

Return Address:

Ms. Michelle A. Green
Jeffers, Danielson, Sonn & Aylward, P.S.
2600 Chester Kimm Road
P.O. Box 1688
Wenatchee, WA 98807-1688

**PROTECTIVE COVENANTS
AND MAINTENANCE AGREEMENT
BIRCH RUN PHASE 2**

Grantor/Grantee (Owner): M & A Land, LLC, a Washington limited liability company
Legal Description (abbreviated): Lots 2 through 25, Birch Run Phase 2, Subdivision P2005-010, Chelan County, Washington. Additional legal on page 1 and 8 (Exhibit "A").
Assessor's Tax Parcel ID#: 23-20-17-430-055 and 23-20-17-430-050 (parent parcels)

M & A LAND, LLC, a Washington limited liability company ("Developer"), the owner of real property located in Chelan County, Washington, legally described as follows:

Lots 2 through 25, Birch Run Phase 2, Subdivision P2005-010, Chelan County, Washington, according to the plat thereof recorded on April 15, 2014, under Auditor's File No. 2398891

(the "Property") hereby establishes the following protective covenants, conditions and restrictions for the Property, said covenants to run with the land.

ASSOCIATION

1.1 The covenants shall be administered by the Birch Run Phase 2 Development Homeowners Association (the "Association"). All owners of the Property described above shall be members of the Association. Each lot shall be entitled to one vote, PROVIDED, that until 85% of all lots are sold, including any additional lots annexed as described below (the "Transition Date"), the Developer shall administer the covenants and perform the obligations of the Association, Board of Directors and Architectural Control Committee. Provided, the Developer may transfer the administration to the Association at any earlier time at its discretion. The Association may hire or appoint a manager or managing company to oversee maintenance required by the covenants and enforcement thereof.

ADMINISTRATIVE COVENANTS

2.1 Duration. This plat and dedication of the Birch Run Phase 2 development are made subject to the above restrictions and covenants described herein, which

PROTECTIVE COVENANTS AND MAINTENANCE
AGREEMENT – BIRCH RUN PHASE 2

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Jeffers, Danielson, Sonn & Aylward, P.S.
Attorneys at Law
2600 Chester Kimm Road / P.O. Box 1688
Wenatchee, WA 98807-1688
(509) 662-3685 / (509) 662-2452 FAX

1 shall run with the land and shall be binding on all parties and all persons claiming under them,
2 unless an instrument signed by the then owners of two-thirds (2/3) of the votes has been recorded,
3 agreeing to change said covenants in whole or in part.

4 2.2 Assessments. Costs incurred by the Association as provided herein and
5 a reserve amount as determined by the Association shall be assessed to the owners of the lots in
6 the amount of \$375.00 per year for the first three years (2014 through 2017). Thereafter, the
7 annual assessment will increase by two percent (2%) each year unless otherwise determined by
8 the Board of Directors of the Association, but in any event, shall not increase by more than five
9 percent (5%) per year, excluding any special assessments. Assessments are due within thirty
10 (30) days. Delinquent assessments shall be assessed a five percent (5%) late fee and incur
11 interest at twelve percent (12%) per annum. Should an owner fail to pay an assessment or other
12 charges such as water fees, the Association may:

- 13 (a) File a lien against the residential lot and foreclose the lien like a
14 mortgage;
- 15 (b) Bring an action for monies owed; or
- 16 (c) Seek injunctive relief so long as the action taken is approved by a vote of
17 the owners.

18 2.3 Budget. The Board of Directors of the Association shall prepare and
19 maintain an annual budget to determine appropriate annual assessment amounts as provided
20 herein.

21 2.4 Approval. When these covenants require owner approval such approval
22 shall be by two-thirds (2/3) vote, with one vote per lot.

23 2.5 Waiver. Waiver of any of these covenants shall be by two-thirds (2/3)
24 vote, with one vote per lot.

25 2.6 Amendment. Prior to the Transition Date, the Developer shall have the
26 right to amend these covenants in its discretion. Thereafter, amendment of these covenants and
restrictions by the Association shall be by two-thirds (2/3) vote, with one vote per lot. No
amendment may restrict, eliminate, or otherwise modify any right of the Developer without the
consent of the Developer. Amendments shall be in writing and recorded in the same manner as
these covenants.

2.7 Severability. The provisions hereof shall be deemed independent and
severable, and the invalidity or partial invalidity or unenforceability of any provision shall not affect
any other provision hereof.

