
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

NINE-MILE RANCH

A PRIVATE WILDLIFE REFUGE AND CONSERVANCY

CONTENTS

BACKGROUND 1

ARTICLE I DEFINITIONS 1

ARTICLE II MEMBERSHIP AND VOTING RIGHTS 2

ARTICLE III PROPERTY RIGHTS 2

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS..... 3

ARTICLE V EASEMENTS..... 4

ARTICLE VI DECLARANT'S RIGHT TO APPOINT MEMBERS OF BOARD OF DIRECTORS AND ACC..... 5

ARTICLE VII ARCHITECTURAL CONTROL COMMITTEE..... 5

ARTICLE VIII VARIANCE FROM COVENANTS..... 5

ARTICLE IX PROTECTIVE COVENANTS..... 6

ARTICLE X GENERAL PROVISIONS 9

ARTICLE XI ADDITIONAL DIVISIONS..... 10

ARTICLE XII TERM 10

ARTICLE XIII AMENDMENT 11

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
NINE-MILE RANCH

A PRIVATE WILDLIFE REFUGE AND CONSERVANCY

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 Okanogan County and commonly known as Nine-Mile Ranch, which property is legally described on Exhibit "A" to this Declaration.

B. Declarant desires to develop a recreational/residential development which shall also be a private, wildlife refuge and conservancy. That portion of the real property described on Exhibit "A" which shall be subject to these covenants shall be the real property described on Exhibit "B" as Division 1. At any time, Declarant may amend the Declaration and add other divisions to the Declaration. Any reference in the Declaration to the "Property" shall be a reference to that portion of the Property described on Exhibit "A" to this Declaration which has been made subject to the Declaration by Declarant at any time. Initially, the "Property" shall refer only to Division 1 of Nine-Mile Ranch.

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 development 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 a 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 described above 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 a private, wildlife refuge and conservancy which will allow for the enjoyment by private individuals, Lot 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 and promote the Property as a wildlife refuge and 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 Lot, shall incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association, the ACC, or any First Mortgagee of a Lot.

ARTICLE I

DEFINITIONS

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 Nine-Mile 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 Lots) 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 the covenants, conditions, and restrictions and all other provisions set forth in this entire document, and as the document may from time to time be amended.

Section 8. "First Mortgagee" shall mean a lender who holds the first mortgage on a Lot and who has notified the Association of the lender's holdings.

Section 9. "Lot" shall mean any numbered plot of land shown on any recorded subdivision map of the Property, with the exception of any Common Areas.

Section 10. "Lot Owner" or "Owner" shall refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot 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 11. "Member" shall mean every person or entity who holds membership in the Association.

Section 12. "Mortgage" shall include a Deed of Trust, Real Estate Contract, or other security interest.

Section 13. "Natural Environment" shall mean "Natural" as that which is existing in or produced by nature and not artificial, and "Environment" as the 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 14. "Notice" shall mean written notice delivered personally or mailed to the last known address of the intended recipient.

Section 15. "Property" shall mean the Property as legally described on Exhibit "B," and as amended under the terms of this Declaration.

Section 16. "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 Lot Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

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

ARTICLE III
PROPERTY RIGHTS

Section 1. Lot Owner's Easements of Enjoyment. Each Lot 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 "C", or in any other instrument of record, subject to the following provisions:

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

b. No Lot Owner shall in any way obstruct, restrict, or limit another Lot Owner's use of the roads or community easements, if any, by parking or storing any vehicle or structure or other item, or installing and or constructing any building which would obstruct use of the easement.

c. Any Lot 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 Lot Owner's family, invitees, and/or guests.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien - Personal Obligation of Assessments. Each Lot 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 Lot against which such assessment is made and shall also be the joint and several personal obligations of all persons who hold an ownership interest in such Lot 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 easements and rights of way, and for the payment of taxes, insurance, maintenance, and repairs of any Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment shall be \$100 per Lot. Thereafter, from and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the annual assessment may be increased by approval of twenty-five percent (25%) of the Lot Owners, except that the Board of Directors may increase the annual assessments in any year by up to ten percent (10%) without a vote of the Members. However, Declarant shall not be required to pay assessments on any Lot so long as Declarant is holding any such Lot for sale, and not as a Lot to be retained by Seller. If Declarant does retain a Lot, then Declarant shall pay any assessments for any retained Lot as would any other Lot Owner, commencing with Declarant's decision to retain that Lot.

