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COUNTY AUDITOR
SPOKANE COUNTY WA

#5533121

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

LUKINS & ANNIS, P.S.
717 W. Sprague Ave.
1600 Washington Trust Financial Center
Spokane, Washington 99201

Attention: Paul M. Davis

FIRST AMENDMENT TO

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

SPOKANE COUNTY, WASHINGTON

Grantor(s):	Big Trout Conversion, LLC, a Washington limited liability company, as Declarant
Grantee(s):	Big Trout Condominium Association, a Washington nonprofit corporation
Reference NO:	5528179
Abbreviated Legal Description:	PTN OF LTS 1, 2, 3, 6, & 7, BLK 4, HOMESTEAD THE COTTAGES 3RD ADD., PUD, VOL. 23, P. 22, NE 1/4 OF SECTION 15, T. 25 N., R. 45 E., W.M.
Assessor's Tax Parcel ID Number:	55151.2722, 55151.2721

FIRST AMENDMENT TO

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

SPOKANE COUNTY, WASHINGTON

THIS FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("First Amendment") is made as of the 7th day of May, 2007, by Big Trout Conversion, LLC, a Washington limited liability company ("Declarant"), and by Big Trout Condominium Association, a Washington non-profit corporation ("Association") with reference to the following facts:

A. Declarant has established the entire real property being legally described on Exhibit "A", attached hereto and incorporated by this reference ("Property"), as a residential condominium regime under the provisions of the Washington Condominium Act (R.C.W. Chapter 64.34), which condominium is known as the "Big Trout Condominiums," by the execution and recordation of a Declaration of Covenants, Conditions and Restrictions of Big Trout Condominiums ("Declaration") and a survey map and plans of the Condominium ("Survey/Plan") (the Declaration and Survey/Plan collectively referred to as the "Condominium Documents") which were recorded with the Spokane County Auditor in the real property records of Spokane County, Washington on April 27, 2007, under the respective recording numbers 5528179 and 5528178.

C. After obtaining the approval of ninety percent of the votes of the members of the Association, Declarant and Association intend by this document to amend the Condominium Documents by amending, in its entirety, the former Survey/Plan and replacing the former Survey/Plan with the new Survey/Plan that is being recorded herewith.

NOW, THEREFORE, the Declarant and the Association hereby amend the Declaration as follows:

1. The former Survey/Plan recorded in the real property records of Spokane County, Washington on April 27, 2007 under recording number 5528178 is hereby amended and replaced in its entirety by the Survey/Plan being recorded herewith in the real property records of Spokane County, Washington under the Spokane County Auditor's file number 5533127 in Book 9 on Pages 29A through 32A.

2. Except as provided in Section 1 of this First Amendment, the terms and provisions of the Declaration shall remain in full force and effect and shall be unmodified. Any future reference to the Declaration will be deemed to be a reference to the Declaration as amended by this First Amendment.

The undersigned, being the Declarant and Association, have executed this First Amendment effective as of the date set forth above.

ASSOCIATION

BIG TROUT CONDOMINIUM ASSOCIATION, a Washington non-profit corporation

By: _____
JASON S. WHEATON, President

DECLARANT:

BIG TROUT CONVERSION, LLC, a Washington limited liability company

By: _____
JASON S. WHEATON, Manager

STATE OF Washington)
:ss.
County of Spokane)

LYNNE M. BENNETT NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 1-09-11

On this 8th day of May, 2007, before me personally appeared JASON S. WHEATON, to me known to be the MANAGER of BIG TROUT CONVERSION, LLC, the company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said company.

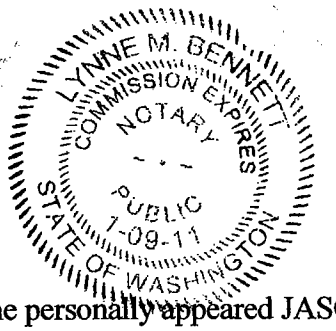
GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

Lynne M. Bennett
Notary Public (Signature)

Lynne M. Bennett
(Print Name)

My Commission Expires 1-9-2011

STATE OF Washington)
:ss.
County of Spokane)



On this 8th day of May, 2007, before me personally appeared JASON S. WHEATON, to me known to be the PRESIDENT of BIG TROUT CONDOMINIUM ASSOCIATION, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said corporation.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.

Lynne M. Bennett
Notary Public (Signature)

Lynne M Bennett
(Print Name)

My Commission Expires 1-9-2011

EXHIBIT "A" TO

FIRST AMENDMENT OF

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

LEGAL DESCRIPTION OF PROPERTY

Real property in the County of Spokane, State of Washington, described as follows:

PORTIONS OF LOTS 1, 2, 3, 6 AND 7 IN BLOCK 4 OF HOMESTEAD – THE COTTAGES THIRD ADDITION, A PLANNED UNIT DEVELOPMENT PER FINAL PLAT THEREOF RECORDED IN VOLUME 23 OF PLATS, PAGES 22 THROUGH 24, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 7, BLOCK 4, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE HOMESTEAD DRIVE; THENCE S79°04'58'W ALONG THE SOUTH LINE OF SAID LOT 7, BLOCK 4 A DISTANCE OF 163.39 FEET TO THE SOUTHWEST CORNER OF SAID LOT 7, BLOCK 4, SAID POINT BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTY VISTA DRIVE AND ALSO A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 761.50 FEET (FROM WHICH POINT A RADIAL LINE BEARS S68°05'34"W); THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 44°59'28" AN ARC DISTANCE OF 597.96 FEET; THENCE N46°47'07"E A DISTANCE OF 48.00 FEET; THENCE N49°16'31"E A DISTANCE OF 30.90 FEET; THENCE N40°19'14"E A DISTANCE OF 19.19 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 7, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 7, BLOCK 4 BEARS NO2°56'04'W A DISTANCE OF 266.98 FEET; THENCE CONTINUING N40°19'14"E A DISTANCE OF 26.29 FEET; THENCE N16°36'22"E A DISTANCE OF 204.92 FEET; THENCE S88°21'52"E A DISTANCE OF 70.07 FEET; THENCE NO0°51'43"E A DISTANCE OF 41.42 FEET; THENCE N47°37'01"E A DISTANCE OF 29.84 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 7, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 7, BLOCK 4 BEARS S87°03'56"W A DISTANCE OF 182.20 FEET; THENCE CONTINUING N47°37'01"E A DISTANCE OF 8.24 FEET THENCE NO3°39'53"E A DISTANCE OF 173.19 FEET; THENCE N32°33'56'W A DISTANCE OF 19.15 FEET; THENCE N04°27'27"E A DISTANCE OF 79.49 FEET; THENCE N32°05'32'W A DISTANCE OF 24.70 FEET; THENCE S73°50'34"W A DISTANCE OF 62.37 FEET; THENCE N87°04'28"W A DISTANCE OF 64.95 FEET; THENCE N82°41'03"W A DISTANCE OF 198.53 FEET TO A POINT ON THE WEST LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER BEARS N02°56'04"W A DISTANCE OF 457.99 FEET; THENCE CONTINUING

N82°41'03"W A DISTANCE OF 158.84 FEET; THENCE N06°29'50"E A DISTANCE OF 74.32 FEET; THENCE N83°00'51'1V A DISTANCE OF 25.27 FEET; THENCE N05°40'12"E A DISTANCE OF 73.34 FEET; THENCE S83°45'09"E A DISTANCE OF 108.59 FEET; THENCE N22°49'18"E A DISTANCE OF 37.73 FEET; THENCE N04°46'00"W A DISTANCE OF 99.41 FEET; THENCE N77°40'40"E A DISTANCE OF 13.74 FEET; THENCE N07°51'41"W A DISTANCE OF 18.22 FEET; THENCE N85°01'07"E A DISTANCE OF 25.65 FEET TO A POINT ON THE WEST LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER BEARS N02°56'04"W A DISTANCE OF 142.21 FEET; THENCE CONTINUING N85°01'07"E A DISTANCE OF 59.68 FEET; THENCE N04°07'03"W A DISTANCE OF 29.32 FEET; THENCE N18°13'46"W A DISTANCE OF 22.22 FEET; THENCE N04°44'47"W A DISTANCE OF 89.37 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 2, BLOCK 4 BEARS S87°03'56"W A DISTANCE OF 50.35 FEET, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MISSION AVENUE; THENCE ALONG THE NORTH LINE OF SAID LOT 2, BLOCK 4 THE FOLLOWING (7) SEVEN COURSES:

1.) N87°03'56"E A DISTANCE OF 81.65 FEET
2.) S02°56'04"E A DISTANCE OF 80.00 FEET
3.) N87°03'56"E A DISTANCE OF 50.00 FEET
4.) N02°56'04"W A DISTANCE OF 54.00 FEET
5.) N87°03'56"E A DISTANCE OF 30.00 FEET
6.) N02°56'04"W A DISTANCE OF 26.00 FEET
7.) N87°03'56"E A DISTANCE OF 238.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, BLOCK 4, THENCE N87°03'56"E ALONG THE NORTH LINE OF SAID LOT 1, BLOCK 4 A DISTANCE OF 127.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 20.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 31.42 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF HOMESTEAD DRIVE; THENCE S02°56'04"E ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 1504.88 FEET TO THE POINT OF BEGINNING.
SITUATE IN THE CITY OF LIBERTY LAKE, SPOKANE COUNTY, WASHINGTON.

