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STEVENS COUNTY AUDITOR

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At request of
Phillip P. Skok
P.O. Box 6
Chewelah, WA 99109
WILLIAM E. PROVOST
COUNTY AUDITOR

DECLARATION OF COVENANT, ^{Deputy} Mail to filer

CONDITIONS AND RESTRICTIONS

\$25.00

THIS DECLARATION, made on the date hereinafter set forth by the Chewelah Golf and Country Club Association, a Washington non-profit corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the lessee of certain property in County of Stevens, State of Washington, which is particularly described as:

This plat of Chewelah Golf and Country Club Estates Div. 3 embraces that part of Section 34, Township 33 North, Range 40 East, Willamette Meridian, in Stevens County, Washington, described as follows:

Beginning at a point on the west line of Tract "A" as shown on the plat of Chewelah Golf and Country Estates Div. No. 2 as recorded in Book "D" of Plats on page 89, records of Stevens County Washington, from which the southwest corner of Lot 10 of said Div. 2 bears N 39 Degrees 44'57" E, a distance of 46.67 ft.; Thence S 39 Degrees 44'57" W, along the west line of said tract "A", for 60.13 ft.; thence N 54 Degrees 03'33" W for 156.34 ft.; Thence S 44 Degrees 00' W for 584.14 ft.; thence S 67 Degrees 52'23" W for 187.92 ft.; thence S 80 Degrees 00' W for 140.0 ft.; thence N 35 Degrees 00' W for 99.30 ft.; thence N 10 Degrees 00' W for 480.0 ft.; thence North for 1002.46 ft.; thence N 5 Degrees 00' W for 542.06 ft.; thence N 26 Degrees 12'14" W for 80.59 ft.; thence N 5 Degrees 00' W for 120.0 ft.; thence N 85 Degrees 00' E for 300.0 ft.; thence S 55 Degrees 00' E for 95.72 ft.; thence N 68 Degrees 01'27" E for 480.59 ft.; thence N 73 Degrees 10'08" E for 252.37 ft.; thence S 37 Degrees 16' 09" E for 6.13 ft. to the northwest corner of said Tract "A" of Div. No. 2; thence S 37 degrees 16'09" E, along the westerly line thereof, for 371.99 ft.; thence S 53 degrees 55' 56" E for 239.95 ft.; thence S 36 degrees 52' 44" E for 228.36 ft.; thence, S 46 degrees 57'42" E for 205.54 ft.; thence S 45 degrees 45' 14" W, leaving said westerly line; for 330.13 ft.; thence S 59 degrees 00' E for 177.60 ft.; thence S 45 degrees 00' W for 95.0 ft.; thence S 31 degrees 00' W for 946.66 ft.; thence S 54 degrees 03'33" E for 62.64 ft. to the point of beginning.

And that part of said Section 34 described as follows:

Commencing at the North 1/4 corner of said Section 34; thence S 0 degrees 05' 19" W, along the north-south centerline of said Section 34, for 66.38 ft. to the Point of Beginning; thence N 64 degrees 45' 39" E for 14.93 ft.; thence S 89 degrees 56'45" E parallel with and 60.0 ft southerly of the north line of said section 34, for 490.0 ft.; thence S 34 degrees 05' 28" E for 178.45 ft.; thence S 18 degrees 00' W for 110.0 ft.; thence N 72 degrees 00' W for 300.0 ft.; thence N 18 degrees 00' E for 140.0 ft.; thence S 87 degrees 15' 22" W for 128.41 ft.; thence S 18 degrees 00' W for 190.0 ft.; thence S 22 degrees 36'23" W for 52.35 ft.; to a point on the northeasterly line of Tract "A" of said Div. No. 2, said point hereinafter referred to as Point "A", thence N 37 degrees 16'09" W, along said northeasterly line, for 289.08 ft.; thence N 64 degrees 45' 39" E for 75.37 ft. to the point of beginning.

