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DECLARATION OF COVENANTS TO RUN WITH
LANDS PLATTED AS "WILDERNESS LAKE"
TO PEND OREILLE COUNTY, WASHINGTON

WILFRED JOHNSON, AUDITOR
PEND OREILLE COUNTY
BY: Lora Jared
DEPUTY

Book 12, Page 846 through page 861

I. RECITALS

1. The undersigned, WILDERNESS LAND, INC., a Washington corporation, and CHEOKAN PARK ASSOCIATES, a Washington Limited Partnership, by LAND INVESTMENT SERVICES, INC., a Washington corporation, its General Partner, ESTHER LAIRD, a widow, GREEN MEADOWS, INC., WILLIAM J. PIPER and THEODORA PIPER, husband and wife, ALLEN L. PIPER, a single man, ESTHER V. KENNEDY, widow of Berlin Hugh Kennedy, REX M. HASKELL and GRACE HASKELL, husband and wife, DONALD R. HASKELL and MYRLENE HASKELL, husband and wife, D. R. KETTWIG and MILDRED M. KETTWIG, husband and wife, DONALD C. KRESS and ANNE KRESS, husband and wife, D & M INVESTMENT SERVICES, INC., a Washington corporation, WILDERNESS LAKE, INC., and UNITED SECURITY BANK, hereinafter referred to as Declarants, are the owners of certain land in Pend Oreille County, Washington, on which has been established a subdivision known as Wilderness Lake, by plat recorded at Page 3, Volume 1838 of plats in the land records of Pend Oreille County, Washington, hereinafter referred to as Subdivision.

2. Declarants intend to sell the platted lots in the subdivision and desire to subject each of them to certain uniform protected covenants and restrictions for the benefit of all other lots in the subdivision and their owners, purchasers, and other lawful occupants.

3. The subdivision is designed to be a recreational development (which may through time become a residential development) with a system of private roads and other common facilities and services to augment its natural scenic and recreational assets. The uniform protective restrictions and covenants hereby established are intended to preserve and enhance the values and amenities of the community.

4. Wilderness Lake Homeowners Association, hereinafter referred to as the Association, is to be organized as a nonprofit corporation under the laws of the State of Washington, to acquire, hold, regulate;

govern, operate, and maintain in accordance with its by-laws as from time to time amended, the common facilities and services in said community and, through proper officers, to interpret and enforce the protective restrictions and covenants hereby established.

II. GENERAL PROVISIONS

1. All land in the subdivision except common areas shall be acquired, leased, held, and transferred subject to those protective restrictions and covenants, which are intended to benefit all lots and their respective owners, purchasers, and other lawful occupants. Accordingly, these protective covenants and restrictions shall run with land and every person who by deed, contract or lease acquires any interest in any of said lots or portions thereof shall be deemed to have made and accepted such deed, contract, or release subject to all of the restrictions, conditions and covenants herein stated; and his respective heirs, executors, assigns or other successors in interest shall be bound by them to the same extent as the original purchaser or guarantee.

2. These protective covenants and restrictions shall be enforceable at law and in equity by any owner, purchaser or other lawful occupant of land in the subdivision, including the association, against any person who shall violate or attempt or threaten to violate them.

3. These protective covenants and restrictions shall be deemed fully and sufficiently described and incorporated in any instrument and conveyance by reference to the same as "Protective Covenants of Wilderness Lake," and the fee number of the auditor of the Pend Oreille County, Washington, under which they are recorded.

4. Each and every covenant, restriction, and reservation, and service contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more separate covenant, restriction, reservation, or condition, shall

for any reason be held to be invalid or unenforceable, all remaining covenants, restrictions, conditions, or reservations, shall nevertheless remain in full force and virtue.

III. PROPERTY SUBJECT TO THIS DECLARATION

The property which is, and shall be held, transferred, sold, conveyed and occupied, subject to this declaration is located in Pend Oreille County, Washington, and is more particularly described on Exhibit A which is attached hereto and incorporated herein by this reference.

IV. BUILDINGS

1. The premises may be used only for single family residences with the usual outbuildings. One lot, as shown on the plat of Wilderness Lake, shall be the minimum building area upon which a single family residence and the usual outbuilding may be constructed. One or more lots may be utilized as a single building lot. All lots in this subdivision shall be known and described as residential lots, and shall not be further subdivided. No building may be constructed closer than 100 feet to any property line and not closer than 50 feet to any road or high water line of Wilderness Lake.

2. The exterior appearance, including finish and painting, of any building erected or placed on any lot shall be completed within four (4) years from the date building was started. All buildings shall be constructed according to current uniform building code provisions.

