

WASATCH ASSOCIATES, LLC.

MOUNTAIN SPRINGS

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COVENANTS, CONDITIONS AND RESTRICTIONS

WHEREAS, Wasatch Associates, LLC is the owner of certain property in the unincorporated territory of Pend Oreille County, Washington, which is more particularly described as:

Please see Exhibit "A" attached hereto and by this reference made a part hereof as though fully set out herein.

THE FOLLOWING COVENANTS ARE PART OF THIS DEDICATION:

I ROAD & GATE MAINTENANCE

There shall be established a road maintenance fund maintained by either the homeowner's association (hereinafter "association") or a road maintenance committee (hereinafter "committee"). This fund shall be established and regulated by the following covenants:

1. Each lot (with the exception of lots 1, 4 & 5) shall be responsible for a payment of \$300.00 on an annual basis to be deposited in an interest bearing trust account, and managed by the first 3 owners in Mountain Springs. This amount is determined by an approximate amount required each year for snow and ice removal and/or road and gate maintenance and power usage. It shall be subject to change as determined by the homeowner's association or the road maintenance committee. Payment shall be made by each lot owner upon purchase of said lot. Payment shall be pro-rated until July 1 of each year.

2. Road/Gate Maintenance includes power usage, removal of snow and ice, and the purchase of materials for the same, if required, and any other reasons as determined by the association or committee.
3. Lot owners shall be allowed to be hired as the independent contractor for the removal of snow and ice or to otherwise maintain the roads within the development.
4. In the event it is determined that an inordinate amount of dollars is being paid for the road maintenance of any road that benefits a few or a minority of lot owners, it shall be within the discretion of the association or committee to charge extraordinary fees to those certain lot owners. Extraordinary fees shall be based upon linear footage of road or acres owned.
5. In any event the developer shall only be responsible for their share of payments related to the numbers of lots that they maintain a residence upon. As an example, if the developer lives on one lot, he shall only be responsible for a payment equal to that of another lot owner.

Notwithstanding the above, as long as Wasatch Associates, LLC. is the owner of at least 70% of the lots in this development, there shall be no homeowner's association or road maintenance committee. However, once Wasatch Associates, LLC. is no longer the owner of at least 70% of the lots in this development, then the owners of the lots in this development shall form either a homeowner's association or a road/gate maintenance committee in compliance with Section I hereof.

## II EASEMENTS

Certain perpetual easements are reserved as shown on the recorded plat. The owner or occupant of a lot shall, at their own expense, keep and preserve that portion of the easement within their property in good repair and condition, and shall neither erect nor permit erection of any building, structure, or fences of any kind within the easement which might interfere in any way with the use of such easement. Roads included in the road maintenance easements shall be maintained by homeowner's association.

## III DWELLING QUALITY, SIZE AND CONSTRUCTION

All the lots in the development shall be used for residential purposes only and shall be limited to one single-family residence per lot.

1. No structure shall be erected within 25 feet of the property line.

2. No dwelling shall exceed two stories in height in addition to the basement (if any) and attic area and must include a private garage on grade for not less than two cars. Carports or other open storage are not allowed.
3. Minimum dwelling sizes are as follows:
  - a. One-story dwellings must have not less than 1,250 square feet of finished floor area above the basement or concrete slab, exclusive of porches and garages.
  - b. One and a half story dwellings must have not less than 1,600 square feet of finished floor area above the basement or concrete slab, exclusive of porches and garages.
  - c. Two-story dwellings must have not less than 2,000 square feet of finished floor area above the basement or concrete slab, exclusive of open porches and garages.
4. A camping type trailer will be allowed for not more than 8 months during construction of a residential residence. Prior to start of construction, a lot owner may be allowed to camp on his lot for up to 30 consecutive days at one time, but under no circumstances will this be used as a permanent residence.
5. The exterior construction of any building shall be completed within two (2) years of start of construction, including but not limited to paint, stain or sealer. The interior must be completed within three (3) years of start of construction.
6. The exterior of all dwelling units must consist of wood, brick, stone, rock, cement fiber (such as Hardie Board), log and rough-sawn board and batt siding (provided it is properly installed and finished), or metal siding (provided it emulates wood siding). No metal siding of the type used on utility buildings is allowed.

#### IV LIVESTOCK AND POULTRY

Horses, cattle, poultry, and animals consistent with 4-H activities and rural living are allowed. No animals or poultry may be bred for business purposes nor may a kennel of any kind be operated for business purposes on any lot. No hog confinement or other livestock facilities shall be allowed within the development. No exotic animals will be allowed without permission of the homeowner's association.

These lots are large by standard. However, the spirit of this covenant demands that all animals and poultry be kept in a manner consistent with the best animal husbandry practice. Shelters, corrals and barns shall be of substantial construction. Animal waste will not be allowed to accumulate. Each owner must consider his neighbor while caring for and enjoying his animals. All animals and poultry are to be kept in owner's own yard.

## V COMMERCIAL BUSINESS

No commercial business, including agricultural related business, shall be allowed on any lot, except as follows:

1. Individual owners of a lot or family members of any owner may work out of their home.
2. Any business that does not require employees being on the premises or regular traffic of consumers or customers is allowed. Regular traffic is defined as repeated trips to the lot by non-owners who disrupt the spirit of quiet enjoyment of rural single-family lifestyle. No commercial equipment or equipment used in construction that damages the homeowner's association's roads within recorded easements shall be allowed. This does not include equipment used for road maintenance, home construction and tree maintenance.
3. No manufacturing of any type shall be allowed within the development.