And that part of said Section 34 described as follows:

Beginning at a point on the northeasterly line of said Tract "A" of Div. No. 2, from which the aforementioned point "A" bears N

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53 degrees 55' 56" W a distance of 205.02 ft.; thence N 44 degrees 00'E for 95.80 ft.; thence S 55 degrees 00'E for 301.25 ft.; thence S 46 degrees 00' E for 300.0 ft.; thence S 44 degrees 00'W for 135.44 ft. to the northeasterly line of said Tract "A" of Div. No. 2; thence N 82 degrees 59'31 W for 57.49 ft.; thence N 46 degrees 57'42" W, along said line, for 287.74 ft.; thence N 36 degrees 52'44" W for 232.05 ft.; thence N 53 degrees 55'56" W for 35.14 ft. to the point of beginning.

And that part of said Section 34 described as follows:

Beginning at the southwest corner of Lot 25, of said Chewelah Golf and Country Club Estates Div. No. 2; thence East, along the south line, thereof, for 254.59 ft.; thence S 46 degrees 16'19"E for 115.87 ft.; thence S 29 degrees 00'E for 364.0 ft.; thence S 21 degrees 00'E, for 450.0 ft.; thence S 69 degrees 00'W, for 150.0 ft.; thence S 40 degrees 00'51"W for 83.13 ft.; thence S 18 degrees 00'W for 150.0 ft.; thence N 72 degrees 00'W for 300.0 ft.; thence N 18 degrees 00'E for 150.0 ft.; thence N 64 degrees 50'34"W for 161.69 ft.; thence S 22 degrees 00'W for 180.0 ft.; thence N 68 degrees 00 W for 100.0 ft.; thence N 25 degrees 17'26" W for 176.92 ft.; thence N 22 degrees 00'E for 60.0 ft.; thence N 68 degrees 00'W for 58.21 ft.; thence S 22 degrees 00'W for 200.0 ft.; thence N 68 degrees 00'W for 150.0 ft.; thence N 22 degrees 00' E for 220.0 ft.; thence N 68 degrees 00' W for 44.07 ft.; thence N 17 degrees 00'E for 252.53 ft.; thence N 27 degrees 00' E for 389.91 ft.; thence S 68 degrees 00'E for 138.03 ft.; thence N 14 degrees 37'38"E for 39.41 ft to the point of beginning.

NOW, THEREFORE, Declarant hereby declares that the leasehold interests in the Property shall be held, conveyed, mortgaged, encumbered, subleased, rented, used, occupied, 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 every part thereof, in accordance with the plan for the improvement of the Property and the division thereof into residential lots. All of the limitations, covenants, conditions, restrictions and easements shall constitute covenants which shall run with the leasehold interests of State Lease No. 63722 and shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the leasehold interests in the Property as granted by the state.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.
2. "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the

Property which is to be paid by each lot sublessee as determined by the Trustees.

3. "Association" shall mean and refer to the Chewelah Golf and Country Club Association, a Washington nonprofit corporation.

4. "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

5. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

6. "Common Use Area" shall refer to Tract "A" as shown on the face of the Subdivision Map.

7. "Common Use Expenses" means and includes the actual and estimated expenses of operating, maintaining and repairing the Property and any reasonable reserve for such purposes as found and determined to be appropriate by the Trustees.

8. "Declarant" shall mean and refer to the Chewelah Golf and Country Club Association, a Washington non-profit corporation, its successors and assigns.

9. "Declaration" shall mean and refer to this enabling Declaration.

10. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, or other financial institution, holding a recorded first mortgage on any leased lot.

11. "Lot" shall mean and refer to each separately designated parcel of land shown on the recorded Map for the Property, together with all improvements constructed or to be constructed thereon.

12. "Map" or "tract Map" or "Subdivision Map" shall mean and refer to the Subdivision Tract Map filed under Auditor's File No. 546393, recorded on May 14, 198 5, in Book E of Plats, page 3, and in Volume 097, at page 0357, official records of the Auditor of Stevens County, Washington.

13. "Member" shall mean and refer to a person who is both a member of the Association and a Lot sublessee.

14. "Mortgage" shall include a deed of trust as well as a mortgage, and shall also include a security interest in a sublessee's interest in a sublease pursuant to Article 9 of the Uniform Commercial Code (Chapter 62A.9 of the Revised Code of Washington).

15. "Mortgagee" shall include a beneficiary or a holder of a deed of trust as well a mortgagee, and a secured party.

16. "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor and a grantor of a security interest.