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 Lot Owner. The assessment established for the prior year shall automatically be continued until such time as the Association votes to change the assessment. 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 Lot 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 thirty (30) days and no more than sixty (60) 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 Lots 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 Lot Owner on the close of the sale's escrow for each particular Lot. 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 Lot Owner personally obligated to pay and/or foreclose a lien against the Lot in the same manner as a mortgage of real property. If an attorney is retained, the Lot 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 Lot shall not effect the assessment lien. However, where the mortgagee of a mortgage of record or other purchaser of a Lot obtains possession of the Lot 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 Lot 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 Lot Owners, including such possessor, successor(s) and/or assigns(s).

ARTICLE V

EASEMENTS

Section 1. Roadway/Utility/Drainage Easements. A sixty (60) foot wide right-of-way easement shall be reserved on the final plat of the Property or shown by any instrument of record. These rights-of-way are to be used for roadways, utilities, and drainage, snowmobiling, cross-country skiing, biking and walking. The Association shall maintain, improve, repair, and control the roadways and the area over, under, and above the right-of-way easement areas. All Lot Owners shall have use of the sixty (60) foot 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 installation and maintenance of roads, utilities, and drainage. These rights-of-way easements shall be perpetual, shall run with the land, shall be binding on and inure to the benefit of the Lot 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 snowmobiling, cross-country skiing, bicycle riding, or other means of transportation.

Section 2. Easement for Association. The Association and its agents shall have an easement for access to each Lot and to the exterior of any building located on any Lot 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 Lot 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 Lots 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 power lines, gas lines, sewer lines, water lines, cable lines, etc. All rights granted under this Section shall require approval by three-quarters of the Board of Directors.

ARTICLE VI

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

Until all Lots 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. Declarant, however, shall have the authority to appoint the members of the ACC and the Board of Directors until all Lots 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 other rules and regulations established by the Board of Directors.

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 Lot 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 Lot Owner for failure to approve any matters submitted to the ACC. The ACC or its members may consult with the Association or any Lot 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. Lots shall be used solely for recreational and residential use, except as provided for in this article. Although Lot Owners having no permanent residential improvements on their Lots may use tents, trailers, campers, motor homes, or the equivalent, such recreational shelter cannot be used for more than six (6) months during any calendar year. Under no circumstances shall any recreational vehicle or tent, etc. be installed in a permanent manner.

Section 2. Mobile Homes. No basement, shack, garage, barn, or other outbuilding or any structure of a temporary character placed on the Property and used as a residence for more than three (3) months. Only recreational vehicles or tents are allowed six (6) months of use per year. As to mobile homes, only double-wide mobile homes are allowed, with a minimum of 900 square feet. All mobile homes must be placed on permanent foundations and must be approved by the ACC. Mobile 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 home, its age, its color, its siding, and its overall appearance.

Section 3. Residences/Outbuildings. Each permanent single-family residence must include a minimum of 900 square feet, exclusive of porches, garages, or carports. The plans for construction of all residences and outbuildings must be approved by the ACC.

Section 4. Fences. Fences must be constructed in a manner and of material so that the natural migration of the Wildlife such as moose and deer shall not be limited. In most circumstances, a three-strand or rail fence shall be acceptable so that Wildlife can either jump the fence or go underneath the lower strand or rail. Each Lot 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 electricity or be of a material that would likely cause harm to the Wildlife (barbed wire installed at the appropriate levels is acceptable). 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, in order to prevent Wildlife from entering the area, except that any such fencing material, again, is subject to review by the ACC and must not be dangerous to the Wildlife.

