DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
for
L.B. RANCH
A private recreational and residential community.

This Declaration is made by the undersigned developer (hereinafter referred to as the "Declarant").

BACKGROUND

A. Declarant is the owner of real property located in Lewis County and commonly known as L. B. Ranch, which property is legally described on Exhibit "A" to this Declaration.

B. Declarant desires to develop a recreational/residential community. The real property which shall be subject to these covenants is described on Exhibit "A". Any reference in the Declaration to the "Property" shall be a reference to all portions of the Property which have been made subject to the Declaration by Declarant.

C. Declarant desires to impose on the Property these protective covenants for the purpose of enhancing, protecting, preserving, and augmenting the natural environmental features of the Property, as well as protecting and preserving the Wildlife on the Property in a manner that will benefit the public's interest in the Wildlife and yet allow for the orderly community of the Property. Declarant desires to provide the Property and the future owners and occupants of the Property with the mutual protection and benefits of having uniform protective covenants which will promote these goals.

D. Declarant will incorporate an owners' association to provide a means for meeting the purposes and intents set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property, as well as the protection and preservation of Wildlife now or hereafter located on the Property, or associated with it in any manner, as well as enhancing, protecting, pursuing and augmenting the natural environmental features of the Property. The Property shall be developed and maintained as to allow for the enjoyment by Parcel Owners and their guests and invitees of the beauty of the natural environment, the recreational activities offered in such a natural environment, and yet protect the natural conservancy. The terms of this Declaration, and any of its amendments, shall be binding on all parties having any right, title, or interest in any part of the Property at any time, and shall inure to the benefit of each owner thereof. Furthermore, any conveyance, transfer, sale, assignment, lease, or sublease of any Parcel, shall incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Parcel Owner, the Association, the ACC, or any First Mortgagee of a Parcel.

ARTICLE I

DEFINITIONS

The following definitions shall apply to this entire document and any recorded exhibits or amendments:

Section 1. "Approval" shall mean the issuance of written approval, or any written waiver of approval rights, or the issuance of a letter of "no objection. "

Section 2. "ACC" shall mean the Architectural Control Committee as described in this Declaration.

Section 3. "Association" shall mean the L.B. Ranch Owners' Association, a Washington non-profit corporation, and its successors and assigns.

Section 4. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 5. "Common Areas" shall mean all real property and improvements owned or leased by the Association, or in which the Association has an easement for maintenance (except in Parcels) for the use and enjoyment of the Members.

Section 6. "Declarant" shall mean the undersigned owners of the Property, and their successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant under this Declaration unless such rights and obligations are specifically set forth in the instrument of succession or assignment.

Section 7. "Declaration" means this entire document including all covenants, conditions, and restrictions and all other terms and provisions set forth in this entire document and its exhibits, as well as all recorded amendments and exhibits and attachments.

Section 8. "First Mortgagee" shall mean any lender who holds the first Mortgage on a Parcel and who has notified the Association of the lender's holding.

Section 9. "Member" shall mean every person or entity who holds membership in the Association.

Section 10. "Mobile/Manufacture" shall mean any residential structure which is factory built and intended to be transported using its' own frame and axle system.

Section 11. "Mortgage" shall include a Deed of Trust, Real Estate Contract, or other document creating a security interest.

Section 12. "Natural Environment" shall mean as to "Natural," that which is existing in or produced by nature and not artificial; and as to "Environments," that complex of physical, chemical, and biotic factors (such as climate, soil, and living things) that are part of the ecological system of the Property and the surrounding area.

Section 13. "Notice" shall mean written notice delivered personally or mailed to the last known address of the intended recipient.

Section 14. "Parcel" shall mean any numbered Parcel of land shown on any recorded subdivision map of the Property, with the exception of any Common Areas.