17. "Sublessee" or "sublessees" shall mean and refer to the record holder or holders of a sublessee's title, if more than one, of a residential lot in the Property. This shall include any person having a contract vendee's/assignee's leasehold title to any residential lot but shall exclude persons or entities having any interest merely as security for the performance of an obligation. If a residential lot is transferred under a recorded contract of sale to a transferee who resides thereon, the transferee, rather than the transferor shall be considered the "sublessee".

18. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

19. "Project" shall mean and refer to the entire real property leased by the Association from the State of Washington, Department of Natural Resources, pursuant to Lease No. 63722 dated January 22, 1981, recorded April 10, 1981, Stevens County Auditor's file no. 505643, including all structures and improvements erected or to be erected thereon.

20. "Property" means and refers to Lots 1-103, 105-118, and 120-137 (including Tract B) and Tract A, as shown on the face of the plat and as described above, and all improvements constructed

or to be constructed thereon.

21. Singular and Plural: The singular and plural number and masculine, feminine and neuter gender shall include the other where the context requires.

22. "Trustees" shall mean and refer to the individuals elected by the Members to serve as trustees pursuant to Trust Agreement No. I and Trust Agreement No. II, both dated July 13, 1983, and Trust Agreement No. III and Trust Agreement No. IV, both dated _____, 19____, wherein the Association is the Trustor.

ARTICLE II

ARCHITECTURAL CONTROL COMMITTEE

There shall be an Architectural Control Committee whose members shall be appointed by the President of the Association subject to approval by the Board of Directors. The Architectural Control Committee shall be three (3) members, comprised as follows:

- a. Two (2) members of the Association who are sublessees of lots in one of the Divisions of Chewelah Golf and Country Estates.
- b. One (1) member of the Chewelah Golf & Country Club Association who may, but need not be a sublessee of a lot in one of the Divisions of Chewelah Golf and Country Estates.

ARTICLE III

UTILITIES AND ROADS

Water will be supplied by the City of Chewelah at rates set by the City of Chewelah with connection fees as set by the City of Chewelah. All residential lots shall be serviced by septic tanks with on site drain fields. Prior to construction of any improvements the lot sublessee shall designate a primary drain field area and no structures shall be placed or constructed on said primary drain field area. The Tract "B" portion of each lot

may be utilized for the drain field. Use of Tract B is intended primarily for golf course play and drain field area for lot sublessees. No changes, modifications, or uses of Tract B shall be made which will interfere with these intended uses. Any future rule changes made by the association which affect the use of Tract B as a drain field area shall first be approved by the Northeast Tri-County Health District, or its successor. No pit toilets shall be provided except that conditional approval for pit toilets can be granted by the Northeast Tri-County Health District, or its successor, for a period of up to ninety (90) days to accommodate the installation of flush type facilities.

ARTICLE IV

MAINTENANCE AND ASSESSMENTS

1 Creation of Lien and Personal Obligation: The Declarant, for each residential lot subleased within the Project, hereby covenants, and each sublessee of any lot, by acceptance of a sublease therefor, whether or not it shall be so expressed in such sublease, is deemed to covenant and agree to pay the Association: (a) regular assessments and (b) special assessments, as hereinafter provided. The regular and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on each lot and shall be a continuing lien upon the lot against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the sublessee of such lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to that sublessee's successors in title unless expressly assumed by them. No sublessee of a lot may exempt himself from liability for his contribution towards the common use expenses by waiver of the use

or enjoyment of the Common Use Area or by the abandonment of his lot. No claim or action by any sublessee against the Association, its officers or directors, or any other sublessee, may be used as a defense to or offset against any action or proceeding brought against such sublessee or his residential lot, to enforce the provisions of this Article.

2 Purpose of Assessments: The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of all the sublessees of lots in the Property and for the improvement and maintenance of the Common Use Area for the common good of the Property. The assessments levied against the lots in Division 2 may be combined in a common fund with the Common Use Area improvement and maintenance assessments for future divisions in the project if the covenants or documents for such future divisions allow its assessments to be placed in a common fund and utilized for Division 2.

3 Regular Assessments: Subject to the limitations set forth herein, the Trustees shall annually fix the amount of regular assessments to be contributed by each lot during the ensuing fiscal year. Said amount shall be paid in one annual payment, or at the election of the Sublessee, shall be payable in twelve (12) equal monthly installments and may include funds to be contributed to the principal reserve account for the purpose of defraying estimated periodic costs of reconstructing, repairing and/or replacing Property improvements.