3. Tents, campers, trailers and mobile homes shall be of good construction and in good condition and appearance. Units of this type may not be placed closer than one hundred (100) feet to any property line and not closer than fifty (50) feet to any road or main high water line of any stream, river, lake or public recreation area. Notwithstanding the foregoing, not more than two (2) tents, campers,

trailers or similar recreational units may occupy the lot at any one time for a period not to exceed forty-eight (48) hours in any one week.

4. All buildings, fences, campers, trailers, and mobile homes must be properly maintained and in good exterior appearance. There shall be no accumulation of junk, old cars, garbage, cans or other unsightly items, in accordance with any existing county ordinance.

5. The lots and buildings shall be maintained in a clean and neat condition and shall present a favorable appearance to passerbys on roads and public waters and to adjacent property owners.

6. The said premises or any building erected thereon shall not at any time be used for the purpose of any trade, business, or manufacture.

7. No animals, birds, or fowl, shall be kept or maintained on any part of the property except dogs, cats, horses, and pet birds which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants, but not for any commercial use or purpose. Birds shall be confined to cages.

8. Property line and other fences or screens must be of reasonable height and may not unduly obscure the view or detract materially from the use and enjoyment of adjacent property.

9. The lot owner shall provide and is responsible for obtaining all of his own facilities, including but not limited to water, sewage disposal, and electricity. Further, Declarants provide no guarantee that water is available on the property.

10. All facilities for sewage disposal and water supply system for portable use shall be constructed and operated in a sanitary manner acceptable to the county health office; trailer homes shall be self-contained or have acceptable facilities for sewage disposal and water supply.

11. No gas powered motor boats shall be allowed on Wilderness Lake or any other waterways within the plat.

12. Hunting of any animal or fowl is prohibited within the plat above described.

V. DEDICATIONS

All dedications herein set forth are to the association and all members of the association, and all individuals who may become members of the association through purchase.

1. The Declarants do hereby set aside that certain strip of land, encircling the body of water known as Wilderness Lake located on the lake side of the dedicated road as specified on the plat map surrounding said lake.

2. Declarants hereby reserve an easement for all property owners to fish in all streams within the plat.

VI. ROADS

The declarants shall provide a road system for the plat. The road system shall be owned, maintained, and operated by the association.

VII. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

1. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot which is subject by covenants of record to assessment by the Association, shall be a member of the Association; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in No. 1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interests required for membership by No: 1. When more than one person holds such interest or interests in any Lot all such persons shall be members, and

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the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by No. 1, provided that the Class B membership shall cease and become converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On September 30, 1978.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership under No. 1.

VIII. COVENANT FOR MAINTENANCE ASSESSMENTS

1. The Developer for each Lot owned by him within the properties hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs

of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fall due.

2. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the common properties and of the homes situated upon the properties, including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof.

3. Until the year beginning January, 19___, the annual assessment shall be _____ dollars per lot. From and after January 1, 19___, the annual assessment may be increased by vote of the Members, as hereinafter provided, for the next succeeding three years and at the end of each such period of three years for each succeeding period of three years. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

4. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common properties, including the necessary fixtures and per-

sonal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

6. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for

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commencement. The assessments for any year, after the first year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

8. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

9. The lien of the assessments provided for herein shall be subordinated to the lien of any mortgage or mortgages now or hereafter

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placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

10. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all common properties as defined in Article XIII, Section 3 hereof; (c) all properties exempted from taxation by the laws of the State of Washington, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments; charges or liens.

IX. UTILITIES

The Declarants shall provide no utilities except roads as shown on the recorded subdivision plat of the properties.

X. ARBITRATION

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

XI. ENFORCEMENT OF COVENANTS

Any violation of covenants appearing in these Articles shall be considered to be a nuisance and the Association or its duly appointed

representative shall have the right upon fifteen (15) days written notice to enter upon the parcel where the violation occurs or appears and abate the nuisance at the expense of the owner, lessee or other person in control or possession. The Association, its duly appointed representative, or any person owning or leasing land in the subdivision may prosecute a civil action against any person or persons violating, or attempting to violate any of these protective covenants to either enjoin or otherwise prevent the violation or attempted violation or recover damages therefor. The Association or any person bringing such action shall be entitled to recover from the violator any reasonable attorney's fees, court costs and other costs reasonably incurred and awarded by judgment of the court having jurisdiction, which costs shall constitute a lien upon the violator's land in the subdivision or interest therein.

XII. DURATION OF PROTECTIVE COVENANTS

These protective covenants shall be binding upon all persons owning or leasing land in the subdivision until 1988, at which time these protective covenants shall be automatically extended and renewed for successive periods of ten years, unless by vote the persons owning or leasing a majority of the residential lots in the subdivision agree to change the covenants in whole or in part.

XIII. DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

1. "Association" shall mean and refer to the Wilderness Lake Owners Association.
2. "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration under the provisions of Article III, hereof.
3. "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and

intended to be devoted to the common use and enjoyment of the Owners of The Properties.