## VI UTILITIES

All utilities, including trunk and service lines for telephone, electricity and cable television, shall be constructed and maintained underground except for that portion which utility companies customarily require to be above ground in the immediate proximity of any exterior utility meter.

## VII GARBAGE AND REFUSE DISPOSAL

All garbage cans shall be kept covered at all times and no littering will be permitted on the property. All rubbish, trash and garbage shall be regularly removed from the property and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. Trash containers shall be consistent with rural living, which means they shall not be easily accessible to wildlife.

## VIII SPECIAL USE RESTRICTIONS

No nuisance, offensive, noisy or illegal trade selling or transaction shall be permitted on the above property, and no part of the said premises shall be used or

occupied injuriously to affect the use and occupancy of value of the adjoining or adjacent premises for residence and vacation purposes.

During the development of the lots and building of homes thereon Wasatch Associates, LLC. and any other owners shall not interfere with the placement of any signs advertising lots or homes for sale or the development of the lots which are placed on the lot being sold.

#### IX ENFORCEMENT OF COVENANTS

1. Legal Action

These Covenants, Conditions and Restrictions (hereinafter "CCR's") shall be deemed to run with the land to which they apply and all improvements thereon. Wasatch Associates, LLC. or the owner of any lot or portion thereof to which these CCR's apply may bring an action in any court of competent jurisdiction to enforce these CCR's and enjoin their violation, mandate their compliance or to recover damages for the breach thereof, or for any other remedy or combination of remedies recognized at law or in equity. A two-thirds vote of the homeowner's association is required to modify, amend, alter, omit or change covenants.

2. Delays in Enforcement

No delay or omission on the part of Wasatch Associates, LLC. or any owner of land to which this Declaration of Covenants, Conditions and Restrictions apply in exercising any rights, power or remedy herein allowed shall be construed as a waiver or acquiescence therein. No right, claim or action shall accrue to and no action or claim shall be brought or maintained by anyone against Wasatch Associates, LLC. or any officer, employee or agent thereof on account of any action or inaction under this Declaration.

3. Conflict with Government Regulations

The property subject to this Declaration shall also be subject to any and all applicable regulations of Pend Oreille County, Washington and any other governmental entities having jurisdiction including, but not limited to, zoning ordinances, subdivision ordinances, life safety and building codes as well as other such regulations. Whenever there is a conflict between the provisions of this Declaration and the ordinances, statues or regulations of the City, County, State, or other applicable governmental entity having jurisdiction over the

property, that provision or requirement which is the most restrictive shall be binding unless otherwise prohibited or preempted by law.

#### X. TERM OF COVENANTS; SEVERABILITY

1. Duration

All the foregoing CCR's set forth in this Declaration shall continue and remain in full force and effect at all times as to the property, regardless of how title was acquired, from the date of filing of this Declaration. Wasatch Associates, LLC. is hereby designated to be a continuing attorney in fact bested with authority to file an extension of these CCR's with the Pend Oreille County recorder.

2. Severability

In the event any one or more of the terms or conditions of this Declaration shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall in no way affect, modify, change, abrogate or nullify any of the remaining CCR's not so expressly held to be void and the remaining parts of this Declaration shall remain in full force and effect.

3. Reasonable Period of Enforcement

If any of the terms of this Declaration shall be held by a court of competent jurisdiction to be void or unenforceable by reason of the period of time herein stated for which the Declaration may be effective or amount of any penalty imposed, such terms or penalty shall be reduced to a reasonable period of time or amount which shall not violate the rule against perpetuities as set forth in the laws of the State of Washington or other applicable law, all as determined by the court.

4. Minor Amendments

So long as Wasatch Associates, LLC. owns any lots within the property, including an interest as contract vendor, it shall have the absolute right to make minor amendments to this Declaration in order to correct any deficiencies, clarify and provision thereof or to carry out the intent of this Declaration or to address development issues not contemplated at the date hereof. All lot owners hereby agree to execute any and all necessary documents to satisfy this covenant. Whereas it is the intent of Wasatch Associates, LLC. to provide for an aesthetically pleasing, safe, clean and quiet residential development while still maintaining a rural setting. Whereas it is

the intent of Wasatch Associates, LLC. to provide for this development while still having certain declarations and/or covenants that run with the land to ensure compliance with its intent.

5. Erosion Control

The owner and/or person in possession of each lot, whether vacant or improved, their agents, assigns, heirs, and/or building contractors shall take all necessary precautions to prevent, stabilize and/or control erosion on their lot and property, to prevent sediment migration and soil erosion on their lot and property, and from extending beyond the boundaries of their lot and property. In the event it occurs, agree to promptly clean up all eroded sediment and to restore all affected areas to their original condition.

The owner and/or person in possession of each lot, whether vacant or improved, shall, at closing of any sale or conveyance of a lot, execute an agreement complying with all applicable federal, state and local erosion control regulations, laws and ordinances and permits which pertain to the property.

If Wasatch Associates, LLC. or any lot owner is cited for an alleged violation of any erosion control regulations, laws or ordinance provision, which occurs after the closing of any sale or conveyance of a lot by any jurisdictional authority for a condition on or from the property, the owner shall indemnify and hold Wasatch Associates, LLC. harmless from any and all claims, damages, fines, attorney fees, court costs, verdicts, orders, assessments, levies and/or costs incurred by Wasatch Associates, LLC. related to the citation.