In any fiscal year, the Trustees may not, without the vote or written consent of a majority of the voting power of the members other than the Declarant impose a regular annual assessment which is more than twenty percent (20%) greater than the regular annual assessment for the immediately preceding fiscal year.

4. Special Assessments: Subject to the limitations set forth herein, the Trustees shall, from time to time as required, fix the amount of special assessments to be contributed by each lot to provide funds necessary to (1) rebuild and/or replace damage to the Property improvements, (2) cover any deficiency between funds available in the reserve account and actual costs required for the repair and/or replacement of the Property improvements and (3) pay any other expense authorized hereunder and not covered by regular assessments.

In any fiscal year the Trustees may not, without the vote or written assent of a majority of the voting power of the Members other than the Declarant levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

5. Division of Assessments. Regular annual assessments shall be levied against each sublessee according to the ratio of the number of lots subleased by the sublessee assessed to the total number of lots in the Property subject to assessment. Special assessments shall be levied against each sublessee on the same basis as regular annual assessments. Declarant, and its successor in interest, is a sublessee subject to the payment of regular and special assessments against subdivision interests which it owns.

6. Date of Commencement of Assessments: Due Dates: The assessments provided for herein shall commence as to all lots covered by this Declaration on the first day of the month following the sublease of the first lot to an individual sublessee. The due dates shall be established by the Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association

setting forth whether the assessments on a specified residential lot have been paid and such a certificate shall be conclusive evidence of payment.

7. Interest on Nonpayment of Assessments: Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of twelve percent (12%) per annum from the due date until paid and shall be subject to a late payment penalty in an amount to be set by the Trustees, from time to time, but not to exceed the maximum permitted by applicable law.

8. Transfer of Lot by Sale or Foreclosure: The sale, transfer or assignment of any lot shall not affect the assessment lien. However, the sale, transfer or assignment of any lot pursuant to a first mortgage foreclosure shall extinguish the assessment lien as to payments which became due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale, transfer or assignment shall relieve the new lot sublessee, whether it be the former mortgagee of a first mortgage or any other person, from liability for any assessments thereafter becoming due or from the lien thereof.

Where the mortgagee of a first mortgage of record or other purchaser of a leasehold interest obtains title to the same as a result of foreclosure of any such first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the assessments by the Association chargeable to such lot which became due prior to the acquisition of title to such lot by such acquirer. Such unpaid share of assessments shall be deemed to be common use expenses collectible from all of the owners including such acquirer, his successors and assigns.

In a voluntary transfer of a lot the transferee of the same shall be jointly and severally liable with the transferor

for all unpaid assessments by the Association against the latter for his share of the assessments up to, the time of the transfer, without prejudice to the transferee's, right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments against the transferor due the Association and such transferee shall not be liable for, nor shall the lot transferred be subject to a lien for any unpaid assessments made by the Association against the transferor in excess of the amount set forth in the statement, provided, however, the transferee shall be liable for any such assessment becoming due after the date of any such statement.

9. Priorities; Enforcement; Remedies: When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective lot prior and superior to all other liens except (a) all taxes, bonds, assessments and other levies which, by law would be superior thereto, and (b) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value.

Such lien, when delinquent, may be enforced by sale by the Association, its attorney or any other person authorized by the Association to make the sale, after failure of the sublessor to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of the Revised Code of Washington applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association shall have the power to do, or authorize to be done, all acts, and execute, or authorize to be executed, all documents reasonably necessary or expedient to pursue and complete such sale.

The Association, acting on behalf of all lot sublessees, shall have the power to bid for the leasehold interest of a lot at a foreclosure sale, and to acquire and hold, sublease, mortgage and convey the same. During the period a leasehold interest of a lot is owned by the Association, following foreclosure:

(a) No right to vote shall be exercised on behalf of the lot;

(b) No assessment shall be assessed or levied on or against the lot; and

(c)

Each other lot shall be charged, in addition to its usual assessment, its share of the assessment that would have been charged to such lot had it not been acquired by the Association as a result of foreclosure.

After acquiring leasehold title to a lot at foreclosure sale following notice and publication, the Association may execute acknowledge and record a sublease conveying its leasehold title to the lot, which title shall be binding upon the sublessees, successors, and all other parties.