4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

6. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article VII hereof.

DATED at _____, Washington, this _____ day of _____, 1975.

Esther V. Kennedy
ESTHER V. KENNEDY

WILDERNESS LAND, INC.

REX M. HASKELL

By Harold A. Duncanson
President

GRACE HASKELL

By James E. Schulberg
Secretary

DONALD R. HASKELL

CHEOKAN PARK ASSOCIATES, a Washington Limited Partnership

MYRLENE HASKELL

By Myrtle Haskell, Pres.

D. R. KETTWIG

LAND INVESTMENT SERVICES, INC., a Washington corporation, its General Partner

Mildred M. Kettwig
MILDRED M. KETTWIG

Donald C. Kress a Limited Partner of Cheokan Park Assoc, a Limited Partnership by and through its General Partner, the Washington Corporation, Land Investment Services, Inc.

DONALD C. KRESS

Esther Laird
ESTHER LAIRD

Anne Kress Limited Partner of Cheokan Park Assoc a Limited Partnership by and through its General Partner, the Washington Corporation, Land Investment Services, Inc.

ANNE KRESS

govern, operate, and maintain in accordance with its by-laws as from time to time amended, the common facilities and services in said community and, through proper officers, to interpret and enforce the protective restrictions and covenants hereby established.

IV. GENERAL PROVISIONS

1. All land in the subdivision except common areas shall be acquired, leased, held, and transferred subject to those protective restrictions and covenants, which are intended to benefit all lots and their respective owners, purchasers, and other lawful occupants. Accordingly, these protective covenants and restrictions shall run with land and every person who by deed, contract or lease acquires any interest in any of said lots or portions thereof shall be deemed to have made and accepted such deed, contract, or release subject to all of the restrictions, conditions and covenants herein stated; and his respective heirs, executors, assigns or other successors in interest shall be bound by them to the same extent as the original purchaser or guarantor.

2. These protective covenants and restrictions shall be enforceable at law and in equity by any owner, purchaser or other lawful occupant of land in the subdivision, including the association, against any person who shall violate or attempt or threaten to violate them.

3. These protective covenants and restrictions shall be deemed fully and sufficiently described and incorporated in any instrument and conveyance by reference to the same as "Protective Covenants of Wilderness Lake," and the fee number of the auditor of the Pend Oreille County, Washington, under which they are recorded.

4. Each and every covenant, restriction, and reservation, and service contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more separate covenant, restriction, reservation, or condition, shall

for any reason be held to be invalid or unenforceable, all remaining covenants, restrictions, conditions, or reservations, shall nevertheless remain in full force and virtue.

III. PROPERTY SUBJECT TO THIS DECLARATION

The property which is, and shall be held, transferred, sold, conveyed and occupied, subject to this declaration is located in Pend Oreille County, Washington, and is more particularly described on Exhibit A which is attached hereto and incorporated herein by this reference.

IV. BUILDINGS

1. The premises may be used only for single family residences with the usual outbuildings. [REDACTED] shall be the minimum building area upon which a single family residence and the usual outbuilding may be constructed. One or more lots may be utilized as a single building lot. All lots in this subdivision shall be known and described as residential lots, and shall not be further subdivided. No building may be constructed closer than 100 feet to any property line and not closer than 50 feet to any road or high water line of Wilderness Lake.

2. The exterior appearance, including finish and painting, of any building erected or placed on any lot shall be completed within four (4) years from the date building was started. All buildings shall be constructed according to current uniform building code provisions.

3. Tents, campers, trailers and mobile homes shall be of good construction and in good condition and appearance. Units of this type may not be placed closer than one hundred (100) feet to any property line and not closer than fifty (50) feet to any road or main high water line of any stream, river, lake or public recreation area. Notwithstanding the foregoing, not more than two (2) tents, campers,

trailers or similar recreational units may occupy the lot at any one time for a period not to exceed forty-eight (48) hours in any one week.

4. All buildings, fences, campers, trailers, and mobile homes must be properly maintained and in good exterior appearance. No trash, junk, debris, equipment, out growth, noxious odor or other waste shall be permitted to accumulate on any lot. No lot shall be used as to unreasonably interfere with the peaceful use or enjoyment of any other lot. Open garbage pits will not be permitted on the lots.

5. The lots and buildings shall be maintained in a clean and neat and orderly condition and shall present a favorable appearance to passersby on roads and public waters and to adjacent property owners.

6. The said premises or any building erected thereon shall not at any time be used for the purpose of any trade, business, or manufacture other than residential or recreational purposes.

7. No animals, birds, or fowl, shall be kept or maintained on any part of the property except dogs, cats, horses, and pet birds which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants, but not for any commercial use or purpose. Birds shall be confined to cages.