Section 15. "Parcel Owner" or "Owner" shall refer to the record owner, whether one or more persons or entities, of a fee simple title to any Parcel which is part of the Property, including contract purchasers, but excluding contract sellers and those having an interest merely as security for the performance of an obligation.

Section 16. "Property" shall mean the Property as legally described on Exhibit "A".

Section 17. "Resident" shall mean any person or persons living on any Parcel other than a temporary, short-term guest.

Section 18. "Stick-Built" shall mean any custom built structure, whether built on or off site, that is constructed on a permanent foundation and, unlike a mobile/manufactured home, was never intended to be transportable.

Section 19. "Wildlife" shall mean living things that are neither human nor domesticated, such as but not limited to mammals, birds, gaming fowl, fishes, and any other living things included in the definition by approval of the Board of Directors.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Parcel Owner of the Property shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Parcel which is subject to this Declaration.

Section 2. Voting. The Owners of each Parcel shall be entitled to one (1) vote. When more than one person holds an interest in any Parcel, all such persons shall be Members, but combined they shall have only one vote. The vote for any Parcel shall be divisible and exercised as the Parcel Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Parcel. Voting may be carried out either in person, by mail, fax, or by written proxy.

ARTICLE III

PROPERTY RIGHTS

Section 1. Parcel Owner's Easements of Enjoyment. Each Parcel Owner shall have a right and an easement of enjoyment in and to any easement granted to the Association and in any easement

reserved on the plat of the Property as shown on Exhibit "B", or in any other instrument of record, subject to the following provisions:

a. The Association shall have the right to suspend any Parcel Owner's voting rights and right to use any community facilities for any period during which any assessment against the Parcel Owner's Parcel remains unpaid or the Parcel Owner (or its invitee or tenant, etc.) is in material breach of this Declaration.

b. No Parcel Owner shall in any way obstruct, restrict, or limit another Parcel Owner's safe or unhindered use of the roads or any community easements by: i. planting any trees or shrubs etc.; or, ii. parking or storing any vehicle or structure or other item; or, iii. installing and or constructing any building or structure.

c. Any Parcel Owner may delegate, in accordance with this Declaration, that owner's right to enjoyment of the easements and associated facilities to the members of the Parcel Owner's family, invitees, and/or guests, subject to the terms of this Declaration.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien - Personal Obligation of Assessments. Each Parcel Owner agrees to pay to the Association annual assessments or charges, and special assessments and emergency assessments. These assessments are to be established and collected from time to time as provided for under this Declaration and the controlling documents of the Association. Any annual, special, and emergency assessments, together with interest, costs, collection costs, and reasonable attorney's fees (including those for appeals) shall be a continuing lien on the Parcel against which any such assessment is made and shall also be the joint and several personal obligation of all persons who hold an ownership interest in such Parcel at the time when the assessment fell due. This provision shall be enforced in accordance with the provisions of Section 10 of this Article. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by the successor.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Residents in the Property, and for the improvements and maintenance of Association and its easements and rights of way, and for the payment of taxes, insurance, maintenance, and repairs of any Common Area, as well as any other costs incurred by the Association as provided for in this Declaration and the Articles and By-Laws of the Association.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Parcel to a Parcel Owner, the maximum annual assessment shall be $100 per Parcel. Thereafter, from and after January 1 of the year immediately following the conveyance of the first Parcel to a Parcel Owner, the annual assessment may be increased by the Board of Directors in any year for no more than 10% from the prior year's assessment, or by approval of sixty percent (60%) of the Parcel Owners. However, Declarant shall not be required

to pay assessments on any Parcel so long as Declarant is holding any such Parcel for sale, and not as a Parcel to be retained by Seller. If Declarant does retain a Parcel, then Declarant shall pay any assessments for any retained Parcel as would any other Parcel Owner, commencing with Declarant's decision to retain that Parcel.