The Association may bring suit to recover a money judgment for unpaid common use expenses and assessments, and reasonable attorneys' fees, without foreclosing or waiving the lien securing the same. The Association may also avail itself of any other right or remedy it may have against the defaulting sublessee under the laws of the State of Washington.

10. Control, Management of Funds: All general and special assessments and all funds derived from the sale of a lot sublease after foreclosure of an assessment lien as provided herein shall be paid to the Trustees to be held and managed as provided in Trust Agreement No. I.

ARTICLE V
REFUSE, RUINS AND REMAINS

No lot can be used for disposal of waste, refuse or remains and no waste refuse or remains shall be allowed to remain upon any lot. All trash, garbage, ashes and other refuse shall be kept in containers which shall be maintained in a clean and sanitary condition and shall be kept hidden from fairway view and from street view except on the day when same is to be picked up by the garbage collector.

ARTICLE VI

BUILDING AND LANDSCAPING RESTRICTIONS

1. Except as noted otherwise herein, only single family residences and outbuildings auxiliary thereto (such as garages, wood sheds and the like) may be constructed or permitted to remain on a lot on the Property.
2. Notwithstanding the above, all structures will comply with applicable zoning and construction statutes, ordinances and regulations.
3. Each single family residence shall contain a minimum of 1000 square feet exclusive of second floors, open decks, garages, covered carports, sheds or other appurtenances or outbuildings. Said residences shall be set on permanent foundations (concrete or block or comparable material) extending not more than twenty-four (24) inches above ground level at the highest ground level point. There shall be no residences more than two (2) stories above the foundation level. The Architectural Control Committee may, upon application grant exemptions or variances of the requirements of this section.
4. Buildings on lots shall be simple, well proportioned structures. Exterior finish shall be stained or painted colors approved by the Architectural Control Committee. Roof covering shall be fire retardant treated wood shake shingle or, by permission of the Architectural Control Committee, composition shingle or other materials of approved color and texture.

5. No buildings shall be located, erected or altered until a plan showing the location of the structures and construction plans and specifications shall have been submitted to and approved by the Architectural Control Committee of the Association. In considering the location, plans and specifications for any structure, the Committee shall take into account the following factors:

- a. Quality of workmanship and materials;
- b. Harmony of external design and finish with the topography and with existing structures;
- c. The effect which the proposed structures or alterations will have on other building sites and views therefrom, it being the Committee's duty to give the maximum protection to such views which may be reasonable under the circumstances;
- d. Perimeter fencing will be permitted except that no fence shall be placed beyond the front line of a residence on any lot fronting the golf fairway. Back lot fencing shall not exceed six (6) feet in height and front lot fencing on all other lots shall not exceed four (4) feet in height. No fencing shall be constructed without prior approval of the Architectural Committee, and;
- e. All other factors which the Committee may, in its discretion, deem to affect the desirability or suitability of the proposed structure or alteration.

Subject to the prior approval of the Committee, outbuildings may be constructed prior to the construction of permanent residences if such buildings are permissible under Section 9, and if they are complimentary to and compatible with the design and location of the proposed permanent residence. The

corners of proposed structures shall be staked on the ground at the time of the Committee's consideration of location, plans and specifications.

6. Front yard landscaping on all lots facing or bordering the fairway shall be restricted to short grass, trees and flowers. The golf playing area (Tract B) of said front yard area shall be marked and any golf balls entering the lot beyond the marked area shall be out of bounds and not played by the golfer. No trees shall be cut on "Tract B" without the prior approval of the Board of Directors and the Department of Natural Resources. The lot sublessee shall be responsible for maintaining the trees, shrubs and plants on "Tract B" in conformity with rules as established from time to time by the Board.

7. The Committee shall have the power to charge a reasonable fee for costs incurred in processing and considering plans and specifications submitted to the Committee for its approval. Approval or disapproval of any matter submitted to the Committee shall be made within sixty (60) days of submission to the Committee or its duly appointed representative and shall be in writing. The Committee shall mail a copy of its decision to the sublessee. In the event the Committee or its duly appointed representative fails to approve or disapprove within sixty (60) days after the plans and specifications have been submitted to it, approval will be deemed to have been given and the related covenants shall be deemed to have been fully complied with. Any sublessee aggrieved by the Committee action may appeal to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the Committee's mailing of its decision, and shall set forth the part of the Committee's action deemed objectionable. The appeal shall be considered by the Board at its next scheduled meeting, and a final conclusive

determination shall be made by the Board within fifteen (15) days after such meeting.