Section 5. Hunting/Poison. All Lots shall be developed and maintained as a part of a private, wildlife refuge and conservancy. As such, absolutely no hunting shall be allowed on the Property, whatsoever, whether by use of firearms, bows and arrows, traps, or any other means of catching or killing Wildlife, except as permitted under the terms of this Declaration. Similarly, there shall be no discharge or firing whatsoever of any firearm or any hunting equipment of any sort. Fishing rights and possible other animal control may be allowed as established by the Board of Directors. Rat or mice poison may be used where it is not a danger to Wildlife. Fishing shall be allowed by Lot Owners and their family members, as well as occasional guests, subject to rules and regulations of the Board of Directors. However, fishing shall not be allowed for any commercial purposes. Furthermore, if the Board of Directors determines that fishing should be restrained in order to protect the growth and development of certain fish, the Board of Directors shall have the authority to restrict fishing rights of Lot Owners and their family and guests, including the right to require non-barbed fishing and the returning of such fish to the stream.

Section 6. Further Subdivision of Lots. No Lot may be subdivided, nor may boundary line revisions be used in order to create a new Lot. No divisions whatsoever may occur for purposes of sale or lease of any Lot.

Section 7. Domesticated Animals. No pigs are allowed on any Lot. Dogs are limited to two per Lot, as are cats. However, if a dog or cat has a litter, the additional dogs or cats may remain on the Property for up to five (5) months, but

no Lot Owner shall keep, breed, or maintain pets for commercial purposes. Any animal, whether household pet or farm animal, must be restrained to remain within each Lot Owner's Lot. 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, in order to protect Wildlife, including but not limited to nestling grouse, fowl, songbirds, deer, and moose. All animals must be kept off the other Lots in the Property. Any animal causing a nuisance or unreasonable disturbance or danger to other Lot Owners or the Wildlife shall be permanently removed from the Lot 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. The number of horses on any Lot shall be no more than five (5) horses, unless approved by the ACC.

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

Section 9. Brush Picking/Harvest of Other Wildlife. Lot Owners may pick brush on their Lots and harvest other plant life, except that all Lot Owners agree to take care to retain as much natural vegetation as they can in order to retain Wildlife shelters and nesting areas. Under no circumstances may any Lot Owner allow brush picking or the harvesting of other plant life for commercial purposes, or by those that are doing it for commercial purposes. Furthermore, the Board of Directors has the authority to establish rules and regulations in order to give such protection and may limit brush removal or harvesting of plant life.

Section 10. Retention of Hunting and Roosting Perches. All existing snags on the Property shall remain uncut to provide:

- a. important hunting and roosting perches for hawks, owls, and eagles; and,
- b. important habitat for the many cavity nesters found in the area, unless such snags present a risk to human life or property.

Section 11. 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 development of Nine-Mile Ranch under the terms of this Declaration. It is anticipated that some Lots may be used as a bed and breakfast residence. However, there shall be allowed no more than five (5) bedrooms in any bed and breakfast for use other than for the Owners. It is also anticipated that some Lots may be developed with stables for horses or other pack animals. However, any such stable may be used only by residents 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. As set forth above, the number of horses on any Lot is to be limited to five (5); however, the Board of Directors does have the right to expand that number if a Lot Owner can show that the Lot Owner needs more for the Lot Owner's personal and family use, or if a stable is established as allowed under the terms of this paragraph and the Board of Directors deems it commensurate with the purpose of the development to allow more than five (5) horses.

Section 12. Rentals. No Lot Owner may rent out any portion of that Lot Owner's Lot, or any recreational shelter for more than six (6) months in any calendar year. For any leasing or rental, except for short term stay at a bed and breakfast, all tenants must sign a copy of this Declaration. Each Lot 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 and Bylaws of the Association. Although it is the Lot Owner's duty to evict such a tenant, the ACC may do so if the Lot Owner fails to do so in a timely manner. Any costs and fees incurred by the ACC shall be a lien on the Lot Owner's Lot and shall be treated as a lien for unpaid assessments.