Section 4. Determination of Assessments. The Association shall not be required to return excess assessments for any year over and above actual expenses paid or incurred. Such excesses shall be placed in a reserve account in the Association's name to be used as the Board of Directors sees fit. Written notice of the annual assessment shall be sent to every Parcel Owner. The assessment established for the prior year shall automatically be continued until such time as the Association votes to change the assessment or as provided for in Section 3 above by the Board of Directors. The annual assessments shall be sufficient to meet the obligations imposed by the Declaration and any amendments to the Declaration, and shall be sufficient to establish an adequate reserve fund for the maintenance, repair, and improvement of the roads and any other Common Areas, plus any other costs or fees incurred by the Association.

Section 5. Paid Assessments. Paid assessments shall be promptly deposited in a commercial bank account selected by the Board of Directors, which account shall be clearly designated in the name of the Association. The Board of Directors shall be responsible for maintaining the account, giving notice of all assessments, collecting all assessments, and enforcing all assessments. Any withdrawals from the bank account shall require the signature of the President or Treasurer of the Board of Directors.

Section 6. Special Assessments. In case the annual assessment is insufficient for any reason, the Association shall have the authority to levy a special assessment or emergency assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of any road or any Common Area, or to make up the deficiency in the reserve fund. Any special or emergency assessment must be approved by twenty-five percent (25%) of the Parcel Owners.

Section 7. Notice. Written notice of any meeting called for the purpose of taking any actions authorized under any section of this Declaration shall be sent to all members not less than ten (10) days and no more than fifty (50) days in advance of the meeting.

Section 8. Uniform Rate of Assessment. All annual, special, and emergency assessments must be fixed at a uniform rate for all Parcels and shall be collected on an annual basis (subject to provisions for Declarant as set forth in Section 3 above).

Section 9. Due Dates of Annual Assessments. The annual assessments shall be due on the first day of July for each calendar year. A pro-rated initial annual assessment shall be paid by each new Parcel Owner on the close of the sale's escrow for each particular Parcel. Special and emergency assessments shall be paid within thirty (30) days of them mailing of a request to pay the same, unless the Board of Directors establishes a different time period.

Section 10. Effective Non-Payment of Assessments - Lien Rights - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum, or the highest rate allowed by law, whichever

is lower. The Board of Directors on behalf of the Association may sue the Parcel Owner personally obligated to pay and/or foreclose a lien against the Parcel in the same manner as a mortgage of real property. If an attorney is retained, the Parcel Owner liable for the assessment shall pay all of the costs and expenses, including reasonable attorney's fees (including those for appeals), all of which shall be secured by the lien.

Section 11. Subordination of Lien to Mortgages. The lien of an assessment shall be subordinated to the lien of any First Mortgage. A sale or a transfer of any Parcel shall not effect the assessment lien. However, where the mortgagee of a mortgage of record or other purchaser of a Parcel obtains possession of the Parcel as the result of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, such possessor, the successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Parcel which became due prior to such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Parcel Owners, including any possessor, successor and/or assign.

ARTICLE V

EASEMENTS

Section 1. Roadway/Utilities/Drainage Easements. A variable width right-of-way easement shall be reserved on the final survey of the Property. The specific width of each right-of-way easement shall be evidenced by an instrument of record. These rights-of-way are to be used for roadways, utilities, drainage, biking, horseback riding, and walking or running. The Association shall maintain, improve, repair, and control the roadways and the area over, under, and above the right-of-way easement areas. All Parcel Owners shall have use of the rights-of-way, subject to any limitations established by the Board of Directors. Within these rights-of-way, no structures, plantings, or fill materials shall be placed or allowed to remain which may, in the opinion of the ACC, damage or interfere with the safety, installation, and maintenance of roads, utilities, and drainage. These rights-of-way easements shall be perpetual, shall run with the land, and shall be binding on and inure to the benefit of the Parcel Owners and their heirs, successors, and assigns. The Board of Directors shall control use of the right-of-ways and shall have the right to limit use by horses, bicycles, or other means of transportation or recreational use.