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LUKINS & ANNIS, P.S.
717 W. Sprague Ave.
1600 Washington Trust Financial Center
Spokane, Washington 99201

Attention: Paul M. Davis

1001399 MSA

DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

SPOKANE COUNTY, WASHINGTON

Grantor(s):	Big Trout Conversion, LLC, a Washington limited liability company, as Declarant
Grantee(s):	Big Trout Condominium Association, a Washington nonprofit corporation
Abbreviated Legal Description:	PTN OF LTS 1, 2, 3, 6, & 7, BLK 4, HOMESTEAD THE COTTAGES 3RD ADD., PUD, VOL. 23, P. 22 Add legal on Exh. b.t B/NE 1/4 of Sec 15 25N 45E W.M.
Assessor's Tax Parcel ID Number:	55151.2722, 55151.2721

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EXHIBIT "A" Description of Units

EXHIBIT "B" Legal Description of Property

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DECLARATION OF

COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

SPOKANE COUNTY, WASHINGTON

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration"), is made on the date hereinafter set forth, by Big Trout Conversion, LLC, a Washington limited liability company ("Declarant"), with reference to the following facts:

A. Declarant is the owner of that certain residential apartment complex located in Spokane County, Washington, consisting of fourteen (14) two or three (2 or 3) story buildings, for a total of two hundred twenty-four (224) Units, with the entire real property being legally described on Exhibit "B", attached hereto and incorporated by this reference (the "Property").

B. Declarant desires to convert and establish the Property as a residential condominium regime under the provisions of the Washington Condominium Act (R.C.W. Chapter 64.34), which condominium will be known as the "Big Trout Condominiums." The Property consists of Units of wood-frame construction, with vinyl siding and composition roof, with each residential Unit having, in addition to the living space, rights in various common facilities.

C. The Owner of each Unit receives title to an individual space, plus an interest as tenant in common in proportion to the Unit's Allocated Interest in the Common Elements. Each Unit shall also have appurtenant to it certain additional rights, including rights of membership in the Big Trout Condominium Association, a Washington nonprofit corporation formed to govern the Property, and exclusive rights in certain portions of the Common Elements, referred to herein as Limited Common Elements. Only the Association has the power to convey any interest in the Common Elements, as set forth in this Declaration.

D. Several of the particulars relating to each Unit are described more fully on Exhibit "A", attached hereto and incorporated by this reference. As required by R.C.W. Section 64.34.216, Exhibit "A" sets forth, with respect to each Unit, the designation of the Unit, the approximate square footage, the number of bathrooms, the number of bedrooms, the level on which the Unit is located, and the undivided interest in the Common Elements ("Allocated Interest") attributable to the Unit. No Units have built-in fireplaces.

E. Declarant intends by this document to impose upon the Property mutually-beneficial restrictions under a general plan of ownership and operation of the Property for the benefit of all of the said Units and the Owners thereof.

Declarant hereby declares that the Property is held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the establishment of a condominium regime. All of the limitations, covenants, conditions, restrictions, and easements constitute covenants and encumbrances which run with the land and are perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property.

ARTICLE 1.
DEFINITIONS

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, have the following meanings:

1.1 Act: the Washington Condominium Act (R.C.W. Chapter 64.34), as it may be amended from time to time.

1.2 Allocated Interest: the undivided co-tenancy interest in the Common Elements, the share of liability for the Common Expenses, and the voting power in the Association allocated and attributable to each Unit (as set forth on Exhibit "A").

1.3 Articles: the Articles of Incorporation of the Association as restated or amended from time to time.

1.4 Assessment: all sums chargeable by the Association against a Unit, to cover such Unit's share of the cost of maintaining, improving, repairing, operating, insuring and managing the Property, together with fines, interest, late charges, and costs of collection, all as set forth in Article 6 of this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 6.

1.5 Association: Big Trout Condominium Association, a Washington nonprofit corporation, formed by Declarant in conjunction with the creation of the condominium regime, the Members of which are the Owners of Units as provided herein.

1.6 Board or Board of Directors: the governing body of the Association.

1.7 Bylaws: the Bylaws of the Association as restated or amended from time to time.

1.8 Common Elements: the entire Property, excluding only the individual Condominium Unit airspaces as defined herein, and, without limiting the foregoing, including the Limited Common Elements. The rights and restrictions pertaining to the use of the Common Elements are further described in Article 3 of this Declaration.

1.9 Common Expenses: expenditures made by or financial liabilities of the Association, together with any allocations for reserves. Without limiting the generality or scope of the foregoing, the Common Expenses include the actual and estimated expenses of maintenance, improvement, repair, operation, insurance and management of the Common Elements, the providing of utility services which are not metered to separate Units, and of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, and all sums designated as Common Expenses by or pursuant to the Project Documents.

1.10 Condominium: means the Condominium created by this Declaration and related Survey/Plan pursuant to the Act.

1.11 Declarant: Big Trout Conversion, LLC, a Washington limited liability company, and its successors-in-interest and assigns with respect to the entire Property. The term "Declarant" does not include independent third parties acquiring condominium Units, but includes, without limitation, any third person who succeeds to any special Declarant rights reserved under this Declaration.

1.12 Declarant Control: is the period of time that terminates as set forth in Section 2.11(c).

1.13 Declaration: this Declaration of Covenants, Conditions and Restrictions, as it may be restated or amended from time to time.

1.14 Limited Common Elements: those portions of the Common Elements and facilities set aside for exclusive use of a Unit Owner or Owners (but less than all Owners), pursuant to Article 3 of this Declaration.

1.15 Member: a person entitled to membership in the Association as provided herein and in the Articles.

1.16 Mortgage: includes a recorded mortgage, deed of trust, real estate contract, or other instrument creating a security interest in any Unit.

1.17 Mortgagee: includes a mortgagee, beneficiary or holder of a deed of trust, real estate contract vendor, or other holder of a mortgage (including Declarant or Declarant's assignee with respect to any purchase-money security interests retained by Declarant on sale of any Unit).

1.18 Mortgagor: includes a mortgagor, the trustor of a deed of trust, real estate contract vendee or other individual granting a security interest in any Unit.

1.19 Owner or Owners: the record holder or holders of title of a Unit. This includes, without limitation, any person having a fee simple title to any Unit, but excludes, without limitation, persons or entities having any interest merely as security for the performance of any obligation. Further, if a Unit is sold under a recorded contract of sale to a purchaser, the purchaser, rather than the fee owner, is considered the "Owner."

1.20 Person: any individual or any corporation, joint venture, limited liability company, limited partnership, partnership, firm, association, trust, or other similar entity or organization.

1.21 Project Documents: this Declaration, the Survey/Plan, and the Articles, Bylaws, and Rules and Regulations of the Association, as each shall be restated or amended from time to time.

1.22 Property: the real property described in this Declaration, together with every building, improvement or structure thereon, and every easement or right appurtenant thereto, and all personal property intended for use in connection therewith or for the use, benefit or enjoyment of the Owners.

1.23 Survey/Plan: collectively, the recorded plat or survey map showing the surface of the ground included within the Property, together with the recorded diagrammatic floor plan or plans of any building thereon, which identifies each Unit and shows its relative location and approximate dimensions and elevations, all as required by the Washington Condominium Act, filed simultaneously with this Declaration under Auditor's File No. 5528178, in Book 9, pp. 29-32.