8. No sign of any kind shall be displayed on any lot except one square foot, one sign of not more than five square feet advertising the property for sale, or signs used by the developer to advertise the property for sale or provide lot and block number identification.

9. Property line and other fences or screens must be of reasonable height and may not unduly obscure the view or detract materially from the use and enjoyment of adjacent property.

10. The lot owner shall provide and is responsible for obtaining all of his own facilities, including but not limited to water, sewage disposal, and electricity. Further, Declarants provide no guarantee that water is available on the property.

11. All facilities for sewage disposal and water supply system for portable use shall be constructed and operated in a sanitary

manner acceptable to the county health office; trailer homes shall be self-contained or have acceptable facilities for sewage disposal and water supply. Prior to the placement or construction of any living quarters upon any lot within this plot a permit to install an individual sewage disposal system shall be secured from the Fond Du Lac County Health Department or such designated authority.

12. No gas powered motor boats shall be allowed on Wilderness Lake or any other waterways within the plat.

13. Hunting of any animal or fowl is prohibited within the plat above described. The unrestricted use of firearms within the plat will unreasonably endanger the lives of residents, occupants and their guests. Accordingly use of firearms will be restricted to target practice in an area to be approved by the declarant and/or association. In addition, the use of firearms will be restricted to persons 16 years or older or a person younger than 16 years will be accompanied by a qualified adult. Reasonable care should be used by all persons in the use of air guns keeping clear of roads, improvements and association common areas.

14. From time to time beaver dams may impair adequate water flow to the lake which would affect the use and enjoyment of the lake. In addition, back water from the beaver dams could impair access to certain lots. To avoid such impairments, the declarant or the association is authorized to control or remove said beaver dams to assure proper water flow and access to each lot.

15. To preserve the natural environment, trees shall not be cut, topped, destroyed or removed from the lot except as absolutely necessary to permit construction of roads, houses or other improvements such as utility easements and sewer disposal systems. From time to time certain underbrush, windfall or similar natural debris may accumulate to constitute a fire hazard. Accordingly certain foliage may be removed as required by local or federal authorities and by the developer or the association.

V. DEDICATIONS

All dedications herein set forth are to the association and all members of the association, and all individuals who may become members

of the association through purchase.

1. The Declarants do hereby set aside that certain strip of land, encircling the body of water known as Wilderness Lake located on the lake side of the dedicated road as specified on the plat map surrounding said lake.

2. Declarants hereby reserve an easement for all property owners to fish in all streams within the plat.

3. The declarant reserves the right until turnover to the association to maintain and establish the rules and regulations regarding the use of the common area park and swimming beaches.

4. The declarant and/or association have the authority to drain the lakes in the fall of the year for purposes of vegetation control and removal of accumulated debris.

VI. EASEMENTS

1. All lots that border the roadways shall be subject to a perpetual easement for the purpose of roadway maintenance and construction.

2. The declarant reserves such easements as may be necessary over, under and across each lot for all public utilities.

VII. ROADS

The declarants shall provide a road system for the plat. The road system shall be owned, maintained, and operated by the association.

VIII. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

1. Every person or entity who is a record owner of a fee or undivided fee, interest in any lot which is subject by covenants of record to assessment by the Association, shall be a member of the Association; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in No. 1 with the exception of the Developer. Class A members shall be entitled to one vote for each lot in which they hold the interests required for membership by No. 1. When more than one person holds such interest or interests in any lot all such persons shall be members, and

the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by No. 1, provided that the Class B membership shall cease and become converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On September 30, 1978...

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership under No. 1.

IX. COVENANT FOR MAINTENANCE ASSESSMENTS

1. The Developer for each Lot owned by him within the properties hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at

the time when the assessment fell due.

2. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the properties and in particular for the improvement and maintenance of properties, services, and facilities, devoted to this purpose and related to the use and enjoyment of the common properties and of the homes situated upon the properties including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof.

3. Until the year beginning January, 19___, the annual assessment shall be _____ dollars per lot. From and after January 1, 19___, the annual assessment may be increased by vote of the Members, as hereinafter provided, for the next succeeding three years and at the end of each such period of three years for each succeeding period of three years. The Board of Directors of the Association may after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

4. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a

meeting duly called for this purpose written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

6. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

8. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as herein after provided, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and

assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

9. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

10. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all common properties as defined in Article VIII, Section 3 hereof; (c) all properties exempted from taxation by the laws of the State of Washington, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

X. UTILITIES

The Declarants shall provide no utilities except roads as shown on the recorded subdivision plat of the properties.