2.8 Enforcement. Enforcement shall be by proceedings at law or in equity
against any person or persons violating or attempting to violate any covenant either to restrain
violation or to recover damages. The prevailing party in any dispute for the enforcement of these
covenants or for collection of assessments shall be entitled to recover reasonable attorney's fees
and costs.

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GENERAL COVENANTS AND MAINTENANCE AGREEMENT

3.1 Subdivision. No lot may be subdivided.

3.2 Maintenance of Vacant Lots. It is the intent of these restrictions that vacant lots to be maintained in a reasonably presentable condition.

3.3 Animals. No animals shall be allowed, except for a few traditional small household pets, unless otherwise approved by the Association. All animals must be kept within the boundary of the owner's parcel on all lots.

3.4 Electrical and Telephone Service. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes, nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained. All owners shall use underground service to connect to the underground electrical or telephone utility facilities.

3.5 Refuse. No trash, garbage, rubbish, refuse or other solid waste of any kind, including without limitation, inoperable automobiles, appliances and furniture, shall be thrown, dumped, stored, disposed of, or otherwise placed on any part of the lot. Garbage and similar solid waste shall be kept in sanitary containers well suited for that purpose. The Association shall have the right to order cleanup of a lot in violation of this provision after the Association provides twenty (20) day's written notice to the owner. The cost of the cleanup will be billed to the lot owner.

3.6 Storage. A lot owner may not use a lot for storage of equipment or construction materials prior to commencing construction.

3.7 Temporary Dwellings. No mobile homes, trailers, tent or other outbuildings shall be used on a lot at any time, either temporarily or permanently, except during actual construction of a permanent structure when such use shall be limited to six (6) months, and except the job trailer used by builders. No freestanding outhouse or lavatory for privy purposes shall be erected or maintained or placed on any lot or lots; provided that during actual construction of a permanent structure, an outhouse or lavatory must be provided. Except during construction, such convenience must be incorporated within or be part of the building to which they appertain.

3.8 Landscaping. The landscaping approved by the Architectural Control Committee appointed by the Board of Directors must be completed within one year from the date the dwelling is first occupied. No trees, hedges or shrubs shall be grown or maintained in a fashion that unreasonably interferes with any other lot owner's use and enjoyment of their respective properties. The Architectural Control Committee shall determine whether any given trees, hedges or shrubs unreasonably interfere with those rights and such determination shall be conclusive. No fruit trees shall be planted in the front yard. Each home shall maintain a minimum of twenty-five feet (25') of landscape around the entire perimeter of the home (if the layout of the house plans allows). Decks, patios or driveways may be included within this area.

3.9 Irrigation. The Association shall have the right to manage, operate, maintain, and repair all parts of the water delivery system which serve more than one lot and shall have the right to assess and charge lot owners for such maintenance and repair work. In addition, the Association shall have the right to establish watering limitations and/or watering

1 schedules if reasonably necessary to facilitate proper irrigation for all lots, which shall be based
2 on an equitable allotment of available water and charges. Each lot owner shall be responsible for
maintaining the portion of such water delivery system which services only that lot owner's lot.

3 3.10 Natural Drainage. No owner shall change or interfere with the natural
4 drainage.

5 3.11 Excavations. No excavation for minerals, stone, gravel or earth shall be
6 made upon any lot other than excavation for necessary construction purposes relating to main
dwelling units, retaining and court walls, outbuildings and pools, and for the purpose of
contouring, shaping, fencing and generally improving any lot.

7 3.12 Signs. Except for the main subdivision "For Sale" signs and other
8 signage that the Developer may elect to install in connection with its sale of lots, no bill or
advertising sign of any kind may be erected, placed or maintained on any lot or lots or on any
9 building or structure thereon; provided that one "For Sale" sign may be used by a builder or
owner to advertise the property during the construction sales or home sale periods. No sign may
10 be more than three and one-half feet (3½') square, except with the prior written permission of the
Association.

11 3.13 Businesses. No store or business shall be carried on upon said
12 premises or permitted thereon which involves on-premises sales, or which constitutes a nuisance.

13 3.14 Illegal Activities. No illegal activities are permitted.

14 3.15 Antenna. There shall be no antenna of any sort either installed or
15 maintained which is visible from neighboring property. Satellite dishes and Direct TV are
prohibited except small dishes less than 18" in diameter.