1.24 Unit: a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to R.C.W. 64.34.216(1)(d). While the term "Unit" legally encompasses all elements of an individual condominium, the context may sometimes require the term to refer only to the airspace element, legal or equitable title to which is vested in the Owner. In that context, the physical boundaries of the Unit are the perimeter walls, floors, and ceilings of the Unit, and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof shall be deemed part of the Unit. All other portions of the perimeter walls, floors, and ceilings, including, without limitation, the balconies, and the entirety of all window glass, window frames, and window seals, are part of the Common Elements. In interpreting this Declaration, the Survey/Plan, and deeds, the existing physical boundaries of the Unit as originally constructed or as reconstructed as permitted in this Declaration are conclusively presumed to be its boundaries rather than the metes and bounds expressed or depicted in the Declaration, Survey/Plan or deed, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown in the Survey/Plan or deed, and the actual boundaries of the Units.

ARTICLE 2.
ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

2.1 Organization of Association. The Association is incorporated under the name of Big Trout Condominium Association, as a nonprofit corporation under the Washington Nonprofit Corporation Act.

2.2 Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, and in the Articles and Bylaws, together with its general and implied powers as a nonprofit corporation, generally to do any and all things that a nonprofit

corporation organized under the laws of the State of Washington may lawfully do and which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles, and the Bylaws. Such duties and powers include the following:

(a) Adopt and amend Bylaws, rules, and regulations;

(b) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Assessments for Common Expenses and/or special charges for maintenance work on Limited Common Elements from Owners;

(c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;

(d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Condominium;

(e) Make contracts and incur liabilities;

(f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;

(g) Cause additional improvements to be made as a part of the Common Elements;

(h) Acquire, hold, encumber, convey in its own name, any right, title, or interest to personal property;

(i) Grant easements, leases, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;

(j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements, other than Limited Common Elements described in Section 3.5, and for services provided to Unit Owners;

(k) Impose and collect charges for late payment of assessments pursuant to RCW 64.34.364 (13) and, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Declaration or Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association;

(l) Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration, resale certificates required by RCW 34.34.425 and statements of unpaid Assessments;

(m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

(n) Exercise any other powers conferred by the Declaration or Bylaws;

(o) Exercise any other powers necessary and proper for the governance and operation of the Association;

(p) Maintain and repair any Unit, its appurtenances and appliances, and any Limited Common Element not included in maintenance work, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Condominium, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to Owner; provided that the Board shall levy a special charge against the Unit of such Owner for the cost of such maintenance or repair; and

(q) Pay any amount necessary to discharge any lien or encumbrance levied against the entire Property or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Units responsible to the extent of their responsibility.

2.3 Membership. The Owner of a Unit automatically, upon becoming the Owner of that Unit, is a Member of the Association, and remains a Member thereof until such time as its ownership ceases for any reason, at which time such membership in the Association automatically ceases.

2.4 Transferred Membership. Membership in the Association may not be transferred, pledged, or alienated in any way, except upon either the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner, or the transfer to a bona fide Mortgagee. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in such Owner's name to the purchaser of the Unit, the Association has the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller will be null and void.

2.5 One Class of Membership; Voting Requirements. The Association has one (1) class of voting membership, with the voting power attributable to each Unit being equal and corresponding to the equal Allocated Interest appurtenant to each Unit, according to Exhibit

"A". Except as specifically set forth herein, voting requirements are as set forth in the Articles and Bylaws.

2.6 Multiple Owners. If only one of the multiple Owners of a Unit is present at a meeting of the Association, the Owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There will be deemed to be a majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. If no majority agreement is obtained, no votes cast by that Unit will be counted.

2.7 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven months after its date of issuance.

2.8 Pledged Votes. If an Owner is in default under a first Mortgage on the Unit for ninety (90) consecutive days or more, the Mortgagee is automatically authorized to declare at any time thereafter that the Owner has pledged the Owner's vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of and provided a copy of any such pledge, only the vote of the Mortgagee will be recognized in regard to the matters upon which the vote is so pledged. Amendments to this subsection are only effective upon the written consent of all the voting Owners and their respective Mortgagees, if any.

2.9 Meetings. A meeting of the Association must be held at least once each year in March. Special meetings of the Association may be called by the president, a majority of the Board, or by Owners having fifteen percent (15%) of the Allocated Interests. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Owner. The notice of any meeting will state the time and place of the meeting and the items on the agenda to be voted on by the Members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer.

2.10 Quorums. A quorum is present throughout any meeting of the Association if the Owners of twenty-five percent (25%) of the Allocated Interests (and the Declarant, if the Declarant holds at least twenty-five percent (25%) of the total Allocated Interests) are present in person or by proxy at the beginning of the meeting. A quorum is deemed present throughout any meeting of the Board if persons entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

2.11 Board of Directors. The Board of Directors will consist of five (5) directors, each of whom, if elected by Owners other than the Declarant, shall be an Owner or an agent of a entity Owner; each director appointed by the Declarant need not be an Owner. The Board shall conduct regular and special meetings according to the provisions of this Declaration, and the Articles and Bylaws. However, to assure the Declarant reasonable control of the Association during the development and sale of the Units, the Declarant has the right to appoint directors of the Association, according to the following:

(a) Until sixty (60) days after conveyance of one hundred twelve (112) of the Units to Owners other than the Declarant, the Declarant shall appoint all directors.

(b) Commencing sixty (60) days after conveyance of one hundred twelve (112) of the Units to Owners other than the Declarant, at least two (2) directors shall be elected by the Members other than the Declarant;

(c) The period of Declarant control will terminate automatically on the earliest of: (i) sixty (60) days after conveyance of one hundred sixty-eight (168) of the Units to Owners other than the Declarant; (ii) two (2) years after the last conveyance or transfer of record of any Unit except as security for a debt; (iii) five (5) years following the first conveyance of any Unit; or (iv) the date on which the Declarant records an amendment to this Declaration voluntarily surrendering the right to appoint directors. Within thirty (30) days following termination of Declarant control, the Members shall elect a Board of Directors.

2.12 Removal of Board. The Owners, by a two-thirds vote of the Allocated Interests present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any Director, with or without cause, other than a director, if any, appointed by the Declarant. The Declarant may not remove any director elected by the other Owners.

2.13 Management by Board. Except as otherwise provided in the Declaration, the Bylaws, or the Act, the Board shall act in all instances on behalf of the Association, in the performance of its duties, and the directors are required to exercise: (a) if appointed by the Declarant, the care required of fiduciaries of the Owners; or (b) if elected by the Owners, ordinary and reasonable care.

2.14 Use of Agent. The Board of Directors, on behalf of the Association, may contract with a professional management agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board, subject to such limitations as may be set forth in the Bylaws.

2.15 Power of Attorney. The Declarant, on behalf of all Owners, hereby grants to the Association an irrevocable Power of Attorney to sell and convey the entire Property for the benefit of all Owners thereof, when partition of the Property may be had under the terms of this Declaration or by law, and to sell, convey, encumber and otherwise transfer the real property located within the Common Areas, which powers will: (i) be binding upon all Owners, whether they expressly assume the obligations of the Declaration or not; (ii) be

exercisable by a majority of the Board (following the appropriate vote of authorization by eighty percent (80%) of the Allocated Interests, as required hereunder and by law); and (iii) be exercisable only after the recordation of a certificate by those who have the right to exercise such Power of Attorney that such Power of Attorney is properly exercisable under this Declaration, which certificate shall be conclusive evidence of the facts recited therein in favor of any person relying thereon in good faith; provided that each Owner may convey such Owner's undivided interest in the Common Area together with the Owner's Unit, in compliance with Section 3.3, below.

2.16 Budget. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting a majority of the Allocated Interests reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners will continue until such time as the Owners ratify a subsequent budget proposed by the Board.

2.17 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in Section 2.2, but subject to the limitations set forth in this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's pro rata share of said borrowed funds. The obligation to pay the pro rata share is a lien against each Unit. The Owner of a Unit may remove the Owner's Unit from the lien by payment of the Assessment. Subsequent to any such payment, discharge, or satisfaction, the Unit will be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge does not prevent the lienor from proceeding to enforce the lienor's rights against any Unit for any lien not so paid, satisfied, or discharged.

2.18 Association Records and Funds. The Association shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425 (as amended from time to time) in providing resale certificates. All financial and other records shall be made reasonably available for examination by any Owner, the Owner's authorized agents and all Mortgagees. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The funds of the Association shall not be commingled with the funds of any other Association, nor with the funds of any manager of the Association, or any other person responsible for the custody of such funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, will require the signature of at least two (2) persons who are officers or directors of the Association.

