDENTIAL AREAS

The Residential Covenants in Part B below, in their entirety, shall apply to both Overlook at Qualchan and Overlook Village, unless setforth to the contrary in a specific section of Part B. The remainder of this Declaration is hereby deemed to apply to both Overlook at



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Qualchan and Overlook Village so as to insure consistency and efficiency in decision making and treatment.

B. RESIDENTIAL COVENANTS

B-1: Land Use and Building Type

No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed normal heights for one (1), one and one-half (1 1/2) and two (2) story dwellings and a private garage with each dwelling for at least two (2) cars. This shall not, however, prohibit one party from buying 2 lots and using them together as one residential dwelling, as long as all applicable City/County regulations, ordinances, etc. are complied with.

B-1A: Architectural Control

No building shall be erected, placed or altered on any lot until the construction plans and specifications, and a plan showing the location of the structures have been approved by the Architectural Control Committee as to the provisions of this Declaration, including but not limited to: quality of workmanship and materials, harmony of size and external design with existing structures, and as to the location with respect to topography and finished grade elevation. No fence, wall or equivalent thereof shall be erected, placed, planted or altered on any lot nearer to any street than the minimum building setback lines shown on the Plat, or allowed by the City, unless jointly approved by any applicable governmental authority and the Architectural Control Committee (ACC). Approval of the ACC shall be as is provided for in Part C.

B-2: Dwelling Quality and Size

The ACC shall have the sole discretion on the quality and size of each approved dwelling, or modifications thereto, within the subdivisions. Construction shall begin not less than eight (8) calendar months after lot closing and said home shall be completed as to all exterior aspects within eight (8) months after beginning of construction. All plans shall be submitted to the ACC prior to commencement of construction or remodel and any such plans not disapproved in writing within fifteen (15) days of the date submitted, not counting the date of submittal, shall be deemed approved.



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B-3: Building and Location:

a. No building shall be located on any lot nearer to the front line or nearer to the side street line than the minimum building setback lines shown on the recorded plat or as is permitted by local authorities. In any event, no building shall be located on any lot nearer to the front line, nearer to any side street or nearer to the rear lot line than what is prescribed as a minimum by the City of Spokane for the lots within the subject Plats. Side yard and rear yard setbacks shall be determined at the time building permits are requested. The setbacks indicated herein may be varied from, if ACC and proper zoning approvals are obtained.

b. For the purposes of this covenant, eaves, steps and open porches shall not be considered as part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

B-4: Easements – Common Areas - Assessments

Easements for installation and maintenance of roads, utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of roads or utilities. The easement area of each lot and all improvements in it shall be maintained adequately and continually by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. All roadway easements for private roadways are hereby deemed to be reciprocal easements with rights of access, ingress and egress for each and every other subdivision not a part of this Declaration which abuts any portion of these subdivisions affected hereby which have roadways that are public or private and must connect to the roadways in these Plats to comply with County or City rules and regulations.

Each lot may have drainage easements as per "208" requirements. The home owner shall be required to install and maintain grass within this drainage area as per County requirements. Grass shall be installed within six (6) months after completion. NO fence or other structure shall be permitted in, on or over said drainage area.



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TRANSACTION, TITLE INS CO COV \$28.00

Common Areas within the Plats, including any roadways, open areas or other lands to be commonly owned as shown on the Plats, shall be deeded from the applicable Developer to a non-profit corporation to be established under the name of Overlook Homeowners Association, or such other name as might be approved by the State of Washington, to hold title to the Common Areas within the Plats. The Developer(s) shall have the controlling vote in the Association (majority vote required if more than one (1) Developer has voting under this provision) as long as any developed lot remains unsold to the initial dwelling owner/occupant. Thereafter, each lot owner shall have one vote in the Association and a majority of votes shall control all decisions of said Association. The Association shall have the right to assess each lot owner for its prorata share of all costs of insurance, maintenance and upkeep for the Common Areas held by the Association, Provided However, when a private road or drive serves only a specific lot or lots, the cost of maintenance and snow removal shall be charged only to those lots serviced by the road, on a prorata basis. If a private road connects to another private road or connects 2 public roads, the cost of maintenance and snow removal shall be prorated to all lots to which this Declaration of Covenants is applicable. Failure to pay any such assessment within 30 days of the date written notice of the assessment is mailed to a lot owner shall allow the Association to file a lien on said lot for the assessment amount, plus interest at 1% per month and all legal and title examination fees incurred, and the Association shall have the ability, but not the obligation, to foreclose the assessment lien as a Mortgage under the laws of the State of Washington as they pertain to foreclosure of Mortgages. Said obligation may also be the subject of a civil lawsuit in an appropriate Court in Spokane County as a normal civil action, if desired. The Association shall be governed by a set of By-Laws, and Board Members and Officers shall be elected by a majority vote on a yearly basis. During the development period while the Developer(s) control the Association, such Developer shall be responsible for all functions of the Association stated above. The Board Members shall be responsible for appointment of the ACC members once no developers have controlling vote. Prior to that time, the developers with controlling vote shall appoint the ACC members.