Approval by the Architectural Control Committee does not imply approval by the Stevens County Building Department or other agencies.

8. The exterior of any buildings shall be completed within one (1) year of the beginning of construction so as to present a finished appearance when viewed from any angle.

9. The use of tents, campers or travel trailers shall be permitted on residential lots for weekend and vacation use and during the one year construction period. Mobile homes of the double-wide variety, or greater, not less than twenty-four (24) feet wide and containing not less than one thousand (1000) square feet set on permanent concrete block foundations with tongues and wheels removed shall be permitted in designated areas in the Property.

10 Easements for drainage, utilities, walkways, and golf cart use and access roads are reserved as shown on the face of the plat. There shall be a building setback of not less than fifty-five (55) feet (5 feet from the interior boundary of Tract "B") on all lots bordering the golf course fairway. There shall be a five (5) foot side lot setback and a five (5) foot rear lot setback on all construction other than the fencing.

11 All electrical service shall be by underground service, along electrical easements granted under the Common Use Area reserved for streets and access roads.

12. Prior to the construction of any residence or appurtenant outbuildings or lot access roads, trees designated for removal shall be appropriately marked and the Department of Natural Resources of the State of Washington shall be notified of the intention to cut and remove the marked trees. Any expense or

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fees charged for cutting and removal of trees shall be that of the lot sublessee.

ARTICLE VII

MEMBERSHIP

Membership in the Chewelah Golf & Country Club Association shall be required prior to ownership of a subleasehold interest in any lot in the Property.

ARTICLE VIII

ANNUAL RENT

All lot sublessees shall be subject to and required to pay on or before January 15 of each year of this lease, their prorated share of lease payments due the State of Washington under the lease from the State of Washington Department of Natural Resources to the Association as shown of record. Payment shall be made to the Association, or its successor, as billed. The rent shall be a "lien" and subject to all of the provisions of ARTICLE IV, except the Board shall fulfill the duties specified for the Trustees and the sums collected shall go into the Association's account with other rent funds collected.

ARTICLE IX

ANIMALS

No animals, or birds of any kind shall be raised, bred, or kept on any lot, or on any portion of the Property; except that no more than four (4) usual and ordinary household pets such as dogs shall be kept on a leash or within a fenced compound and not allowed to run loose.

ARTICLE X

NUISANCES

No noxious, illegal, or offensive activities shall be carried on upon any lot, 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

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the quiet enjoyment by each sublessee of his respective lot, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

ARTICLE XI

SIGNS

No signs shall be displayed to the public view on any lots or any portion of the Property except such signs as are approved by the Board or committee appointed by the Board. "For Sale" or "For Rent" signs shall be allowed provided they are reasonable in dimensions.

ARTICLE XII

SUBLESSEE'S RIGHT TO MAINTAIN AND REPAIR LOT

Except for those portions of the Property which the Association is required to maintain and repair, each lot sublessee shall, at his sole cost and expense, maintain and repair his lot, keeping the same in good condition. The Tract B portion shall be maintained in accordance with the rules and regulations established from time to time by the Board. In the event a sublessee fails to maintain the Tract B portion of his lot in accordance with the rules and regulations, the Board may notify the sublessee of the work required and request it be done within sixty (60) days from the giving of such notice. In the event the sublessee fails to carry out such maintenance within said period, the Board may cause such work to be done and may specially assess the cost hereof to such sublessee and, following notice and hearing, if necessary lien his lot for the amount thereof. The provisions of Article IV hereof shall apply to assessment and collection of such a lien.

ARTICLE XIII

ENFORCEMENT

The Association, or any sublessee, shall have the right during the term of State Lease No. 63722 to enforce, except against the State or any of its designated agencies as manager and Lessor of the land described above, 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, the Articles, Bylaws and the rules and regulations of the Association, as amended from time to time, and in such action shall be entitled to recover reasonable attorneys' fees as are ordered by the court. Failure by the Association or by any sublessee to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIV

EASEMENTS

1. Easements for Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each lot and such portion or portions of the Common Use Area adjacent thereto and as between adjacent lots due to the nonwillful placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of the Declaration) to a distance of not more than two (2) feet, as measured from the point on the common boundary between each lot, and the adjacent portion of the Common Use Area or between said adjacent lots as the case may be, along a line perpendicular to such boundary at the point of encroachment. In no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of a sublessee, tenant, or the Association.