2.19 Transfer of Administration. Within thirty (30) days after the termination of the period of Declarant Control, the Owners shall elect a Board of five (5) directors. The Board shall call a meeting of the Association to be held within thirty (30) days after the date of termination of the period of Declarant Control for the purpose of electing the new Board. The new Board shall elect the officers of the Association and such directors and officers shall

take office upon election. Within sixty (60) days after the termination of the period of Declarant Control, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant including, but not limited to: the original or a photocopy of this Declaration and each amendment thereto; the certificate of incorporation and a copy or duplicate original of the Articles; the Bylaws and minute books, including all minutes and other books and records of the Association; any rules and regulations that have been adopted; any resignations of officers and directors who are required to resign because Declarant is required to relinquish control of the Association; all financial records, including cancelled checks, bank statements, and financial statements of the Association and source documents from the time of incorporation of the Association through the date of transfer of control to the other Owners; all Association funds or the control thereof; all tangible personal property of the Association represented by Declarant to be the property of the Association or ostensibly the property of the Association and an inventory of such property; a copy of Declarant's plans and specifications utilized in the construction or remodeling of the Condominium and a certificate of the Declarant or a licensed architect or engineer that the plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications used by the Declarant in the construction or remodeling of the Condominium (except for alterations to a Unit made by a Unit Owner other than Declarant); insurance policies or copies thereof for the Condominium and the Association; copies of any certificates of occupancy that may have been issued to the Condominium; any other permits issued by governmental bodies applicable to the Condominium; all written warranties still in effect for the Common Elements or any areas or facilities which the Association has the responsibility to maintain and repair and all documents related thereto; a roster of Owners and Mortgagees and their addresses and telephone numbers; and any leases or contracts to which the Association is a party. Upon the transfer of control to the other Owners, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted accounting principles, unless the Owners other than Declarant by a two-thirds (2/3) vote of the Allocated Interests elect to waive the audit. The cost of the audit shall be a common expense of the Association. If entered into before the Board elected by the other Owners takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities, (2) any other contract or lease between the Association and a Declarant or an affiliate of a Declarant, or (3) any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing may be terminated without penalty by the Association at any time after the Board elected by the other Owners takes office upon not less than ninety (90) days' notice to the other party or within such lesser notice period provided for without penalty in the contract or lease.

ARTICLE 3.
RIGHTS IN COMMON ELEMENTS

3.1 Common Elements. The Common Elements consist of all of the Property, other than the individual Units, as provided in the Act. Each Owner has, as appurtenant to the Owner's Unit, an undivided interest in the Common Elements equal to the Allocated Interests set forth in Exhibit "A." Each Unit Owner also has a nonexclusive right to use the Common Elements (other than the Limited Common Elements) in accordance with the purposes for

which it is intended, without hindering the exercise of or encroaching upon the lawful rights of any other Unit Owner(s), subject to rules and regulations enacted by authority of the Board.

3.2 Ownership of Common Elements. Even though all Owners have undivided interests in the Common Elements, the Common Elements may not be separately sold, conveyed, encumbered, or otherwise transferred by any individual Owner. The Association, acting by and through the Board of Directors, has all right and authority in and to the Common Elements, except as otherwise set forth in this Declaration.

3.3 No Separate Conveyance of Undivided Interests. The undivided interests in the Common Elements and the fee title to the respective Units may not be separated or separately conveyed. Each such undivided interest is hereby declared to be permanent in character and unalterable except by amendment of this Declaration, and is deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

3.4 Partition Prohibited. Except as permitted by law or by this Declaration, the Common Elements will remain undivided as set forth above, and no Owner may bring any action for partition or division of any part of the Common Elements, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Property. Judicial partition by sale of a single Unit owned by two or more persons, and division of the sale proceeds, is not prohibited under this Declaration (but physical partition of a single Unit is prohibited).

3.5 Limited Common Elements. Portions of the Common Elements referred to as "Limited Common Elements," are hereby set aside and allocated for the perpetual exclusive use of the Owners of individual Units. The Limited Common Elements include, without limitation:

(a) Any portion of any window, window frame, window sealant, chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture that services a single Unit (any portion of any such item that services more than one Unit or any portion of the Common Elements is a part of the Common Elements);

(b) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to services a single Unit, but which are located outside the Unit's boundaries;

(c) The storage areas appurtenant to various Units, as reflected on the Survey/Plan; and

(d) The parking areas, whether covered or uncovered, appurtenant to various Units, as reflected on the Survey/Plan.

3.6 Regulation of Common Elements Use. The rights and easements of use and enjoyment of the Common Elements created by this Declaration, including, without limitation, any exercise facility, swimming pool, and other similar Common Areas, if any, are

subject to such rules and regulations as may be adopted by the Board of Directors. The beneficial use of the exercise facility, swimming pool, and other similar Common Areas, if any, must benefit each Owner equally. Without otherwise limiting the generality of the Board's authority to enact reasonable rules and regulations, such rights are subject to the following:

(a) The right of the Board to suspend the rights and easements of any Member, and the persons deriving such rights and easements from any Member, for use and enjoyment of any part of the Common Elements (other than areas reasonably required for access to that Member's or the use of that Member's Unit), for any period during which the payment of any Assessment against the Member and the Member's Unit remains delinquent, or during which the Member may otherwise be in breach of the Project Documents; provided, however, that any suspension for either nonpayment of any Assessment or breach of any provision in the Project Documents does not constitute a waiver or discharge of the Member's obligation to pay Assessments or to comply with the Project Documents as provided in this Declaration;

(b) The right of the Board to consent to or otherwise cause the construction of additional improvements on the Common Elements and to consent to or otherwise cause the alteration or removal or any existing improvements on the Common Elements for the benefit of the Members of the Association;

(c) The right of the Board to consent to or join in the grant or conveyance of easements, licenses, or rights of way in, on, or over the Common Elements for utilities or other purposes not inconsistent with the intended use of the Property as a residential condominium project;

(d) The rights and reservations of Declarant as set forth in this Declaration; and

(e) The right of the Board to reasonably restrict access to roofs, maintenance areas and other Common Elements of the Property.

3.7 Delegation of Use. Any Member entitled to the right and easement of use and enjoyment of the Common Elements may delegate such right to its tenants or subtenants who are occupying the Member's Unit, subject to reasonable regulation by the Board. An Owner who has made such a delegation of rights is not entitled to the use or enjoyment of any part of the Common Elements for so long as such delegation remains in effect.

3.8 Damage by Member. Each Member is liable to the Association for any damage to the Common Elements not fully reimbursed to the Association by insurance, if the damage is sustained because of the negligence, willful misconduct, or unauthorized or improper use, installation or maintenance of any improvement by the Member, or by any guest, tenant, family member, employee, or invitee of the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim will be made upon the insurance maintained by the Association, and the Association further reserves the right to levy a Special Assessment against such Member's Unit, equal to the

increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance will be a Special Assessment against such Unit and may be enforced as provided herein for the enforcement of other Assessments.

ARTICLE 4.
ARCHITECTURAL CONTROL; UNIT RECONFIGURATION

4.1 Prohibition of Alteration and Improvement. Subject to the exemption of Declarant hereunder, no building, sign, fence, wall, obstruction, awning, window treatment, improvement, or structure of any kind, which would be visible from the Common Elements or any other area outside of any Unit itself, shall be commenced, erected, painted or maintained upon the Property, nor shall any alteration or improvement of any kind be made thereto, unless and until the same has been approved in writing by the Board or by an Architectural Control Committee (the "Committee") appointed by the Declarant or the Board, as provided in this Article.

4.2 Plans and Approval. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements or alterations, or the size, lettering and general appearance of any sign, shall be submitted to the Board or Committee for approval as to quality of workmanship and design, and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval will be required to rebuild in accordance with the original plans and specifications, or to rebuild in accordance with plans and specifications previously approved by the Board or the Committee.

The Board or Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Article and perform such other duties as from time to time shall be deemed appropriate by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Board or Committee. Any application submitted to the Board or Committee pursuant to this Article is deemed disapproved, unless written approval shall have been transmitted to the applicant within thirty (30) days after the date of receipt by the Board or the Committee of all required materials.

4.3 Architectural Control Committee. The number, appointment and term of the members of the Committee are governed by the following:

(a) If a Committee is appointed, there shall be not less than three (3) nor more than five (5) members of the Committee, as determined by the Board or, until the period of Declarant Control terminates, the Declarant. Unless and until a Committee is appointed, the Board shall undertake the functions of the Committee.

(b) Once the Board determines to establish a Committee, the Declarant may appoint all of the original members of the Committee and all replacements until

the period of Declarant Control terminates. Committee members appointed by the Declarant need not be Members of the Association.

(c) The Board shall appoint all members of the Committee which are not appointed by the Declarant. Committee members appointed by the Board must be from the membership of the Association.