B-5: Nuisances

No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.



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B-6: Signs

No sign of any kind shall be displayed to the public view on any lot except for professional signs of not more than one (1) square foot, one (1) sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a developer or builder to advertise the property or a dwelling for sale during construction and sales period.

B-7: Livestock and Poultry

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot smaller than two (2) acres, Provided However that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes and that they are adequately controlled when out side the confines of the dwelling unit . No animal "runs" or kennels of any kind may be placed on any lot without the approval of the ACC.

B-8: Garbage and Refuse Disposal

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers, not visible from any street except for the day of collection by the applicable waste removal provider. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

B-9: Landscaping

Front yard landscaping shall be completed within six (6) months of date of occupancy of the dwelling by the initial occupant, and the side and rear yards shall be landscaped within one (1) years from said date of occupancy.

Owners understand that they are responsible for providing grass for the graded swale as per "208" specifications. In the event grass is not placed in the swale area system as per County requirements immediately after completion of dwelling, then the Architectural Control Committee shall cause grass to be installed and an assessment to be placed on the record against the lot and said lien and obligation shall be treated as is provided for in part B-4 above.

C. ARCHITECTURAL CONTROL COMMITTEE



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C-1: Membership

The Architectural Control Committee is composed of:

**MIKE MURPHY
GENE BRAZINGTON
JIM BJORKLUND**

A majority of the committee shall have the authority to make decisions for the Committee or may delegate a representative to act for them. In the event of the death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

C-2: Procedure

The committee's approval or disapproval as required in these covenants shall be in writing, unless deemed approved, as stated hereinbefore.

D. GENERAL PROVISIONS

D-1: Term

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded; after which time said covenants shall be automatically extended for successive periods of ten (10) years unless and instrument is signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or part.

D-2: Enforcement

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain or to recover damages.

D-3: Severability



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Invalidation of any one of those covenants by judgment or court order shall in no wise effect any of the other provisions which shall remain in full force and effect.

E. VIOLATIONS – GOVERNMENTAL LAWS/ORDINANCES

These covenants shall not be construed as the right to violate any existing or future laws or county or city ordinance.

F. COMMERCIAL USES

No activities shall be allowed which could be construed as a commercial activity, nor shall any type of commercial vehicles, other than a passenger car or pickup truck, be allowed to remain overnight or for a period of in excess of eight (8) hours on any street or lot within the subdivisions.

G. OTHER RESTRICTIONS

No travel trailers, recreation vehicles or motor homes shall be kept in the street; no junk or inoperable cars or trucks shall be kept on any lot or in the street. Recreation vehicles or travel trailers shall be kept at a specifically designated area, back from the front of the garage on any lot. (This includes campers, trailers, boats or other recreational or unsightly equipment.) No vehicles, including, campers, trailers or boats shall be parked on the street for a period more than seven (7) days.

G-1: Miscellaneous Restrictions

No satellite dishes greater than twenty-four inches (24”) in diameter shall be permitted. No solar panels of any type shall be permitted on the roof of any structure unless approved by and at the sole discretion of the Architectural Control Committee.

H. HOMEOWNERS ASSOCIATION

In addition to the provisions set forth in paragraph B-4 above, all common area established on the property to which these covenants apply, including but not limited to all private roads as may be designated on the plats, shall be deeded by the applicable Developer / Landowner to the Overlook Homeowners Association, or such other similar name as may



be permitted in the State of Washington, which Association shall be established as not for profit corporation in the State of Washington.

Such deeded property shall not thereafter be sold, but shall be held by the Association for the benefit of the lots within the subdivisions and as such, such Association shall apply to the Spokane County Assessor for any available property tax exemption.

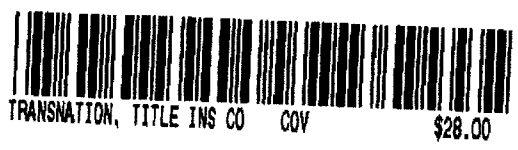
All lots within the plats of the subject property shall and are hereby granted reciprocal easements for travel, ingress, egress, access and for utility purposes, which rights shall be appurtenant to the ownership of each Lot and shall not be divided or assigned, in whole or in part.

The voting Members of the Association shall at all times hold and reasonably manage said common areas for all common matters, such as but not limited to: private street snow removal, private street cleaning and the repair and/or replacement of any private streets or private utilities within said private streets.