XI. ARBITRATION

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

XII. ENFORCEMENT OF COVENANTS

Any violation of covenants appearing in these Articles shall be considered to be a nuisance and the Association or its duly appointed representative shall have the right upon fifteen (15) days written notice to enter upon the parcel where the violation occurs or appears and abate the nuisance at the expense of the owner, lessee or other person in control or possession. The Association, its duly appointed representative, or any person owning or leasing land in the subdivision may prosecute a civil action against any person or persons violating or attempting to violate any of these protective covenants to either enjoin or otherwise prevent the violation or attempted violation or recover damages therefor. The Association or any person bringing such an action shall be entitled to recover from the violator any reasonable attorney's fees, court costs and other costs reasonably incurred and awarded by judgment of the court having jurisdiction, which costs shall constitute a lien upon the violator's land in the subdivision or interest therein.

XIII. DURATION OF PROTECTIVE COVENANTS

These protective covenants shall be binding upon all persons owning or leasing land in the subdivision until 1988, at which time these protective covenants shall be automatically extended and renewed for successive periods of ten years, unless by vote the persons owning or leasing a majority of the residential lots in the subdivision agree to change the covenants in whole or in part.

XIV. DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- 1. "Association" shall mean and refer to the Wilderness Lake Homeowners Association.
- 2. "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration under the provisions of Article III, hereof.
- 3. "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the Owners of The Properties.
- 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.
- 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- 6. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article VII hereof.

DATED at Chewelah, Washington, this 6th day of Nov, 1978.

Charles D. Laird
ESTHER V. KENNEDY
N/A
N/A
N/A
N/A
D. H. WETTER
Mildred M. Ketting
MILDRED M. KETTING
N/A
N/A

WILDERNESS DEVELOPMENT, INC.
James J. Reichberg
President

By James J. Reichberg
Secretary

CHEOKAN PARK ASSOCIATES, a Washington Limited Partnership

By Mildred M. Ketting, Pres
LAND INVESTMENT SERVICES, INC.
a Washington corporation, its General Partner

Charles D. Laird N/A

Amended
Recorded
Verified

162956

DECLARATION OF COVENANTS TO RUN WITH
LANDS PLATTED AS "WILDERNESS LAKE"
TO PEND OREILLE COUNTY, WASHINGTON

THE UNDERSIGNED, each of whom are owners of, or have an interest in, certain land in Pend Oreille County, Washington, on which has been established a subdivision known as Wilderness Lake Estates, by plat recorded at page 1834, Volume 3 of Plats in the land records of Pend Oreille County, Washington, hereinafter referred to as the "subdivision", and who previously made or became subject to a declaration of covenants to run with the land subject to such plat, by this Amended Declaration desire to and do hereby amend, revise, and simplify the provisions of the original declaration.

The purpose of this Amended Declaration is to establish certain uniform protective covenants, conditions and easements to promote the orderly use and enjoyment of all the real property, to protect its value and generally benefit all owners, and otherwise provide for a system of private roads and related facilities. Therefore, the undersigned declare and establish the following covenants, conditions and easements, hereby revoking in its entirety the original declaration of covenants to run with lands platted as "Wilderness Lake".

DEFINITIONS:

As used in this Declaration, the term "seller" shall mean Great Northern Development, Inc., a Washington corporation, and those of its successors and assigns who may acquire from seller or its predecessors a majority in area of all the real property within the subdivision, exclusive of easements in a single transaction. The term "real property" shall refer to all of the real property lying within the plat of "Wilderness Lake Estates" identified above. The term "parcel" shall refer to any portion of the real property lying within the plat of Wilderness Lake Estates previously or hereafter conveyed by seller or by any subsequent owner, regardless of the size of a particular parcel. The term "owner" shall refer to the holders of a fee simple interest in any parcel of the real property except for any parcel subject to a contract for the sale thereof, in which event "owner" shall refer to the holder of the vendee's interest under such

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Tara J. J...
COUNTY CLERK
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contract, all to the exclusion of any other interest in the real property. Such interest shall be determined by the public record of Pend Oreille County, Washington.

HOMEOWNERS ASSOCIATION:

1. There shall be established a homeowners association organized as a Washington non-profit corporation and known as "Wilderness Lake Homeowners Assn. ("the Association").
2. The Association shall own all the real property and facilities reserved for the common use of the owners and shall be responsible to hold, maintain, regulate, govern, operate and maintain the same in accordance with its bylaws and shall interpret and enforce these covenants, conditions and restrictions.
3. With the exception of the Seller, all parcel owners shall be members of the Association and shall be entitled to one vote per parcel owned. Membership is appurtenant to and shall not be separated from any parcel acquired from Seller.
4. Seller shall not be a member of the Association, nor shall it be subject to the rules, regulations, bylaws, actions or directives of the Association. Seller reserves to itself the right to use all easements, properties and facilities reserved for the common use of the owners.