The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder. Neither the Committee nor any member of the Committee is liable in damages or otherwise for decisions made in good faith pursuant to the authority granted in this Article.

ARTICLE 5.
REPAIR AND MAINTENANCE

5.1 Repair and Maintenance Rights and Duties of Association. Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, the Association shall paint, maintain, repair and replace the Common Elements and facilities thereon, and all portions of the Common Elements (other than the Limited Common Elements, to the extent that the Limited Common Elements are maintained by individual Unit Owners pursuant to Section 5.2, below), or shall contract for such maintenance, repair and replacement to assure maintenance of such Common Elements and facilities thereon in good condition, reasonable wear and tear excepted. However, the Association is not responsible for or obligated to perform those items of maintenance, repair or improvement of the Units or any Limited Common Elements, the maintenance of which is the responsibility of the Owners as provided in Paragraph 5.2 below. For the purpose of performing the maintenance, repair or replacement of the Common Elements and facilities thereon as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to such Common Elements or to individual Units, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Board (and its agents and employees) has an irrevocable easement over and onto all portions of the Common Elements (including the Limited Common Elements), and also has the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Unit.

5.2 Repair and Maintenance Rights and Duties of Owners. Except for those portions of the Property which the Association is required to maintain and repair, each Owner shall, at the Owner's sole cost and expense, maintain, repair and replace his or her Unit and the parking area or storage are appurtenant to such Unit, keeping the same in good order, condition and repair. Additionally, each Owner shall maintain, repair and replace as necessary any separate air conditioning, water heating, or other utility unit or equipment which services only the Owner's Unit. Each Owner has the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding the airspace element and the interior of the Owner's Unit; provided that any floor area with installed carpeting in a non-ground-floor Unit (at the time of conveyance of the Unit) must remain a carpeted floor area, unless the written consent of the Board and of the Owner of any Units below the carpeted are obtained. In the event an Owner fails to maintain the Owner's Unit or Limited Common Elements as provided

herein in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify the Owner of the work required and request it be done within sixty (60) days, or such lesser period of time necessary to the health and welfare of the other Owners, from the giving of such notice. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner. Decisions with respect to the standard of appearance and condition of Units and of Limited Common Elements, and with respect to the necessity for and manner of caring for, maintaining, repairing, repainting or redecorating Units and Limited Common Elements shall be made by the Board. The provisions of this Section are subject to the requirements set forth in Article 4 (architectural control) and Article 8 (use restrictions), and nothing in this Section permits an Owner to alter any other portion of the Limited Common Elements, including without limitation any structural portions of the buildings.

5.3 Right of Entry. The Board and its agents or employees, may enter any Unit or Limited Common Element when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board and paid for as a Common Expense if the entry was due to an emergency, or for the purpose of maintenance or repairs to Common or Limited Common Elements where the repairs were undertaken by or under the direction or authority of the Board; provided, if the repairs or maintenance were necessitated by or for the Unit entered or its Owners, or requested by its Owners, the costs thereof shall be specially charged to such Unit. In furtherance of the foregoing, the Board (or its designated agent) has the right at all times to possess such keys and/or lock combinations as are necessary to gain immediate access to Units and Limited Common Element.

ARTICLE 6.
ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned by the Declarant, hereby covenants, and each Owner of any Unit by acceptance of a deed therefore, whether or not it so expresses in such deed, is deemed to covenant and agree to pay to the Association the following Assessments, which are established and collected as provided herein and in the Act:

(a) Regular Assessments;

(b) Extraordinary Assessments; and

(c) Special Assessments.

Each Assessment, together with interest, costs, penalties and actual attorneys' fees, is a charge and a continuing lien upon the Unit against which each Assessment is made, the lien to become effective from the time the Assessment is due. Each such Assessment, together with interest, costs, penalties and actual attorneys' fees, is also the personal obligation of the person who was the Owner of such Unit at the time when the Assessment became due. No

Owner may exempt himself or herself from liability for the required contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his or her Unit. Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

6.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all the Owners of Units and for the improvement and maintenance of the Common Elements for the common good of the Property. The Regular Assessments will include an adequate reserve fund for maintenance, repair and replacement of those portions of the Common Elements which must be replaced on a periodic basis. Nothing in this Section precludes the Association from performing work on an Owner's Unit or Limited Common Area in compliance with Section 5.2, above.

6.3 Regular Assessments. Until the end of the Association's fiscal year immediately following the closing of the sale of the first Unit (or until the period of Declarant Control expires, whichever is sooner), the annual maximum Regular Assessment per Unit will be such amount as is set forth in the budget prepared by Declarant, payable in installments as determined by the Board. Each Unit's share for the first fiscal year in which Assessments are made will be prorated based on the number of months remaining in that fiscal year. Thereafter, the Board shall determine and fix the amount of the maximum annual Regular Assessment against each Unit.

6.4 Extraordinary Assessments. In addition to the Regular Assessments authorized above, the Board may levy, in any fiscal year, an Extraordinary Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated Regular Assessment; provided, however, that the aggregate Extraordinary Assessments for any fiscal year shall not exceed five percent (5%) of the budgeted gross expenses of the Association (excluding reserves) for that fiscal year, without the vote or written assent of a majority of the Allocated Interests of the Association.

6.5 Special Assessments. In addition to the Regular and Extraordinary Assessments authorized above, the Board may levy Special Assessments (without limitation as to amount or frequency) against an individual Unit and its Owner to reimburse the Association for costs incurred in bringing that Owner and the Owner's Unit into compliance with the provisions of the Project Documents, including, without limitation, interest, penalties, actual attorneys' fees and costs.

6.6 Allocation of Assessments. Each Unit, including Units owned by Declarant, bear a share of each aggregate Regular and Extraordinary Assessments equal to the Allocated Interest, subject to the authority of the Board to make the following adjustments, in its discretion:

(a) Common Expenses associated with the Limited Common Elements may be paid by or assessed against the Units to which the Limited Common Elements are assigned, on an equal basis among such Units;

(b) Common Expenses benefiting fewer than all of the Units may be assessed exclusively against the Units benefited;

(c) The cost of insurance shall be assessed in proportion to risk; and

(d) The costs of utilities may be assessed in proportion to usage.

6.7 Date of Commencement of Assessment; Due Dates. Until the Association makes a Common Expense Assessment, the Declarant shall pay all Common Expenses. However, Regular Assessments begin with respect to existing Units, in any event, no later than sixty (60) days after the conveyance of the first Unit. The Declarant shall make the budget for the first Assessment and provide notice and a copy of the same to all Owners in advance of commencement. Due dates of Assessments are the first day of every calendar month, unless otherwise provided by the Board. No notice of such Assessment is required, other than an annual notice setting forth the amount and frequency of the Assessment for the following year, together with a copy of the ratified budget.

6.8 Working Capital Fund. A working capital fund shall be established to meet unforeseen expenditures or to purchase any additional equipment or services reasonably required in the discretion of the Board, with the fund to be established by deposits at the closing of the conveyance of each Unit, in the amount of at least Two Hundred Fifty Dollars ($250.00) paid by the seller and Two Hundred Fifty Dollars ($250.00) paid by the buyer, and an additional amount, paid by the buyer, equal to one month's Regular Assessment at the time of the conveyance. Amounts paid into the fund are reserve funds under Paragraph 6.2, above, and are not advance payments of the monthly Regular Assessments. The working capital fund shall be transferred to the Association for deposit to a segregated account when control of the Association is transferred to the Owners. The Declarant has no right to use the working capital fund to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits during the period of Declarant Control.

6.9 Transfer of Unit by Sale or Foreclosure. Upon any sale or transfer of a Unit, the transferor shall pay a transfer fee to the Association in the amount of ____ in order for the Association to pay for the document preparation and processing necessary to update the Association's records. The sale or transfer of any Unit does not affect any Assessment lien, or relieve the Unit from any liability, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer, and any lien shall have the prior set forth in R.C.W. 64.34.364. Notwithstanding the foregoing, if the sale or transfer of any Unit pursuant to foreclosure or by deed in lieu of foreclosure of a recorded first mortgage given in good faith and for value extinguishes a lien of any Assessments, such sale or transfer pursuant to mortgage foreclosure will not affect the personal liability of the Owner or former Owner for unpaid Assessments. Any Assessments for which the liens are extinguished are deemed to be Common Expenses collectible from all of the Units including the Unit for which the lien was extinguished. In a voluntary conveyance of a Unit, the grantee of the same is jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter for the grantor's share of the Common Expenses (and for his obligation for individual

Special Assessments) up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee.