A majority of the voting Members of the Association shall appoint a Board of Directors for the Association, which shall consist of not less than 3 persons who need not be owners of Lots within the subdivisions. The term of each elected Board Member shall be one year and new Board Members shall be elected at the conclusion of each general Membership meeting, after the estimated budget has been adopted for that coming year.

An estimated budget for Common Area expenses for the remainder of the current year shall be established by the Board of Directors of the Association and shall be provided to the homeowners prior to the first sale of any lots within the subject property. Thereafter, within the first 30 days of each new calendar year, a majority of the Association Board of Directors shall prepare an estimated budget of Common Area expenses for the coming year and adopt the same at a duly called general Association Membership meeting. The Total of the budget for the next period shall be divided by the total approved Lots within the subject property, and the resulting number shall be the Common Area dues per Lot for the next one year period, provided however, the costs of maintenance and snow removal of certain private roads may be allocated to the lots served as is more fully set forth in paragraph B-4 above. Any one of the then current Board Members of the Association may provide interested parties with written confirmation, with nominal processing cost if desired, of any past due annual or Monthly Common Area assessments.

Once a yearly budget is established, the Association Board shall issue notices of assessment to each Lot owner within the subject property on as frequent of a basis as the



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Board shall elect. Each assessment, once notice thereof is mailed to the last known address provided to the Board by each lot owner, shall become a Formal Common Area Assessment. Failure of any Lot owner to pay a Formal Common Area Assessment within thirty (30) days of the effective date of a Formal Assessment, as described immediately above, shall entitle the Board to file an Assessment Lien against the non-paying Lot. Said liens shall include a late charge of \$25.00 and reasonable attorneys fees for preparation of the lien. Each Assessment Lien may be foreclosed like a Mortgage under the laws of the State of Washington, and the Lot owner shall be responsible for the payment of the Lien amount, costs of searching title of the Lot for Notice purposes, and reasonable attorneys fees and costs of suit in the lien foreclosure action. Once an Assessment Lien, and all chargeable costs and expenses is paid in full, the Board shall cause a Release of Assessment Lien to be promptly filed of record.

I. DRAINAGE EASEMENTS

PROPERTY/DEVELOPMENTS

The general area known as Qualchan is comprised of a number of residential subdivisions. To the extent possible and as may be permitted by the City of Spokane, each plat is to be responsible for handling storm water drainage for any storm water accumulations within each plat. To effect these needs and desires, the owners of Overlook at Qualchan and Overlook Village have opted to have their own set of Covenants, Conditions and Restrictions and provide for storm water drainage therein.

As an aid to storm water management, within the two plats comprising the Exhibit "B" property, an easement exists over other property in favor of the Exhibit "B" property, filed of record under Spokane County Auditor's No. 4355836 n April 15, 1999. The rights to utilize and the obligations to maintain said easement area shall be held by the Homeowners Association created herein and costs thereof shall be assessed as normal common area expenses to all lots within the Exhibit "B" property.

All lots within the Exhibit "B" property shall also be responsible for complying with and maintaining other storm water drainage facilities required by the City of Spokane in conjunction with approving the subject plats.

IN WITNESS WHEREOF, the undersigned, being the Declarant / Developer / Landowners, Secured Parties, or other parties having any interest in the real property described on Exhibits "A" and "B" attached hereto, hereby attest, agree and adopt these Covenants, Conditions and Restrictions to apply to said parcels of real property identified in Exhibit "B" for the term stated herein.



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DECLARANT/LANDOWNERS:

OVERLOOK HOMEOWNERS ASSOCIATION, F/K/A QUALCHAN L.I.D.

BY: H.E. Brazington
H.E. BRAZINGTON, PRESIDENT

DATE: 2-9-01

BY: _____
MICHAEL MURPHY, SECRETARY

DATE: _____

INLAND ASPHALT, INC.

BY: _____
MICHAEL MURPHY, PRESIDENT

DATE: _____

POS DEVELOPMENT

BY: H.E. Brazington
H.E. BRAZINGTON, PRESIDENT

DATE: 2-9-01

CLS MORTGAGE, INC.

BY: H.E. Brazington
H.E. BRAZINGTON, PRESIDENT

DATE: 2-9-01



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DECLARANT/LANDOWNERS:

OVERLOOK HOMEOWNERS ASSOCIATION, F/K/A QUALCHAN L.L.D.

BY: _____
H.E. BRAZINGTON, PRESIDENT

DATE: _____

BY: Michael Murphy
MICHAEL MURPHY, SECRETARY

DATE: 2-23-01

INLAND ASPHALT, INC.

BY: Michael Murphy
MICHAEL MURPHY, PRESIDENT

DATE: 2-23-01

POS DEVELOPMENT

BY: _____
H.E. BRAZINGTON, PRESIDENT

DATE: _____

CLS MORTGAGE, INC.

BY: _____
H.E. BRAZINGTON, PRESIDENT

DATE: _____