16 3.16 Sightliness. Lot owners shall make reasonable efforts to screen, conceal
17 and/or wall in all clotheslines, garbage cans, equipment, motorcycles, snowmobiles, boats, and
storage piles to conceal them from the direct view or line of sight of the neighboring lots and
18 streets. Lot owners shall make reasonable efforts to screen or garage recreational vehicles,
including but not limited to, campers, trailers, all-terrain vehicles, boats, and motor homes, so as
19 to reasonably conceal such recreational vehicles from the direct view or line of sight of
neighboring lots and streets. No more than one recreational vehicle or trailer may be parked
20 outside of the garage on a long-term basis, and must be parked beyond the front face of home or
garage.

21 3.17 Fires. There shall be no exterior fires whatsoever, except for barbecues
and built-in outdoor fireplaces with chimneys, subject to county approval.

22 3.18 Disturbed Earth. Removal and disruption of vegetative cover shall be
23 minimized to protect the existing vegetation to the fullest extent possible. Disturbed areas shall
be reseeded or landscaped. All banks created by house excavation must be compacted and
24 rounded, and seeded or landscaped rather than simply sloughed off, and shall not exceed a slope
of two to one, unless the lot owner provides an engineer report indicating that steeper slope is
25 appropriate.

26 3.19 Driveways. Asphalt pavement or concrete shall surface all driveways.

BUILDING COVENANTS

4.1 Aesthetic Control. No building, including outbuildings, shall be erected, placed or altered on any lot until construction plans and specifications and a plan showing the location of the structure, have been approved by the Architectural Control Committee appointed by the Board of Directors as to quality materials, harmony of external design with existing structures and the intended nature of the plat, conformance with these covenants and location with respect to topography and finished grade elevation. Harmony is to be maintained through use of earth-tone colors and natural building materials where possible. Bright colors and reflective materials are to be avoided. The Architectural Control Committee shall have the right to reasonably require placement of the homes, garages or shops on the lots.

4.2 Single-Family Dwellings. No structure shall be erected on any lot except for one single-family dwelling and associated accessory buildings. If permitted by applicable zoning, ancillary or additional dwelling units may be constructed only upon approval of the Architectural Control Committee, which shall be determined based upon lot size, primary residence placement, coverage area, density, view consideration and other such factors.

4.3 Existing Structures. No existing structure of any nature shall be moved onto said premises, except for small sheds or storage structures, which may be installed only upon approval of the Architectural Control Committee, determined based upon structure, size and height, placement, style, view construction and other such factors.

4.4 Code. All buildings shall conform to the Uniform Building Code.

4.5 Materials. The use of new materials on all exterior surfaces shall be required, except that used brick and reclaimed beams are permissible. Exteriors constructed from materials indigenous to the Pacific Northwest are desired. No reflective finishes (other than glass or hardware fixtures) shall be used on exterior surfaces, including, but not limited to, the exterior surface of any of the following: roofs, all projections above roofs, fences, doors, trims, window frames, pipes, equipment and mailboxes.

4.6 Height Limit. No structure on any lot shall exceed any County restrictions.

4.7 Roof Slopes. All roof slopes of residences, including garages, are to be no less than 3" in 12" or greater than 9" in 12". Geodesic or A-frame are not allowed.

4.8 Roof Materials. No building or structure shall be permitted on any lot without an earth-colored architectural composition, concrete tile or clay tile roof.

4.9 Dwelling Size. No dwelling shall be constructed having a fully enclosed living area of less than 1,500 square feet (this does not include garages, balconies, patios and the like), except on approval by the Architectural Control Committee. Dwellings shall not exceed two stories or a single story or a single story and daylight basement, or a standard tri-level style.

4.10 Garages. Garages must be fully enclosed and accommodate no fewer than two cars. The minimum size for garages is 400 square feet. Parking inside the garage is preferred. No more than two vehicles may be parked outside the garage on a long-term basis.

1 4.11 Fences. Any fence, which is built, must be approved by the Architectural
2 Control Committee and must be maintained in an aesthetic manner, so that the fence is not
3 broken, leaning, or otherwise has a shabby appearance. Fences shall be no greater than six feet
4 in height. Cyclone fencing is prohibited, except that black cyclone fencing may be permitted. No
5 fence shall be permitted along the westerly boundary of Lot 25. Fencing is an extension of the
6 home and must be preserved in both an aesthetic and well-maintained manner. The Architectural
7 Control Committee has the power to evaluate the adequacy of the fencing in a subjective manner.