Section 2. Easement For Association. The Association and its agents shall have an easement for access to each Parcel and to the exterior of any building located on any Parcel to make emergency repairs necessary for the health, safety, and protection of the Property and Wildlife, or to do maintenance or repair work required under the terms of this Declaration, which has not been completed in a timely manner by any Parcel Owner. This easement shall also run with the land and be binding on and inure to the benefit of the Association. Reasonable notice shall be given, except in emergency situations.

Section 3. Easement for Government Personnel. A perpetual easement for access by police, fire, rescue, and other government personnel is reserved across all Common Areas and easements, roadways, and Parcels as is necessary or appropriate for the performance of public duties.

Section 4. Conveyance to Public Entity. The Board of Directors reserves the right to convey, at any time, to the relevant government agency the right-of-way easements, or to give any public utility an easement to install facilities such as, but not limited to, power lines, gas lines, sewer

lines, water lines, cable lines, etc. All rights granted under this Section shall require approval by at least 75% of the Board of Directors.

ARTICLE VI

DECLARANT'S RIGHT TO APPOINT MEMBERS OF BOARD OF DIRECTORS AND ACC

Until all Parcels within the Property described on Exhibit "A" have been sold to third parties and/or retained by Declarant, or Declarant has determined not to add such real property to this Declaration, Declarant shall have the sole right to appoint the Members of the Board of Directors and the Members of the ACC.

ARTICLE VII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Appointment. An Architectural Control Committee ("ACC") consisting of not less than three (3) and no more than seven (7) persons shall be appointed by the Board of Directors. Each member shall hold office until that member resigns, is removed, or until a successor has been appointed by the Board of Directors and deemed qualified. Except, however, that Declarant shall have the authority to appoint the members of the ACC and the Board of Directors until all Parcels subject to this Declaration have been sold to a party other than the Declarant. Thereafter, the members of the ACC shall be appointed by the Board of Directors.

Section 2. Duties. Unless limited by the Board of Directors, the ACC shall have the authority to review and act on behalf of the Association and the Board of Directors in all matters relating to enforcement of the protective covenants listed in this Declaration or the use, blockage, or limitation of any easement referred to in this Declaration, or the enforcement of any other decision of the Board of Directors which the Board of Director designates to the ACC. However, this designation of authority to the ACC does not remove or limit in any way the authority of the Board of Directors to at any time enforce the provisions of this Declaration, the Articles, and Bylaws of the Association, or any other rules and regulations established by the Board of Directors, or guidelines for standards established by the ACC under its powers.

Section 3. Meetings: Compensation. The ACC shall meet as necessary to properly perform its duties, and shall keep and maintain a record of all actions taken at the meetings or otherwise. Unless authorized by the Association, the members of the ACC shall not receive any compensation for their services. However, all members shall be entitled to reimbursement for reasonable expenses incurred in connection with the performance of any ACC duties.

Section 4. Non-Waiver. Approval by the ACC of any plans, drawings, or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter submitted for approval. However, approval shall not be unreasonably withheld.

Section 5. Liability. Neither the ACC nor any of its members shall be liable to the Association or to any Parcel Owner for any damage, loss, or prejudice resulting from any action taken in good faith on a matter submitted to the ACC for approval, nor shall the ACC nor any of its members be liable to the Association or to any Parcel Owner for failure to approve any matters submitted

to the ACC. The ACC or its members may consult with the Association or any Parcel Owner with respect to any plans, drawings, or specifications, or other proposals submitted to the ACC.

ARTICLE VIII

VARIANCE FROM COVENANTS

Because the Property includes land with many different characteristics and conditions, the Board of Directors may allow a variance of the Protective Covenants set forth below if the variance is approved by a majority of the members of the Board of Directors. All decisions shall be final.