Section 13. 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, must be placed in a manner to promote and protect Wildlife migration routes and habitats, as well as enabling Lot Owners to take advantage of the views. Whenever possible, placement of homes shall also be done in a manner to have the least impact on wetlands and other areas considered sensitive by any governmental agency or deemed important by the Board of Directors

for the conservancy and refuge purposes of the development. 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 14. View Protection. Although existing trees may remain, they may be topped or trimmed by a Lot Owner on a Lot Owner's Lot. However, trees planted by any Lot Owner after the recording of this Declaration, may not interfere with the view of any other Lot Owner in the Property. Although part of the goal of the private conservancy and refuge is to encourage and enhance the Wildlife and natural vegetation, existing views are to be protected. In any dispute regarding view protection, the ACC shall make final decisions.

Section 15. Wildlife. As set forth in Declarant's Declaration, the purpose of the development is to provide for recreational residences on 20-acre Lots, 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 Lot Owners. Noxious noises shall be defined as those which are not compatible with the intent and goal of the development. No illegal activities shall be conducted on any Lot.

Section 16. Snowmobiles. Snowmobiles shall not be used in a manner that will interfere with Wildlife. However, snowmobiling will be allowed along the right-of-way easement in areas designated by the Board of Directors. Other motorized vehicles must use only the roadways.

Section 17. Setbacks. Setbacks from all rivers and wetlands shall be at a minimum established by the local governmental agency having jurisdiction over the Property. Nonetheless, at a minimum, all buildings, as well as any septic systems, must be set back fifty (50) feet from any stream. Setbacks from wetlands should be a minimum of 100 feet, unless a variance is granted by the ACC.

Section 18. Garbage and Refuse. No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left on any Lot unless placed in a sanitary container and according to local regulations. Where reasonably possible, they should be screened from the view of any other Lot Owner. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 19. Hazardous Materials. No hazardous materials, other than petroleum-based products used solely by the Lot 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 Lot Owner shall be responsible for clean-up of any contamination or spill in accordance with all governmental regulations. If a Lot Owner fails to complete any such clean-up or remediation, the ACC may do so after giving thirty (30) days written notice (except in emergencies where no notice is required) to the Lot Owner. The costs and fees associated with any such clean-up or remediation shall be a lien against that Lot Owner's Lot, and be treated the same as a lien for an unpaid assessment.

Section 20. Utility Pay-Back. If the local public utility district will allow, latecomer's fee may be charged for installation of utilities, if a Lot Owner (including Declarant) brings utilities across or in front of any other Lot Owner's Lot. Latecomer's fees must be paid at the time of hook-up to the public utility by the latecomer. Any unpaid latecomer's fee shall incur the same interest as an assessment and shall be considered as a lien for an unpaid assessment, except that such lien shall be collected solely by the Lot Owner who is to receive the pay-back.

Section 21. Signs. No commercial signs or signs for any kind of advertising may be placed on any Lot, except as allowed by the ACC for the accepted quasi-commercial allowed uses (bed and breakfast, stables, etc.).

Section 22. Authority to Adopt Additional Rules and Restrictions. The Board of Directors shall have the authority to adopt additional written rules and restrictions governing the use of the Property, provided such rules and restrictions 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 restrictions. If rules and restrictions are adopted, they, along with the established penalties, shall be available to all Members on request. If sixty percent (60%) of the Lot 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, wildlife refuge and conservancy.

Section 23. Compliance with Okanogan County Zoning and Building Regulations. All construction must be consistent with and done in compliance with the zoning and building regulations for Okanogan 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 24. Wildlife Harassment/Interference. All Lot Owners agree to educate their family, guests, and tenants against harassment of all Wildlife and about the benefits of non-intrusive Wildlife enjoyment. As a private wildlife refuge and conservancy, each Lot 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 25. Waiver of Claims Regarding Wildlife Damage. All Lot 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 Lot at the time that the damage occurs.