6.10 Enforcement of Assessment Obligation; Priorities; Discipline. If any part of any Assessment is not paid and received by the Association or its designated agent within ten (10) days after the due date, an automatic late charge equal to the greater of Twenty-Five Dollars ($25.00) or five percent (5%) of the Assessment will be added to the Assessment. After an Assessment is delinquent for at least thirty (30) days from its due date, the Assessment and the late charge shall thereafter bear interest at the rate of fifteen percent (15%) per annum (or, if lower, the highest rate permitted by law) until paid. Each unpaid Assessment, whether Regular, Extraordinary or Special, is a lien on each respective Unit with the priority specified in the Act. Such lien, when delinquent, may be enforced by sale by the Association (acting through the Board), its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Owner to pay such Assessment, in accordance with the provisions of Washington law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. For purposes of allowing foreclosure by power of sale, the Declarant hereby grants the Property to First American Title Insurance Company in trust, with the power of sale (to be operative in the case of a default in any Assessment obligation), and declares that the Units are not used principally for agricultural or farming purposes. During any such foreclosure proceeding, the Association has all rights respecting the Unit as are set forth in the Act. The Association, acting on behalf of the Unit Owners, has the power to bid for the Unit at the foreclosure sale, and to acquire and hold, lease, encumber and convey the same. The foreclosing party has the right to reduce or eliminate any redemption rights of the defaulting Owner as allowed by law. Suit to recover a money judgment for unpaid Assessments, rent, interest, costs, penalties, and attorneys' fees may be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including, without limitation, actual attorneys' fees and costs and may temporarily suspend the Association membership rights of an Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

6.11 Payment of Taxes Assessed Against Common Elements or Personal Property of Association. In the event that any taxes are assessed against the Common Elements, or the personal property of the Association (rather than against the Units), said taxes will be included in the Assessments made under the provisions of this Article, and, if necessary, an Extraordinary Assessment may be levied against the Units in an amount equal to said taxes (regardless of the limitation on Extraordinary Assessments set forth in Section 6.4, above). Any such Extraordinary Assessment shall be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

6.12 Assessments for Judgment. Assessments to pay a judgment against the Association pursuant to R.C.W. 64.24.368(1) may be made only against the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Interests at the time the judgment was entered.

6.13 Failure to Assess. Any failure by the Board or the Association to make the budget and Assessments before the expiration of any budget for the ensuing period shall not

be deemed a waiver or modification in any respect of the provisions of this Declaration, or any estoppel, or a release of the Owners from the obligation to pay Assessments during that or any subsequent time period, and the monthly Assessments in amounts previously established shall continue until a new Assessment is established.

6.14 Delinquent Assessment Deposit. An Owner may be required by the Board, from time to time, to make and maintain a deposit not less than one (1) month nor in excess of three (3) months estimated monthly Assessment and charges, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent Assessments. The Board may make such a requirement at any time when such Owner is ten (10) days or more delinquent in paying the Owner's monthly or other Assessments and charges. The deposits are not advance payments of Regular Assessments. In the event the Board draws upon the deposit as a result of a Owner's delinquency in payment of any Assessments, the Owner will continue to be responsible for the immediate and full payment of the delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of said deposit, and the Board will continue to have all of the rights and remedies for enforcing such Assessment payment and deposit restoration as provided by this Declaration and by law. Upon the sale of a Unit, the seller/Owner thereof is not entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit; rather, any such deposit or reserve account will continue to be held by the Association for the credit of such Unit, and the purchaser will succeed to the benefit thereof, and the seller will be responsible for obtaining from the purchaser appropriate compensation therefore.

ARTICLE 7.
EASEMENTS AND UTILITIES

7.1 Access, Use and Maintenance Easements. Declarant expressly reserves for the benefit of the Owners and the Association reciprocal, nonexclusive easements for access, ingress and egress over all of the Common Elements, and for the use and enjoyment of all facilities thereon. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants, family members, and invitees, residing on or temporarily visiting the Property, for such walkways, vehicular access, and such other purposes reasonably necessary for use and enjoyment of a Unit. Declarant also expressly reserves for the benefit of the Board of Directors and all agents, officers and employees of the Association, nonexclusive easements over the Common Elements (including, without limitation, any Limited Common Elements) and all Units as necessary to maintain and repair the Common Elements, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Elements are appurtenant to, binding upon and will pass with the title to, every Unit conveyed.

7.2 Encroachment Easements. Each Unit has an easement over all adjoining Units and the Common Elements for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. Each such easement includes, without limitation, an easement for maintenance of said encroachments as long as the encroachment exists, and the rights and

obligations of Owners are not altered in any way by said encroachment, settlement or shifting; provided, however, that in no event will a valid easement for encroachment be created in favor of any Owner if said encroachment occurred due to the willful misconduct of said Owner. In the event any portion of an improvement is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Unit agree that minor encroachments over adjoining Units or Common Elements are permitted and that there is a valid easement for the maintenance of said encroachments so long as the encroachments exist. Nothing in this Section obligates an Owner to remedy any encroachment, unless the encroachment occurred due to the willful misconduct of said Owner.

7.3 Utility Easements. Declarant expressly reserves for the benefit of itself and its successors-in-interest and assigns, including the Association, easements over and under the entire Property (together with the right to grant and transfer the same) for the installation, repair, and maintenance of sanitary sewer, water, electric, gas, telephone, television and other utility lines and services, as may be deemed appropriate to service the Property.

7.4 Owners' Rights and Duties With Respect to Utilities. The rights and duties of the Owners with respect to utilities are as follows:

(a) Whenever sanitary sewer, water, electrical, gas, telephone, or television lines or connections, or heating or air conditioning conduits, ducts, flues, or other utility or service connections are located or installed within the Property, which connections, or any portion thereof, lie in or upon Units owned by other than the Owner of a Unit served by said connections, the Owners of any Unit served by said connections have the right, and are hereby granted an easement to the full extent necessary for the connection, to enter upon the Units or to have the utility companies enter upon the Units in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

(b) Whenever sanitary sewer, water, electrical, gas, telephone, or television lines or connections, or heating or air conditioning conduits, ducts, flues, or other utility or service connections are located or installed within the Property, which connections serve more than one Unit, the Owner of each Unit served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service the Owner's Unit.

ARTICLE 8.
USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each Unit therein is subject to the following:

8.1 Use of Individual Units and Limited Common Area; Animal Restrictions. No Unit may be occupied and used except for single-family residential purposes; single-family residential purposes includes, without limitation, any use common within similar single-family complexes (such as, without limiting such common uses, in-home care providers). No Unit may be used for commercial or other non-residential purposes, except for home office

businesses, which is allowed subject to the stipulation that the operation of an office business in a Unit has no outward appearance of the business (e.g., no signs or advertising), creates no additional noise or disturbance to the Owners, and results in no substantial increase in vehicle or pedestrian traffic within the Property. Use of balconies must comply with existing laws and regulations (including, without limitation, any restriction on the use of grills). Towels, linens, clothes, and other personal effects may not be hung or otherwise be visible on balconies. All window treatments, whether blinds, drapes, or otherwise, must be of a uniform style and color throughout the Property.

No animals shall be raised or maintained within any Unit, except that no more than two (2) cats and two (2) dogs may be kept within any Unit, with the right to keep all dogs being conditioned by a requirement that (i) all dogs be kept leashed and otherwise under strict control at all times when in the Common Elements and (ii) the Owner responsible for such animal promptly disposes of any animal waste that is deposited on the Common Elements.

8.2 Unit Maintenance. Each Owner shall, at all times, keep in a clean, neat and orderly condition and in good repair all areas maintained by an Owner pursuant to Section 5.2 and all Limited Common Areas appurtenant to such Unit. All rubbish, trash and garbage shall be regularly removed from the Property, and no Owner shall be allowed to accumulate any trash or garbage in any Common Area or any Unit area visible from a Common Area. Trash, garbage and other waste shall be kept only in sanitary containers, which will be screened and concealed from the view of other Units, the Common Elements, and all public ways.

8.3 Nuisances. No noxious, illegal, or offensive activities may be carried on in any Unit, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each other Owner, or which may in any way increase the rate of any insurance carried for the benefit of the Property, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building or improvement.

8.4 Vehicle and Equipment Restrictions. No utility, boat, camper or other trailer, mobile home, commercial vehicle, bus, truck (other than standard size pickup trucks), inoperable automobile, boat, or similar equipment, and no vehicle which is in an extreme state of disrepair is permitted to remain on the Property, other than temporarily (as for purposes of loading and unloading of passengers or personal property), unless placed within an enclosed garage, or within such portion of the Common Elements as may be designated by the Board for such purpose. No noisy or off-road, unlicensed motor vehicles may be maintained or operated upon the Property, except such recreational vehicles as may have been approved by the Board.