LAND USE RESTRICTIONS:

IN ACCORDANCE WITH THE PURPOSES OF THIS DECLARATION, EACH OF THE FOLLOWING RESTRICTIONS AND PROVISIONS ARE EXPRESSLY SUBJECT TO STRICT ENFORCEMENT AND LEGAL PENALTIES IN ACCORDANCE WITH THE PROVISIONS SET FORTH BELOW:

1. No parcel shall be used for any commercial purpose or for any other use than residential, recreational or personal agricultural purposes, without the approval of the Planning Commission, or equivalent body, of Pend Oreille County.
2. No sign of any kind shall be displayed on any parcel except one professional sign of not more than one square foot or one sign of not more than five square feet advertising the property for sale, or signs

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used by Seller to advertise the property for sale.

3. To preserve the natural environment, trees shall not be cut, topped, destroyed or removed from the real property except as absolutely necessary to permit construction of roads, houses, or other improvements, including personal agricultural use, and except for logging operations conducted by or under the authority of Seller, its successors or assigns.

4. Each parcel and the external appearance of improvements thereon shall be maintained in a clean, neat and orderly condition and in good repair. No trash, junk, debris, equipment, cut growth, noxious odor or other wastes shall be permitted to accumulate on any parcel. The use of any parcel shall not unreasonably interfere with the use of any other parcel.

5. Construction, alteration or repair of any structure shall be diligently prosecuted from its beginning continually until completion and in any event, the exterior appearance of any structure shall be completed within six months after beginning such work.

6. No structural improvement other than fences and roads shall be constructed or placed nearer than twenty-five feet from any boundary line of any parcel. No fence or screen will unduly obscure the view or detract materially from the use of another parcel.

7. Each owner shall provide and is responsible for obtaining all of its own facilities, including but not limited to water, sewage, disposal, and electricity. Seller provides no guarantee that water is available on the real property or on any parcel.

8. No motor powered vessels of any description shall be allowed on Wilderness Lake or any other waterway within the plat.

9. No animal or bird of any type shall be kept on any part of the real property for any commercial use or purpose. A reasonable number of pets are permitted.

10. Hunting or the use of firearms within the plat is prohibited, excepting only supervised and careful target practice not objected to by any owner.

11. Beaver dams may impair water flow to the lake and hamper its use or otherwise impair access to parcels within the plat. Reasonable

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and humane control, alteration or removal of such beaver dams by any owner is therefore permitted. Similarly, any accumulation of underbrush, windfall or similar natural debris constituting a fire hazard may be removed by any owner.

12. Each parcel may be used only for one single family residence and the usual outbuilding. One or more parcels may be used as a single building lot. No building may be constructed closer than 10 feet to any property line and not closer than 50 feet to any road or high water line of Wilderness Lake.

EASEMENTS AND RESERVATIONS:

1. The following dedications are hereby made for the benefit of all real property owners in the plat. Non-exclusive easements for ingress, egress and utilities over, and across the existing private access roads shown on the plat of Wilderness Lake Estates are hereby established and confirmed. The undersigned do not represent or covenant to provide any utilities or maintenance or repair of the private access road. The non-exclusive easements hereby created and confirmed shall be perpetual and shall be appurtenant to and run with the real property. Seller hereby reserves for itself, its successors and assigns, the right to the use and benefit of all such easements.

2. The Association shall have the right, power and authority to cause maintenance and repairs to be done on the private access road to the property and within the plat and to make assessments therefore. Each parcel shall be equally subject to the responsibilities and obligations, including responsibility for assessments, for which provision is made under this Declaration; provided, however, no assessment shall be made against parcels owned or acquired by Seller. The cost of the maintenance and repair for the private access roads shall be equally assessed to and among each parcel not owned or acquired by Seller. Each assessment not paid within thirty days after the date of assessment shall bear interest at the rate of 10% per annum. The amount of any assessment, together with the costs reasonably incurred in enforcing or collecting the same, and any accrued interest, together with reasonable attorney's fees,

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shall be a personal obligation of each owner, and shall be legally enforceable. All such amounts shall constitute a continuing charge and lien upon each parcel with respect to which assessment is made, and such lien shall be enforceable by the Association in foreclosure proceedings as provided by law for foreclosure of mortgages upon land. Such lien shall be superior to any and all other liens, except mortgages or security interests made in connection with the purchase of a parcel and recorded prior to the date the first unpaid assessment was made.

3. That certain strip of land, encircling the body of water known as Wilderness Lake, located on the lake side of the road specified on the plat map surrounding said lake is hereby reserved and set aside for the use of all owners and guests of owners, and all owners and guests of owners may fish in all streams, and lakes within that area. Lakes within the plat may be drained for purposes of vegetation control and removal of debris by any owner, or group of owners, at their expense.