Section 26. Sewage Disposal. No individual sewage disposal system shall be permitted on any Lot unless such system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the Okanogan County Health Department, or other governmental agency of Okanogan 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 27. Motor Vehicles. No motor vehicles absent a current vehicle license issued by the State of Washington or absent a fully functional and legal muffler system, shall be operated at any time on the private roads within the Property. All terrain vehicles and snowmobiles and other recreational vehicles meeting the above requirements shall be operated only on the 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 Lot 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 Lot shall constitute an agreement that the provisions of this Declaration and amendments are accepted and ratified by such Lot 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 Lot as though such provisions were recited and stipulated at length in each and every deed and conveyance or lease thereof.

Section 2. Enforcement. Any Lot 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 Lot 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 Lot 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 Okanogan County if Okanogan 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 nonprevailing 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 Lot 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 residential/recreational development as a private, wildlife refuge and conservancy.

Section 7. Certain Rights of Declarant. For such time as Declarant shall own Lots for purposes of selling those Lots, 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 Article.

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 divisions of 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

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 Lot Owners has been

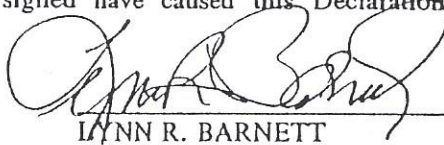
recorded, agreeing to change the covenants in whole or in part. However, nothing in this Article shall be deemed to affect or limit in any way the duration of those easements which are granted as perpetual easements by this Declaration.

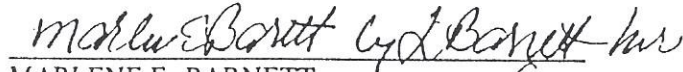
ARTICLE XIII

AMENDMENT

This Declaration and its covenants, conditions, and restrictions may be amended at any time by an instrument signed by Owners of at least sixty percent (60%) of the Owners (subject to Declarant's rights). Any amendment must be recorded. However, under no circumstances may this Declaration be amended in a manner to change any of Declarant's rights, without the approval of Declarant. Also, any amendment which attempts to change in any way the purpose and goal of the Declarant in establishing Nine-Mile Ranch as a private, wildlife refuge and conservancy shall require approval of the Lot Owners owning ninety percent (90%) of all the Lots within the Property.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed this 16 day of September, 1994.



LYNN R. BARNETT


MARLENE E. BARNETT
Att. in fact.

STATE OF WASHINGTON, }
County of Pierce } ss.

On this 16th day of September, 1994, before me personally appeared Lynn R. Barnett to me known to be the individual described in and who executed the foregoing instrument for him self and also as Attorney in fact for Marlene E. Barnett and acknowledged that he signed and sealed the same as his free and voluntary act and deed for him-self and also as his 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 under my hand and official seal the day and year last above written.


Donna J. Cratsenberg
(Type/Print Name)
Notary Public in and for the State of Washington,
Residing at Tacoma
My Commission Expires: 2-10-97

TRANSNATION TITLE INS. CO.



3069718
Page: 1 of 2
12/12/2003 02:58P
Okanogan Co, WA



3057760
Page: 1 of 2
03/10/2003 02:48P
Okanogan Co, WA



3018678
Page: 1 of 2
01/28/2000 02:35P
Okanogan Co, WA

2500

RE-RECORD TO CORRECT LEGAL DESCRIPTIONS ON EXHIBIT B

THIRD AMENDMENT TO
THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
NINE MILE RANCH

This third amendment ("Third Amendment") to the Declaration of Covenants, Conditions and Restrictions for Nine Mile Ranch recorded on September 22, 1994, under Okanogan County Auditor's No. 820972 (the "Declaration") is amended to include the following Divisions as described on attached Exhibit B.

IN WITNESS WHEREOF, the undersigned have caused this Third Amendment to be executed this 27th day of January, 2000.