8.5 Signs. Signs advertising Units for sale or rent may be displayed on the Property without prior approval of the Board provided that such signs must be of reasonable and customary size and shall be displayed only at such location or locations as shall be designated for such purpose by the Board. Except as expressly permitted by this Section and RCW 64.38.034 relating to political signs, no signs may be displayed to the public view on

any Units or on any portion of the Property, unless first approved by the Board in its absolute discretion.

8.6 Leasing of Units. Any Owner may lease his or her Unit to any tenant or lessee under such terms and conditions as they may agree, except that no lease or rental agreement may relate to less than the whole of any Unit and except that no lease or rental agreement may be for less than thirty (30) days. Any lease or rental agreement must be in writing and provide by its terms that the lease or rental agreement is subject in all respects to the Project Documents. Any failure by a lessee to comply with the terms of the Project Documents is a default under the lease, whether or not it is expressed therein, and the Owner is liable for any costs incurred which result from the lessee's actions. No Unit may be the subject of any "timeshare" or other similar agreement.

8.7 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 8 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Unit in reliance on one or more of such restrictive covenants assumes all risks of the validity and enforceability thereof and, by acquiring the Unit, agrees to hold Declarant harmless therefrom.

ARTICLE 9.
INSURANCE

9.1 Duty to Obtain Insurance; Types. The Board shall cause to be obtained and maintained the following policies of insurance, which will comply with and be subject to all provisions of the Act, including R.C.W. 64.34.352:

(a) Hazard Insurance. A "master" or "blanket" type of hazard insurance policy, insuring the Property against all risks of direct physical loss commonly insured against, to not less than eighty percent (80%) of its actual cash value, excluding land, excavations, foundations, and other items normally excluded from such policies. Such policy will, without limitation, protect against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement. The policy will name the Association (for the use and benefit of the individual Owners), as the named insured and will contain the standard mortgagee clause, naming the holders of first mortgages (and their successors and assigns) as the mortgagees.

(b) Liability Insurance. A comprehensive general liability insurance policy, including medical payments insurance, with policy limits and endorsements deemed appropriate by the Board (but having a combined single limit of liability of not less than $1,000,000), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

(c) Fidelity Bonds. If deemed appropriate by the Board or required by any first mortgagee, blanket fidelity bonds for anyone who either handles or is responsible for funds which are held or administered by the Association, whether or not they receive compensation for such services.

(d) Other Insurance. Such additional insurance as deemed appropriate by the Board.

9.2 Lenders' Requirements. Without limiting the foregoing insurance requirements, the Association and each Owner shall continuously maintain in effect insurance and fidelity bonds meeting the requirements for similar projects established by The Mortgage Corporation ("TMC"), the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), the Veterans Administration ("VA"), and/or the Federal Housing Administration ("FHA"), so long as any of them shall be a holder, insurer, or guarantor of a mortgage on a Unit within the Project, except to the extent such coverage is not available or has been waived in writing by TMC, GNMA, FNMA, VA, and/or FHA, as applicable.

9.3 Coverage Not Available. If the insurance described in Section 9.1 is not reasonably available, or is modified, canceled, or not renewed, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by first class United States mail to all Unit Owners, to each Mortgagee at their respective last known addresses. The Owners may then obtain, to the extent available, the insurance not otherwise reasonably available to the Association. The Association in any event may carry any other insurance it deems appropriate to protect the Association of the Owners.

9.4 Required Provisions. Insurance policies carried pursuant to this Article shall:

(a) Provide that each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) Provide that the insurer waives its right to subrogation under the policy as to any and all claims against the Association, the Owner of any Unit and/or their respective agents, employees or tenants, and members of their household, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

(c) Provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recovery under the policy; and

(d) Provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and that the liability of the

insurer thereunder shall not be affected by, and the insurer shall not claim any right of set-off, counterclaims, apportionment, proration, contribution or assessment by reason of, any other insurance obtained by or for any Owner or any Mortgagee;

(e) Provide that, despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provisions of any insurance trust agreement to which the Association is a party, or any requirement of law;

(f) Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds; and

(g) Contain, if available, an agreed amount and inflation guard endorsement.

9.5 Waiver of Claim Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of said persons.

9.6 Right and Duty of Owners to Insure. Each Owner is solely responsible for insurance on the Owner's personal property and equipment within such Unit, and all Limited Common Area appurtenant to such Unit. Nothing hereby precludes any Owner from also carrying any public liability insurance as the Owner deems desirable to cover individual liability for damage to persons or property occurring inside his or her individual Unit or elsewhere upon the Property. Such policies will not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried by or on behalf of the Association occurs and the proceeds payable thereunder are reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by the Owner to the Association to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

9.7 Notice of Expiration Requirements. If available, all policies of insurance maintained by the Association will contain a provision that said policy or policies may not be canceled, terminated or expired by their terms, without twenty (20) days prior written notice to the Board, the Declarant, the Owners and their respective first mortgagees (provided that such persons shall have filed written requests with the carrier for such notice).

9.8 Insurance Premiums. Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors are a Common Expense to be included in the Regular Assessments levied by the Association and collected from the Owners. That portion of the Regular Assessments

necessary for the required insurance premiums shall be separately accounted for by the Association in the reserve fund to be used solely for the payment of premiums of required insurance as such premiums become due.

9.9 Trustee for Policies. The Association, acting through its Board of Directors, is hereby appointed and is deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Paragraph 9.1 above shall be paid to the Board as Trustee. The Board has full power to receive and to receipt for the proceeds and to deal therewith as provided herein. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures is binding on all the named insureds.

9.10 Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or Mortgagee. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of R.C.W. Chapter 48.18 pertaining to the cancellation or nonrenewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of the Act.

9.11 Notification on Sale of Unit. Promptly upon the conveyance of a Unit, the new Owner shall notify the Association of the date of the conveyance and the Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under Article 9 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

ARTICLE 10.
DESTRUCTION OF IMPROVEMENTS

10.1 Restoration of Property. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Property, the repair or replacement of which is the responsibility of the Association, it is the duty of the Association to restore and repair the same to its former condition, as promptly as practical, subject to land use and permit approvals by Spokane County. The proceeds of any insurance maintained pursuant to Article 9 hereof for reconstruction or repair of the Property will be used for such purpose, unless otherwise provided herein. The Board will represent the Owners in any related proceedings, negotiations, settlements, or agreement, and is authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. Any proceeds from any settlement will be paid directly to the Association for the benefit of the Owners and their mortgagees. The Property shall be reconstructed or rebuilt substantially in accordance with the Survey/Plan and the original construction plans if they are available, unless changes or a decision not to rebuild have been approved in writing by a majority of the voting power of the Owners and a majority of the first mortgagees of record.

10.2 Sale of Property. In the event of a determination not to rebuild, the Association, upon the approval of eighty percent (80%) of the voting power of the Owners, is authorized to have prepared, executed and recorded, as promptly as practical, a certificate stating that a majority of the Board may properly exercise the irrevocable Power of Attorney described in Paragraph 2.9 above, to sell the damaged portion of the Common Area at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed. The net proceeds of such sale and the proceeds of any insurance carried by the Association will be divided equally among the Owners (subject to the rights of their respective lenders).

ARTICLE 11.
EMINENT DOMAIN

11.1 In General. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this section is thereafter a Common Element.

11.2 Partial Unit Condemnation. Except as provided in Section 11.1, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit, and (b) the portion of the Allocated Interests divested from the partially-acquired unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially-acquired Unit participating in the reallocation on the basis of its reduced allocated interests.

11.3 Common Element Condemnation. If part of the Common Elements is acquired by condemnation the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

11.4 Association to Represent Owners. The Association shall represent the Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds shall be payable to the Association for the benefit of the Owners of affected Units and their Mortgagees. Should the Association not act on the Owners' behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf.

ARTICLE 12.
RIGHTS OF MORTGAGEES

In order to induce various lenders and lending agencies, including without limitation, The Mortgage Corporation ("TMC"), the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), the Veterans Administration ("VA"), and/or the Federal Housing Administration ("FHA") to participate in the financing of the sale or ownership of Units, this Article 12 is included in this Declaration. To the extent these added provisions, pertaining to the rights of such lenders and lending agencies conflict with any other provisions of this Declaration or any other of the Project Documents, these added restrictions shall control. For purposes of this Article 12, the terms "Eligible Holder" and "Eligible Insurer or Guarantor" refer to a holder, insurer or guarantor of any first mortgage on a Unit, who has provided a written request to the Association, to be notified of any proposed action requiring the consent of a specified percentage of such holders, insurers, or guarantors.