2. Easements for Drainage. There are hereby created over all residential lots and the Common Use Area within the

Property easements for drainage according to the patterns for drainage created by the approved grading plans for the Property, as well as according to the actual natural and existing patterns for drainage. Each sublessee covenants and agrees that he shall not obstruct or otherwise interfere with said drainage patterns or, in the alternative, that in the event it is necessary and essential to alter said drainage patterns for the protection and use of his lot, he will make adequate provisions for proper drainage so as not to adversely affect any other lot or the Common Use Area.

ARTICLE XV
GENERAL PROVISIONS

1. Invalidity of any Provision: Should any provision or portion hereof be declared invalid or in conflict with State Lease No. 63722 or with any law of the jurisdiction where this Property is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

2. Term: The covenants and restrictions of this Declaration shall run with and bind the leasehold interests of State Lease No. 63722 and shall be binding on the Declarant, and its successors and assigns, and all sublessees thereof, and shall inure to the benefit of and shall be enforceable by the Association or the sublessee of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, until termination, mutual surrender, or the scheduled expiration date, August 5, 2035; provided, however, that if the existing Lease No. 63722, recorded under auditor's file no. 505643 is extended or renewed, the term of this declaration shall be automatically extended or renewed for a term equal to that of the extended or renewed lease, to the extent it is not in conflict with the terms and conditions of said extended or renewed lease.

3. Amendments: This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the lot sublessees, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot sublessees. Any amendment must be approved by the Department of Natural Resources, or its successor, and be recorded.

4. Reciprocal Rights: These covenants conditions and restrictions are intended to provide a common plan or scheme of regulation for development of this property and subsequent subdivisions in the Project by the Association. These covenants, conditions and restrictions shall be binding upon and shall inure to the benefit of the sublessees of lots in divisions of Chewelah Golf and Country Estates developed in the future by the Association if the covenants, conditions and restrictions recorded by the Association for the future divisions in the Project grant rights and benefits and impose duties and obligations to the sublessees of lots in such future divisions and to the sublessees of lots in Division 2, all under master State Lease No. 63722, which are the same as or substantially similar to the rights and benefits and duties and obligations contained in this Declaration of Covenants, Conditions and Restrictions.

5. Governing Law: This Declaration is recorded within the State of Washington, involves real property owned by and located within the State of Washington, and all questions regarding the validity, interpretation and performance of any of the provisions hereof shall be governed by the laws of the State of Washington.

6. Captions: The various article and section headings contained within this Declaration have been inserted for convenience only and shall not affect the meaning or interpretations of any of the provisions hereof

546494

CHEWELAH GOLF & COUNTRY CLUB
ASSOCIATION

Philip P. Skott
President

ATTEST:

Robin E. Hemenway
Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF STEVENS)

On this 22nd day of April, 1985, before me, the undersigned, a Notary public in and for the State of Washington, duly commissioned and sworn, personally appeared Philip P. Skott and Robin E. Hemenway, to me known to be the president and secretary, respectively, of CHEWEALH GOLF & COUNTRY CLUB ASSOCIATION, and acknowledged that they signed the instrument as the free and voluntary act and deed of said corporation and that the seal affixed is the seal of said corporation.

GIVEN under my hand and official seal the day and year first above written.

Robin E. Hemenway
Notary Public in and for the
State of Washington, residing
at Chewelah.

546494

To Whom It May Concern:

The State of Washington, acting by and through the Department of Natural Resources, hereby acknowledges and consents to the attached Declaration of Covenants, Conditions and Restrictions made, set forth and submitted by the Chewelah Golf and Country Club Association, a Washington non-profit corporation, to the extent that said Declaration does not conflict with State Lease No. 63722, and the leasehold interests granted thereunder. It is further understood that this Declaration of Covenants, Conditions and Restrictions shall apply to all subleases under State Lease No. 63722, and shall not run with the land, nor act as any encumbrance to this or any other State property for future or subsequent uses of the property as the State may, in its sole judgment, determine.

Dated this 10TH day of May, 1985.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

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