Lynn R. Barnett

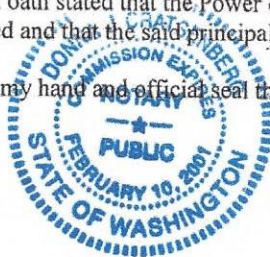
Marlene E. Barnett

*Lynn R. Barnett in atty
in fact*

STATE OF WASHINGTON)
) ss.
COUNTY OF Pierce)

On this 26 day of January, 2000, before me personally appeared Lynn R. Barnett to me known to be the individual described in and who executed the foregoing instrument for him self and also as Attorney in fact for Marlene E. Barnett and acknowledged that he signed and sealed the same as his free and voluntary act and deed for him self and also as his 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 incompetent.

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



Donna J. Cratsenberg
Notary Public in and for the State of Washington,
Residing at Tacoma
Commission expires 2-10-01

EXHIBIT "A"

Legal Description

TOWNSHIP 40 NORTH, RANGE 28 EAST, W.M.

Section 5:

All EXCEPT the East half of the Southeast quarter thereof;

Section 6:

Government Lots 7, 8, and 9, the East half of the Southwest quarter and the Southeast quarter;

Section 8:

All EXCEPT the South half of the Northwest quarter and the West half of the Southwest quarter of the Northeast quarter;

Section 9:

That portion of Government Lots 2 and 3 lying South of a line drawn East and West 80 rods North of the centerline of said Section 9, the South half of the Southwest quarter and the Southeast quarter;

EXCEPT that portion conveyed to School District No. 63 by Deed recorded in Volume W, page 714;

ALSO EXCEPT those portions conveyed to the Great Northern Railroad Company by Deeds, recorded in Volume P, pages 680, 686 and 674;
Subsequently conveyed to the County of Okanogan by Deed recorded in Volume 80, page 120;

Section 10:

The South half of the Southwest quarter;

Section 15:

The North half of the Northwest quarter;

Section 16:

The Southeast quarter of the Northwest quarter, the Southwest quarter of the Northeast quarter and the East half of the Southwest quarter;

EXCEPT that portion conveyed to the Great Northern Railroad Company by Deed recorded in Volume P of page 707;

Subsequently to the County of Okanogan by Deed recorded in Volume 80, page 120;

Section 17: All;

Section 19:

That portion of Government Lot 3 lying South of Okanogan County Road No. 9480;

EXCEPT that portion thereof described as follows:

Commencing at the Southwest corner of said Lot 3;

Thence East a distance of 330.0 feet to the POINT OF BEGINNING;

Thence continuing East a distance of 356.0 feet;

Thence North 25°00' East a distance of 380.0 feet;

Thence South 65°00' East a distance of 382.0 feet, more or less to a point on the East line of said Lot 3;

Thence run North on the East line of said Lot 3 a distance of 137.0 feet, more or less to the South right of way line of the County Road;

Thence North 75°00' West a distance of 320.0 feet;

Thence South 75°00' West a distance of 570.0 feet, more or less, to a point 252.0 feet North of the POINT OF BEGINNING;

Thence South a distance of 252.0 feet to the POINT OF BEGINNING;

GOVERNMENT LOT 4:

EXCEPT that portion described as follows:

Commencing at a point on the West boundary of said Government Lot 4 which lies 100 feet South of the Northwest corner of said Lot 4;

Thence East a distance of 330 feet to the TRUE POINT OF BEGINNING;

Thence North a distance of 100 feet, more or less, to the North boundary of said Government Lot 4;

Thence East along said North boundary a distance of 356 feet;

Thence South 25° West a point which lies East of the POINT OF BEGINNING and 100 feet South of the North boundary of said Government Lot 4;

Thence West to the TRUE POINT OF BEGINNING.

Section 20: All

EXCEPT the West half of the Southwest quarter and the Southwest quarter of the Southeast quarter of the Southwest quarter.