EXCEPTIONS AND DURATION:

This Declaration and all property within the plat of Wilderness Lake Estates are subject to presently existing rights of way for existing roads, and to reservations and exceptions contained in a deed by the Northern Pacific Railroad Company recorded on June 16, 1919, Auditor's File No. 13521, Pend Oreille County, Washington. All provisions of this Amended Declaration shall remain in full force and effect for a period of ten (10) years from the date of recording this Amended Declaration and thereafter until amended, changed, revoked or terminated in whole or in part by written instrument signed by owners of a majority in area of the real property, but no such amendment or termination shall be effective over the written objection of Seller.

MISCELLANEOUS:

1. The provisions of this declaration shall remain in effect as covenants, restrictions, easements, rights, liens, and encumbrances running with the land and binding upon the real property and any and all parts thereof, the owners, the parties in interest thereto and their heirs.

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assigns, personal representatives and successors in interest. Accepting an interest in and to any portion of the real property shall constitute an agreement to be bound by and subject to the provisions of this Declaration and any modifications hereof made exclusively by Seller and placed of record as an amendment to this Amended Declaration.

2. In the event any provision of the Amended Declaration shall be declared invalid or unenforceable by any court, no other provision shall be affected thereby and the remaining provisions shall remain in full force and effect. No waiver of a breach of any provision shall constitute a waiver of any subsequent breach of the same provision or of any other provision.

3. Each owner and any party in interest in and to any part of the real property, and each of them, shall have the right and authority to enforce the provisions hereof and, in addition to any other remedy, shall have the right to injunctive relief. The prevailing party in any action to enforce any provision hereof shall recover, in addition to taxable costs, a reasonable sum as attorneys' fees and a reasonable cost of searching public records.

DATED this _____ day of _____, 1979.

Gregory H. Wilson
GREGORY H. WILSON

GREAT NORTHERN DEVELOPMENT, INC.
By Gregory H. Wilson
President

D. R. Kettwig
D. R. KETTWIG

By D. R. Kettwig
Secretary

Mildred F. Kettwig
MILDRED F. KETTWIG

CHEOKAN PARK ASSOCIATES, A Washington Corporation

Daniel J. Distelhorst
DANIEL J. DISTELHORST

By Daniel J. Distelhorst
President

Elsa C. Distelhorst
ELSA C. DISTELHORST

By Elsa C. Distelhorst
Secretary

Robert L. Hebner
ROBERT L. HEBNER

GREEN MEADOWS, INC.

By Robert L. Hebner
President

Andrea L. Hebner
ANDREA L. HEBNER

By Andrea L. Hebner
Secretary

162956

Auditor File #: 2005 0282487

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Attn: Kevin Hyatt
E. 33 Lincoln, Ste. 201
Spokane, WA 99208

PEND OREILLE COUNTY, WASHINGTON
CARLA M. HECKFORD, AUDITOR

LBLORE

Escrow No: N4781

ANY OPTIONAL PROVISION NOT INITIALED BY ALL PERSONS SIGNING THIS CONTRACT -
WHETHER INDIVIDUALLY OR AS AN OFFICER OR AGENT - IS NOT A PART OF THIS
CONTRACT.

REAL ESTATE CONTRACT (Residential Short Form)

1. PARTIES AND DATE. This Contract is entered into on August 1, 2005 between L & R Investments and The Reichenberg Family Trust as "Seller" and B. James Lee and Lisa C. Lee, husband and wife as "Buyer" dated 1-15-92, Ray E. and Laura J. Reichenberg, Trustees.
2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following described real estate in PEND OREILLE County, State of Washington:

See Exhibit A attached hereto and made a part hereof.

945
1% Excise Tax on Real Estate Sale
Amount Paid \$ 4590.00
Date 8-3-05
Treasurer
Pend Oreille County, Washington
By [Signature] Deputy

Assessor's Property Tax Parcel Account Number(s): 433134 51 0001; 433134 51 0002; 433134 51 0003; 433134 51 0004; 433134 51 0005; 433134 51 0006; 433134 51 0007; 433134 51 0008; 433134 51 0009; 433134 51 0010; 433134 51 0011; 433134 51 0012; 433134 51 0013; 433134 51 0014; 433134 51 0016; 433134 51 0017; 433134 51 0018; 433134 51 0020; 433134 51 0022; 433134 51 0023; 433134 51 0024; 433134 51 0025; 433134 51 0026; 433134 51 0027; 433134 51 0029; 433134 51 0032; 433134 51 0033; 433134 51 0034; 433134 51 0035; 433134 51 0036; 433134 51 0037; 433134 51 0038; 433134 51 0039; 433134 51 0040; 433004 51 0053; 433004 51 0088; 433004 51 0089;

3. PERSONAL PROPERTY. Personal property, if any, included in the sale is as follows:
NONE

No part of the purchase price is attributed to personal property.