ARTICLE IX

PROTECTIVE COVENANTS

Section 1. Recreational/Residential Use. Parcels shall be used solely for recreational and residential use, except as provided for in this Article. Although Parcel Owners having no permanent residential improvements on their Parcels may use travel trailers, campers, motor homes, or the equivalent, under no circumstances shall any recreational vehicle or tent, etc. be installed in a permanent manner without prior approval of the ACC. No visqueen, plastic, or polyurethane (i.e. blue tarps) shall be used to cover equipment, motor vehicles, firewood or personal property. Any use of tents or tent trailers is limited to the actual time of usage and must be removed during non-use periods.

Section 2. Mobile/Manufactured Homes. Only mobile and/or manufactured homes of double-wide configuration or larger are allowed and must include a minimum of 1,200 square feet, exclusive of porches, garages, or carports. All mobile/manufactured homes must be placed on permanent foundations and must be approved by the ACC. Mobile/manufactured homes must also comply with the terms of this Declaration and must look as much as possible like stick-built homes. The ACC, in addition to other terms of this Declaration, shall also consider the condition of the mobile/manufactured home, its age, its color, its siding, its overall appearance, and its location when determining approval.

Section 3. Residences/Out-buildings. Each permanent stick-built residence must include a minimum of 900 square feet, exclusive of porches, garages, or carports. The plans for construction or remodeling, adding on and location of all residences, weekend cabins, and outbuildings must be approved by the ACC, prior to commencing construction. As with mobile/manufactured homes, the ACC shall consider the size, shape, color, siding, location, exterior materials and overall appearance when determining approval.

Section 4. Fences. Fences must be constructed in a manner and of material so that the natural migration of the Wildlife such as elk and deer shall not be limited. In most circumstances, an electric wire or rail fence shall be acceptable. Each Parcel Owner must have the ACC review and approve proposals for installation of fences prior to installation. The ACC reserves the right to require the alteration or removal of any fence installed or altered without their prior approval. No fence shall use barbed wire or be of a material that would likely cause harm to Wildlife or neighboring animals. However, fences used to keep out Wildlife may be installed around

cultivated garden areas, orchard areas, dog kennels, or play areas for children if shown to be absolutely necessary.

Section 5. Hunting/Firearms. All Parcels shall be developed and maintained as a part of a private recreational and residential community. As such, absolutely no hunting shall be allowed on the Property, Similarly, there shall be no discharge or firing of any firearm allowed or use of any other lethal weapon such as a bow and arrow. Hunting or killing of wildlife is absolutely prohibited.

Section 6. Further Subdivision of Parcels. No Parcel may be subdivided, nor may boundary line revisions be used, in order to create a new Parcel without the express written consent of the Board of Directors and the ACC.

Section 7. Animals. No pigs are allowed on any Parcel. No Parcel Owner shall keep, breed, or maintain pets for commercial purposes. No Parcel Owner shall keep, breed, or maintain any farm animal for commercial purposes without the express written consent of the Board of Directors. All animals must be restrained to remain within each Parcel Owner's Parcel. Furthermore, all dogs belonging to Residents, occupants, guests, or other persons lawfully on the Property must be kenneled, leashed, or, under direct human supervision at all times and not allowed to roam freely outside of the Parcel Owner's Parcel. All animals must be kept off the other Parcels in the Property. Any animal causing a nuisance or unreasonable disturbance or danger to other Residents or the Wildlife shall be permanently removed from the Parcel within ten (10) days notice from the ACC. Any dispute as to the raising or keeping of animals shall be submitted to the ACC, and the decision of the ACC in all such matters shall be final.

Section 8. Timber Removal. Parcel Owners shall not remove, or have removed, timber from their Parcel without approval of the ACC, except that Parcel Owners may remove any diseased or dangerous trees, or occasionally thin trees for that Parcel Owner's use on that Parcel for wood burning stoves, fireplaces, etc. Prior to clearing any site for placing any recreational/residential dwelling, driveway, or outbuilding, the removal of the trees must be approved by the ACC.