Section 21: All,

EXCEPT the Northeast quarter of the Northeast quarter and the South half of the Southeast quarter thereof;

EXCEPT that portion of the former Great Northern Railroad conveyed to the County of Okanogan by Deed recorded in Volume 80, page 120;

EXCEPT that portion of Section 21 lying easterly of Nine Mile County Road;

Section 28:

The North half of the Northwest quarter, the Southeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter and that portion of the Southwest quarter of the Northwest quarter and Government Lots 3, 4, 5, 6 and 7, lying South and West of the Okanogan County Road No. 9480;

EXCEPT that portion of Government Lot 4, described as beginning at a point on the North line of Lot 4, 52.5 rods East of the Northwest corner of Lot 4;

Thence South 12.5 rods;

Thence East 12.5 rods;

Thence North 12.5 rods;

Thence West 12.5 rods, to the POINT OF BEGINNING;

Section 29:

All that portion lying South of Okanogan County Road No. 9480;

EXCEPT that portion of the West half of the Northeast quarter and the East half of the Northwest quarter of Section 29; Township 40 North, Range 28 East, W.M., described as follows:

Beginning at the Southeast corner of lands conveyed to Dale Gavin by Deed recorded under Auditor's File No. 650031;

Thence South 240 feet;

Thence West 720 feet;

Thence North 720 feet, more or less to the South boundary of the lands conveyed to Robert L. Rise by Deed recorded under Auditor's File No. 701438;

Thence East along the South line of the Robert L. Rise parcel, above described, 320 feet to the West line of the Dale Gavin Parcel to the Southwest corner thereof;

Thence South $67^{\circ}29'$ East 459.83 feet to the POINT OF BEGINNING and;

EXCEPT that portion conveyed to Thomas L. Rise, et ux, by Deed recorded June 27, 1977, under Auditor's File No. 635026, records of the Auditor's File 635026, records of the State of Washington, Okanogan County Auditor, and;

EXCEPT that portion conveyed to Robert L. Rise by instrument recorded with State of Washington, Okanogan County Auditor on August 29, 1973, under Auditor's Instrument Recording No. 599721, and;

EXCEPT that portion conveyed to Dale B. Gavin by Deed recorded with State of Washington, Okanogan County Auditor on October 6, 1978, under Auditor's Instrument Recording No. 650031.

Section 30:

Government Lots 1, 2, 3 and 4, the Northeast quarter and Government Lots 7, 13, 14 and 15;

Section 32:

Government Lots 1, 3 and 4;

Section 33:

That portion of Government Lots 1, 2, 3, 4, 5, 6, 7 and 8 lying South and West of Okanogan County No. 9480;

Section 34:

That portion lying South and West of County Road No. 9480;

TOWNSHIP 40 NORTH, RANGE 27 EAST, W.M.

Section 23:

That portion of the Southeast quarter lying South of Okanogan County Road No. 9480

Section 24:

That portion of the Southwest quarter lying South of Okanogan County Road No. 9480;

Section 25: All;

EXCEPT the Southeast quarter of the Southeast quarter thereof;

Section 26:

That portion of the East half lying South of Okanogan County Road No. 9480.

TOWNSHIP 39 NORTH, RANGE 28 EAST, W.M.

Section 2:

Government Lot 4, the South half of the Northwest quarter and the Southwest quarter of the Northeast quarter.



Amended Exhibit "B"
To the Declaration of Covenants, Conditions and Restrictions
For Nine-Mile Ranch

Division I

Recorded this 7th day of December, 1994, at 4:09 p.m. in Book K of Surveys, at pages 93 & 94 under Auditor's File #823796.

Division II

Recorded this 19th day of December, 1994, at 1:16 p.m. in Book K of Surveys, at pages 110 & 111 under Auditor's File #832982.

Division III

Recorded this 30th day of December, 1994, at 9:21 a.m. in Book K of Surveys, at pages 118 & 119 under Auditor's File #824366.

Division IV

Recorded this 27th day of January, 1995, at 10:00 a.m. in Volume K of Surveys, at pages 127-130 under Auditor's File #825170.