4. (a) PRICE. Buyer agrees to pay:
- | | |
|---------------|----------------------------|
| \$ 300,000.00 | Total Price |
| \$ (50,000.00 |) Down Payment |
| \$ (|) Assumed Obligation(s) |
| \$ 250,000.00 | Amount Financed by Seller. |

- (b) ASSUMED OBLIGATIONS:
None

- (c) PAYMENT OF AMOUNT FINANCED BY SELLER:
Buyer agrees to pay the sum of \$250,000.00 as follows:
\$1,700.00 or more at buyer's option on or before the 1st day of October, 2005, plus interest from August 3, 2005 at the rate of 7.00% per annum on the declining balance thereof; and a like amount or more on or before the 1st day of each and every month thereafter until paid in full.
NOTE: Fill in the date in the following two lines only if there is an early cash out date.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN

Payments are applied first to interest and then to principal. Payments shall be made at Adept Escrow Services, Inc., E. 107 Magnesium Rd., Spokane, WA 99208 or such other place as the Seller may hereafter indicate in writing.

5. **FAILURE TO MAKE PAYMENTS ON ASSUMED OBLIGATIONS.** If Buyer fails to make any payments on assumed obligation(s), Seller may give written notice to Buyer that unless Buyer makes the delinquent payment(s) within fifteen (15) days, seller will make the payment(s), together with any late charge, additional interest, penalties, and costs assessed by the Holder of the assumed obligation(s). The 15-day period may be shortened to avoid the exercise of any remedy by the holder of the assumed obligation. Buyer shall immediately after such payment by Seller reimburse Seller for the amount of such payment plus a late charge equal to five percent (5%) of the amount so paid plus all costs and attorneys' fees incurred by Seller in connection with making such payment.

6. (a) **OBLIGATIONS TO BE PAID BY SELLER.** The Seller agrees to continue to pay from payments received hereunder the following obligation, which obligation must be paid in full when Buyer pays the purchase price in full:

That certain Mortgage/Deed of Trust/Contract dated _____, recorded as AF# _____

ANY ADDITIONAL OBLIGATIONS TO BE PAID BY SELLER ARE INCLUDED IN ADDENDUM.

(b) **EQUITY OF SELLER PAID IN FULL.** If the balance owed the Seller on the purchase price herein becomes equal to the balance owed on prior encumbrances being paid by Seller, Buyer will be deemed to have assumed said encumbrances as of that date. Buyer shall thereafter make payments directly to the holders of said encumbrances and make no further payments to Seller. Seller shall at that time deliver to Buyer a fulfillment deed in accordance with the provisions of Paragraph 8.

(c) **FAILURE OF SELLER TO MAKE PAYMENTS ON PRIOR ENCUMBRANCES.** If Seller fails to make any payments on any prior encumbrance, Buyer may give written notice to Seller that unless Seller makes the delinquent payments within 15 days, Buyer will make payments together with any late charges, additional interest, penalties, and costs assessed by the holder of the encumbrance. The 15-day period may be shortened to avoid the exercise of any remedy by the holder of the prior encumbrance. Buyer may deduct the amount so paid plus a late charge of 5% of the amount so paid and any attorneys' fees and costs incurred by Buyer in connection with the delinquency from payments next becoming due Seller on the purchase price. In the event Buyer makes such delinquent payments on three occasions, Buyer shall have the right to make all payments due thereafter direct to the holder of such prior encumbrance and deduct the then balance owing on such prior encumbrance from the then balance owing on the purchase price and reduce periodic payments on the balance due Seller by the payments called for in such prior encumbrance as such payments become due.

7. **OTHER ENCUMBRANCES AGAINST THE PROPERTY.** The property is subject to encumbrances including the following listed tenancies, easements, restrictions and reservations in addition to the obligations assumed by Buyer and the obligations being paid by Seller: Covenants, conditions, restrictions, easements and agreements of record, if any, and/or imposed on the face of said plat and as disclosed under Schedule B, Section 2 of that certain Title Commitment prepared by Frontier Title & Escrow under Order No. 7194.

ANY ADDITIONAL NON-MONETARY ENCUMBRANCES ARE INCLUDED IN ADDENDUM.

8. **FULFILLMENT DEED.** Upon payment of all amounts due seller, seller agrees to deliver to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Seller herein. Any personal property included in the sale shall be included in the fulfillment deed.

9. **LATE CHARGES.** If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to 7% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.

10. **NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES.** Seller warrants that entry into this Contract will not cause in any prior encumbrance (a) a breach, (b) accelerated payments, or (c) an increased interest rate; unless (a), (b) or (c) has been consented to by Buyer in writing.

11. **POSSESSION.** Buyer is entitled to possession of the property from and after the date of this Contract, or _____, whichever is later, subject to any tenancies described in Paragraph 7.

12. **TAXES, ASSESSMENTS AND UTILITY LIENS.** Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract. If real estate taxes and penalties are assessed against the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural or Timber