Section 9. Commercial Enterprises. No commercial enterprises are allowed, except as approved by the Board of Directors. And, the Board of Directors shall have no authority to approve any commercial enterprise other than that which would be commensurate with the community of L.B. Ranch under the terms of this Declaration. It is anticipated that some Parcels may be developed with stables for horses or other animals. However, any such stable may be used only by Residents of that Parcel and their occasional guests. The stables cannot be established or used as guest ranches for the public in general. The authority to limit commercial uses shall lie with the Board of Directors and shall be broad and general.

Section 10. Rentals. For any leasing or rental, except for a short term stay, all tenants must sign a copy of this Declaration. Each Parcel Owner hereby grants to the ACC the right to evict any tenant if that tenant is violating any term of this Declaration, or any of the rules or regulations established by the Board of Directors, or the Articles, or the Bylaws of the Association. Although it is the Parcel Owner's duty to evict such a tenant, the ACC may do so if the Parcel Owner fails to do so in a timely manner. Any costs and fees, including attorney fees and costs as well, incurred by the ACC shall be a lien on the Parcel Owner's Parcel and shall be treated as a lien for unpaid assessments.

Section 11. Construction of Buildings. All buildings must meet with all zoning and building regulations of the relevant governmental agencies. Furthermore, all construction must be completed within one year of initiation of construction. Also, placement of all buildings must be approved by the ACC prior to initiation of construction. In approving the placement of residences, driveways, and other buildings, the ACC is given broad powers. All building plans must be approved by the ACC prior to construction, as well as prior to clearing for any building site, and also prior to any remodeling or adding on to the exterior of an existing building.

Section 12. Wildlife. As set forth in Declarant's Declaration, the purpose of the community is to provide for recreational and residential living, while at the same time protecting and enhancing the preservation of Wildlife and the natural environmental features of the Property. It shall be the responsibility of the Board of Directors and the ACC to promote and enforce this purpose, along with any requirements of a relevant governmental agency. For instance, there shall be no interruption of the flow of any stream located on the Property; fencing and placement of improvements shall be done to minimize any impact on Wildlife migration and habitation; whenever possible, there shall be no disturbance or negative impact on wetlands in order to protect water fowl; and, no noxious or poisonous chemicals, sprays, or noise shall be permitted which would interfere with the protection and enhancement of Wildlife, as well as the peace and quiet of the Parcel Owners. Noxious noises shall be defined as those which are not compatible with the intent and goal of the community. No illegal activities shall be conducted on any Parcel.

Section 13. Setbacks. Setbacks from all rivers and wetlands shall be at least as far as those established by the local governmental agency having jurisdiction over the Property.

Section 14. Garbage and Refuse. No garbage, refuse, rubbish, shall be deposited on or left on any Parcel unless placed in a sanitary container and according to local regulations. Where reasonably possible, they should be screened from the view of any other Parcel Owner. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 15. Hazardous Materials. No hazardous materials, other than petroleum-based products used solely by the Parcel Owner (such as oil and gas for consumption on the Property) shall be stored, used, or transported across the Property. All use of any materials identified as hazardous by any local, state, or federal governmental agency or legislation or ordinance shall be included in this paragraph. Each Parcel Owner shall be responsible for clean-up of any contamination or spill in accordance with all governmental regulations. If a Parcel Owner fails to complete any such clean-up, the ACC may do so after giving thirty (30) days written notice (except that no notice is required in emergencies) to the Parcel Owner. The costs and fees associated with any such clean-up shall be a lien against that Parcel Owner's Parcel, and be treated the same as a lien for an unpaid assessment.

Section 16. Signs. No commercial sign or sign for any kind of advertising may be placed on any Parcel, except as allowed by the ACC or as used by the Declarant in the marketing of the Parcels.