8 4.12 Time of Completion. Any dwelling or structure erected on a lot shall be
9 completed as to external appearance, including finished painting, within one year from the date of
10 commencement of construction. Provided, however, that such period for completion shall be
11 extended sufficiently to compensate for unavoidable delays caused by acts of God, strikes,
12 embargoes, hostilities, seizures, order of governmental authorities or any other interruption
13 beyond the control of the owner.

14 4.13 Repair. All buildings located on the lot shall be kept in good repair and in
15 a generally attractive condition.

16 4.14 Spark Arresters. Spark arresters of a type approved by the local Chelan
17 County Fire District must be installed on all chimneys.

18 **UTILITY COVENANTS**

19 5.1 Stormwater. The stormwater system shall be maintained pursuant to the
20 Drainage Plan on file with the Chelan County Public Works Department.

21 **ANNEXATION OF ADDITIONAL PROPERTY**

22 At any time prior to the Transition Date, and from time to time, some or all of the
23 real property described on Exhibit "A" may be annexed to and become subject to these
24 Covenants, at the election of the Developer.

25 6.1 Annexations. Developer may elect to annex some or all of the real
26 property described on Exhibit "A" in increments of any size whatsoever, or to annex more than
one such increment to any given time and in any given order. Developer is not obligated to
annex any of said property, and none of said property shall become subject to these Covenants
unless and until a supplemental declaration shall have been recorded as herein provided.

6.2 Supplemental Declaration. A supplemental declaration shall be in writing
in recordable form which annexes additional real property to the plan of these Covenants and
which incorporates by reference all of the covenants, conditions, restrictions, easements and
other provisions as are set forth in these Covenants. Supplemental declarations may contain
such complementary additions and modifications of the covenants, conditions and restrictions
contained in these Covenants as may be necessary to reflect the different character, if any, of the
annexed property and as are not inconsistent with the plat of these Covenants.

6.3 Annexation Without Approval of Association. The annexed property may
be annexed to and become subject to these Covenants and subject to the jurisdiction of the
Association without the approval, assent or vote of the Association or its members, provided that
a supplemental declaration covering the annexed property shall be recorded by Developer. The
recording of said supplemental declaration shall constitute and effectuate the annexation unless

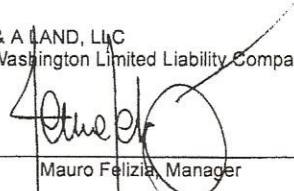
1 a later effective date is specified in the supplemental declaration, making said real property
2 subject to these Covenants and subject to the functions, powers and jurisdiction of the
3 Association, and thereafter the annexed property shall be part of the Property for all intents and
4 purposes of these Covenants.

5 6.4 Boundary Line Adjustments. Developer shall retain and have the right at
6 any time and from time to time to adjust any lot lines and/or boundaries and/or the configuration
7 of the Birch Run Phase II Development with respect to any lots or properties within the Birch Run
8 Phase II Development which are unsold, retained by or otherwise owned by Developer, provided,
9 however, Developer shall not have the right or authority to move or adjust the boundary of any
10 lot(s) owned by another party without first obtaining the consent of such party.

11 DATED this 3rd day of February, 2014.

12 "OWNER"

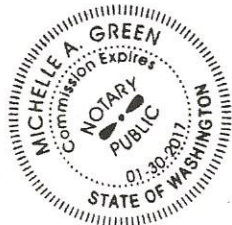
13 M & A LAND, LLC
14 A Washington Limited Liability Company

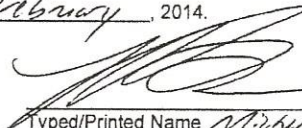
15 By 
16 Mauro Felizia, Manager

17 STATE OF WASHINGTON)
18) ss.
19 COUNTY OF Chelan)

20 I certify that I know or have satisfactory evidence that MAURO FELIZIA is the
21 person who appeared before me and said person acknowledged that he signed this instrument,
22 on oath stated that he was authorized to execute the instrument and acknowledged it as the
23 Manager of M & A LAND, LLC, a Washington limited liability company, to be the free and
24 voluntary act of such party for the uses and purposes mentioned in the instrument.

25 Dated this 3rd day of February, 2014.



26 
27 Typed/Printed Name Michelle A. Green
28 NOTARY PUBLIC
29 In and for the State of Washington
30 My appointment expires 01-30-2017