Division V

Recorded this 1st day of March, 1996, at 10:46 a.m. in Volume L of Surveys, at pages 22-25 under Auditor's File #838489.

Division VI

Recorded this 6th day of February, 1996, at 8:04 a.m. in Volume L of Surveys, at pages 20 & 21 under Auditor's File #837645.

Division VII

Recorded this 18th day of March, 1997, at 8:51 a.m. in Volume L of Surveys, at pages 254-257 under Auditor's File #850748.

Division VIII

Recorded this 25th day of September, 1998, at 3:47 p.m. in Book M of Plats at pages 213-217 under Auditor's File #3000492.



3057760
Page: 2 of 2
03/10/2003 02:46P
Okanogan Co, WA

AMENDED EXHIBIT "B"

To the Declaration of Covenants, Conditions and Restrictions
for Nine Mile Ranch

DIVISION I

Lots 1-50, Division I, Nine Mile Ranch survey recorded in Book K of surveys, at pages 93 and 94, Auditor's File No. 823796.

DIVISION II

Lots 3-19, Division II, Nine Mile Ranch survey recorded in Book K of surveys, at pages 110 and 111, Auditor's file No. 823982.

DIVISION III

Lots 1-12, Division III, Nine Mile Ranch survey recorded in bBook K of surveys, at pages 118 and 119, Auditor's File No. 824366.

DIVISION IV

Lots 1-48, Nine Mile Ranch Division IV amended, as per survey recorded in Volume L of surveys, pages 43-47, Auditor's File No. 840112.

DIVISION V

Lots 1-50, Nine Mile Ranch Division V, as per survey recorded in Volume L, pages 22 through 25, Auditor's File No. 838489.

DIVISION VI

Lots 1-20 Nine Mile Ranch Division VI, as per survey recorded in Volume L of Surveys, page 20 and 21, Auditor's File No. 837645.

DIVISION VII

Lots 1-46, and Lot 50 Nine Mile Ranch Division VII, record of survey recorded in Volume L of Surveys, at pages 254-257 under Auditor's File No. 850748.

DIVISION VIII

Lots 1-70, Nine Mile Ranch Division VIII, as per survey recorded in Book M of Plats, pages 213-217, Auditor's File No. 3000492.



3069718
Page: 2 of 2
12/12/2003 02:58F
Okanogan Co, WA

AMENDED EXHIBIT "B"

To the Declaration of Covenants, Conditions and Restrictions
for Nine Mile Ranch

DIVISION I

Lots 1-50, Division I, Nine Mile Ranch survey in Book K of Surveys, at pages 93 & 94 under Auditor's File No. 823796.

DIVISION II

Lots 3-19, Division II, Nine Mile Ranch survey recorded in Book K of Surveys, at pages 110 & 111 under Auditor's File No. 823982.

DIVISION III

Lots 1-12, Division III, Nine Mile Ranch survey recorded in Book K of Surveys, at pages 118 & 119 under Auditor's File No. 824366.

DIVISION IV

Lots 1-48, Nine Mile Ranch Division IV amended, as per survey recorded in Volume L of Surveys, at pages 43-47 under Auditor's File No. 840112.

DIVISION V

Lots 1-50, Nine Mile Ranch Division V, as per survey recorded in Volume L of Surveys, at pages 22-25 under Auditor's File No. 838489.

DIVISION VI

Lots 1-20 Nine Mile Ranch Division VI, as per survey recorded in Volume L of Surveys, at pages 20 & 21 under Auditor's File No. 837645.

DIVISION VII

Lots 1-46, and Lot 50 Nine Mile Ranch Division VII, record of survey recorded in Volume L of Surveys, pat pages 254-257 under Auditor's File No. 850748.

DIVISION VIII

Lots 1-62 and Lots 64-70, Nine Mile Ranch Division VIII, as per survey recorded in Book M of Plats, pages 213-217, Auditor's File No. 3000492.