Section 17. Authority to Adopt Additional Rules and Regulations and Penalties. The Board of Directors shall have the authority to adopt additional written rules and regulations governing the use of the Property, provided such rules and regulations are consistent with the purposes of the

Declaration. The Board of Directors shall also have the authority to establish penalties for violation of those rules and regulations. If rules and regulations are adopted, copies of those, along with the penalties established by the Board of Directors, shall be available to any Member on request. If sixty percent (60%) of the Parcel Owners vote to not accept a rule or regulation, that rule or regulation shall be void. However, the Board of Directors has the authority to have the enforceability and validity of any rule or regulation arbitrated if the Board of Directors deems it important for promoting and preserving the Property as a private, recreational/residential community.

Section 18. Compliance with Lewis County Zoning and Building Regulations. All construction must be consistent with and done in compliance with the zoning and building regulations for Lewis County, and any other relevant governmental agency. However, where the terms of this Declaration are more restrictive than those of a relevant governmental agency, this Declaration shall prevail.

Section 19. Wildlife Harassment/Interference. All Parcel Owners agree to educate their family members, guests, and tenants against harassment of all Wildlife and about the benefits of non-intrusive Wildlife enjoyment. As a private recreational/residential community, each Parcel Owner agrees to not interfere with the Wildlife migration corridors, natural habitats, or wetlands and streams, and to prevent guests, tenants, and invitees from any such interference.

Section 20. Waiver of Claims Regarding Wildlife Damage. All Parcel Owners or other lawful occupants hereby waive any and all damage claims against the Department of Wildlife for the State of Washington for Wildlife damage to the Property. Therefore, Wildlife damage, including but not limited to crop or garden loss or damage to shrubbery, shall be the sole responsibility of the current owner of any Parcel at the time that the damage occurs.

Section 21. Sewage Disposal. No individual sewage disposal system shall be permitted on any Parcel unless such system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the Lewis County Health Department, or other governmental agency of Lewis County, Washington having authority and jurisdiction to approve the same. Furthermore, no individual sewage disposal system shall lie within the set-back areas established in this Declaration.

Section 22. Motor Vehicles. No motor vehicles which do not have a current vehicle license and a fully functional and legal muffler system shall be operated at any time on the private roads within the Property. All terrain vehicles, snowmobiles and other recreational vehicles meeting the above requirements shall be operated only on the Parcel Owner's Parcel and dedicated rights-of-way of public and private roads serving the Property, and in accordance with the rules and regulations established by the Board of Directors.

ARTICLE X

GENERAL PROVISIONS

Section 1. Binding Effect. All present and future Parcel Owners or occupants shall be subject to and shall comply with the provisions of this Declaration, and with any amendments. The acceptance of a deed or conveyance or the entry into occupancy of any Parcel shall constitute an agreement that the provisions of this Declaration and amendments are accepted and ratified by such Parcel Owner or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Parcel as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof. Furthermore any violation of the provisions of this Declaration, or any amendments of this Declaration shall constitute:

a. a default of an Mortgage yet outstanding to the Declarant, and/or,

b. a violation of a deed restriction of any Parcel affected under this Declaration,

thus resulting in the possible forfeiture or foreclosure of such Mortgage and loss of the Parcel.

Section 2. Enforcement. Any Parcel Owner, the ACC, and/or the Board shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now and hereafter imposed by the provisions of this Declaration. Should any Parcel Owner employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, all costs incurred in such enforcement (whether negotiated, stipulated, arbitrated, or determined by a court), including reasonable attorney's fees and costs (including those for appeals), shall be paid by the non-prevailing Parcel Owner.

Section 3. Arbitration. Should any dispute arise as to the terms of this Declaration, the dispute shall be resolved through arbitration according to the rules of Lewis County if Lewis County has a Mandatory Arbitration Program, or through any private arbitration service selected by the Board of Directors. In all circumstances, arbitration shall be final and binding, and the non-prevailing party shall pay all costs and fees, including reasonable attorney's fees and costs, including those for appeals. A copy of any judgment may be recorded in any county.

Section 4. Failure to Enforce. No delay or omission on the part of the Declarant, the Board of Directors, the ACC, or any Parcel Owner in exercising any rights, power, or remedy provided for in this Declaration shall be construed as a waiver or acquiescence, and no action shall accrue, nor shall any action be brought or maintained by anyone against the Declarant or the Board of Directors or the ACC for failure to bring any action on account of any breach of these covenants, conditions, reservations, and restrictions, or for imposing restrictions which may be unenforceable by any of the above.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 6. Interpretation. This Declaration shall be liberally construed in favor of the party seeking to enforce its provisions to effectuate the purpose of protecting and enhancing the community.

Section 7. Certain Rights of Declarant. For such time as Declarant shall own Parcels for purposes of selling those Parcels, there shall be no amendments to the Declaration, the Articles of Incorporation, the Bylaws of the Association, or any rules or regulations adopted by the Association (unless agreed to by Declarant) which:

a. discriminate or tend to discriminate against the Declarant's rights as an Owner;

b. change "Definitions" as set forth in this Declaration in a manner which alters Declarant's right or status;

c. alter the character and rights of membership or the rights of Declarant as provided for in this Declaration;

d. alter previously recorded or written agreements with public or quasi-public agencies regarding easements and rights-of-way;

e. alter Declarant's rights as set forth in this Declaration and the Articles and Bylaws, such as relating to architectural controls, the right to appoint Members of the Board of Directors and the ACC, and assessments;

f. alter the basis for assessments;

g. alter the provisions of the use restrictions as set forth in this Declaration; or,

h. alter the Declarant's rights in any way as they appear under this Declaration.

Section 8. Attorney's Fees. If any dispute arises regarding the terms and conditions or enforcement of any of the terms and conditions of this Declaration, or to determine the rights of any party claiming privity, the prevailing party shall be entitled to reasonable attorney's fees and costs, including those for appeals.

ARTICLE XI

ADDITIONAL DIVISIONS

Declarant, or Declarant's heirs, successors, or assigns, reserve the sole right to add other properties to the Property legally described on Exhibit "A" to this Declaration. Such property shall become subject to this Declaration on the recording of an amendment to this Declaration signed by Declarant, or Declarant's heirs, successors, and assigns. No notice shall be required to the Association, nor shall any vote be necessary.

ARTICLE XII

TERM

Subject to Article XIII below, these covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by all of the then Parcel Owners has been recorded, agreeing to change the covenants in whole or in part. However, nothing in this Article shall be deemed to affect or limit in any way the duration of those easements which are granted as perpetual easements by this Declaration.

ARTICLE XIII

AMENDMENT

This Declaration and its covenants, conditions, and restrictions may be amended at any time by an instrument signed by at least sixty percent (60%) of the Owners (subject to Declarant's rights). Any amendment must be recorded and signed by the President and the Secretary of the Assocation, and must state by what percentage of the Members the amendment was approved. However, under no circumstances may this Declaration be amended in a manner to change any of Declarant's rights, without the approval of Declarant.

Dated this _____ day of _____, 19_____.

By _____ _____

Lynn R. Barnett Marlene E. Barnett

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STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, 19_____, before me personally appeared _____ _____ to me known to be the individual described in and who executed the foregoing instrument for _____self and also as Attorney in fact for _____ _____ and acknowledged that _____ signed and sealed the same as _____ free and voluntary act and deed for _____ self and also as _____ free and voluntary act and deed as Attorney in Fact for said principal for the uses and purposes therein mentioned, and on oath stated that the Power of Attorney authorizing the execution of this instrument has not been revoked and that the said principal is now living and is not insane.

Given my hand and official seal the day and year last above written.

_____

Notary Public in and for the State of Washington,
residing at
Commission expires