12.1 Notwithstanding any other provision of the Project Documents, no amendment or violation of the Project Documents shall operate to defeat or render invalid the rights of any mortgagee of a Unit made in good faith and for value, provided that after the foreclosure of any such mortgage, such Unit shall remain subject to the Project Documents.

12.2 Each first mortgagee of a mortgage encumbering any Unit, which obtains title to such Unit pursuant to judicial foreclosure or the powers provided in such mortgage, takes title to such Unit free and clear of any claims for unpaid Assessments or charges against such Unit which accrued after the time such mortgagee recorded its mortgage, and prior to the time such mortgagee acquires title to such Unit.

12.3 First mortgagees, upon written request, have the right to (1) examine the books and records of the Association during normal business hours; (2) require from the Association the submission of annual audited financial reports and other financial data; (3) receive written notice of all meetings of the Owners; and (4) designate, in writing, a representative to attend all such meetings.

12.4 Each Owner hereby authorizes the first mortgagee of a first mortgage on his or her Unit to furnish information to the Board concerning the status of the first mortgage and the loan which it secures.

12.5 Owners have the right to amend the Project Documents in accordance with Article 13 below, subject to the rights of Eligible Holders to participate in the amendment process as provided in this Paragraph. Amendments of a material nature must be agreed to by (i) the Declarant (during the period of Declarant control set forth in Section 2.7(d), above) for those approvals allowed Declarant under RCW 64.34.308; (ii) Owners representing a majority of the total voting power (including votes residing in Declarant) or such other applicable voting power required by this Declaration or the Act; and (iii) Eligible Holders representing a majority of the votes of Units that are subject to mortgages held by Eligible Holders. A change in any of the Project Documents which would affect provisions regarding any of the following would be considered as material:

- Voting rights;

- Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;

- Reductions in reserves for maintenance, repair and replacement of Common Elements;

- Responsibility for maintenance and repairs;

- Reallocation of interests in the Common Elements (including Limited Common Elements), or rights to their use;

- Redefinition of any Unit boundaries, except as specifically permitted under Article 4, above;

- Convertibility of Units into Common Elements or vice versa;

- Expansion or contraction of the Property, or the addition, annexation or withdrawal of property to or from the Property;

- Hazard or fidelity insurance requirements;

- Imposition of any restrictions on the leasing of Units;

- Imposition of any restrictions on an Owner's right to sell or transfer his or her Unit;

- Restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in this Declaration; or

- Any provisions that expressly benefit mortgage holders, insurers or guarantors.

In any case where the approval of a first mortgagee may be required for a proposed amendment of the Project Documents, such approval is implied by the failure of the mortgagee to submit a response to the proposal within thirty (30) days after the proposal is delivered to the mortgagee.

12.6 Any action to terminate the legal status of the Property after substantial destruction or condemnation occurs must be agreed to by: (i) Unit Owners to which at least eighty percent (80%) of the votes in the Association are allocated; and (ii) Eligible Holders representing a majority of the votes of Units that are subject to mortgages held by Eligible Holders. When Unit Owners are considering termination of the legal status of the Project for reasons other than substantial destruction or condemnation, approval must be obtained from Eligible Holders representing a majority of the votes of Units that are subject to mortgages

held by Eligible Holders.

12.7 Implied approval of an Eligible Holder under Paragraph 12.5 or 12.6 may be assumed when the Eligible Holder fails to submit a response to any written proposal for an amendment or for termination of the legal status of the Property, within thirty (30) days after it receives proper notice of the proposal, provided that notice was delivered by certified or registered mail, with a "return receipt" requested.

12.8 Each eligible Holder and each Eligible Insurer or Guarantor, upon written request therefore, is entitled to timely written notice of the following:

- Any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage;

- Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

- A lapse, cancellation or material modification of any insurance policy maintained by the Association; and

- Any proposed action that requires the consent of a specified percentage of Eligible Holders.

12.9 In addition to the foregoing, the Board has the power and authority, without the vote of the Association, to enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, FHA, TMC, the FNMA or the GNMA or any similar entity, so as to allow for purchase, guaranty or insurance, as the case may be, by such entities of first mortgages encumbering Units. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential mortgage borrowers and potential sellers of their residential Units, if such agencies approve the Property as a qualifying condominium project under their respective policies, rules and regulations as adopted from time to time.

ARTICLE 13.
DURATION AND AMENDMENT

13.1 Duration; Termination of Condominium. This Declaration continues in full force in perpetuity, unless and until all Units are taken by condemnation, as provided in the Act, or unless and until a Termination Agreement is adopted and signed by Unit Owners holding at least eighty percent (80%) of the Allocated Interests.

13.2 Amendment. Any amendment of this Declaration and/or the Survey/Plan shall be subject to the provisions of the Act and to the special provisions of Article 12 of this Declaration, relating to material amendments. Otherwise, any amendment of this Declaration or the Survey/Plan require the vote of the membership at a general or special meeting of the membership. In all cases where a vote is required, notice of the subject matter of a proposed amendment in reasonably detailed form shall be included in the notice of any meeting of the

Association at which the proposed amendment is to be considered. Except where otherwise required by the Act or Article 12, an amendment may be adopted at a duly called meeting of the Association by the vote, in person or by proxy, of Owners holding at least sixty-seven percent (67%) of the Allocated Interests.

A certificate, signed and sworn to by two (2) officers of the Association, that the record Owners of the required number of Units (and the required number of first mortgagees, where applicable) have either voted for or consented in writing to any amendment adopted as provided above, when recorded, will be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

ARTICLE 14.
DECLARANT'S RIGHTS AND RESERVATIONS

14.1 Continued Declarant Actions. Declarant has undertaken the work of the creation of a condominium regime. The completion of that work and the sale, rental, and other disposal of the Units are essential to the establishment and welfare of the Property as a residential condominium project. Until the expiration of Declarant Control, in order that said work may be completed and said Property be established as a fully occupied residential project as rapidly as possible, nothing in this Declaration is understood or construed to: (i) prevent Declarant, its contractors, or subcontractors from doing on the Property or any Unit, whatever is reasonably necessary or advisable in connection with the completion of the work; (ii) prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential condominium, and disposing of the same by sale, lease or otherwise; or (iii) prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof.

14.2 Definition of Declarant. Except to the extent prohibited by the Act, in the event Declarant conveys all of its right, title and interest in and to the Property to any third person, where such third person must assume in writing the obligations of the Declarant hereunder, then and in such event, the Declarant hereunder is relieved of the performance of any further duty or obligation hereunder, and such third person is obligated to perform all such duties and obligations of the Declarant.

ARTICLE 15.
GENERAL PROVISIONS

15.1 Enforcement. The Association (acting through the Board), any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Property has the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court. Any such action by the Association may be taken on behalf

of two (2) or more Owners, as their respective interests may appear, with respect to any cause of action relating to the Common Elements or more than one Unit. Failure by any such person or entity to enforce any such provision is in no event a deemed waiver of the right to do so thereafter.

1.1 Invalidity of Any Provision. Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Property is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

1.2 Conflict of Project Documents. If there is any conflict among or between the Project Documents, the provisions of this Declaration prevail; thereafter, priority is given to Project Documents in the following order: Survey/Plan; Articles; Bylaws; and Rules and Regulations of the Association. Notwithstanding the foregoing, any provision in any of the Project Documents which is for the protection of mortgagees has priority over any inconsistent provision in that document or in any other Project Document.

The undersigned, being the Declarant herein, has executed this Declaration on April 25, 2007.

DECLARANT:

BIG TROUT CONVERSION, LLC, a Washington limited liability company

By: _____
Jason S. Wheaton, Manager

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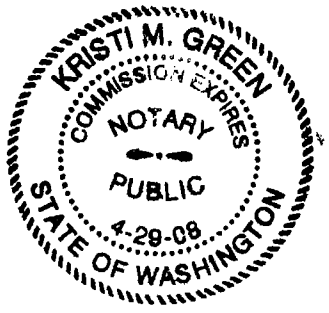
Spokane Co, WA
LUKINS & ANNIS PS CONDEC $75.00

STATE OF WASHINGTON)
:ss.
County of Spokane)

On this 25th day of April, 2007, before me, Kristi M. Green a Notary Public in and for the State of Washington, personally appeared JASON S. WHEATON, known or identified to me to be a the Manager of Big Trout Conversion, LLC, the limited liability company that executed the within instrument and the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Kristi M. Green
Notary Public for Washington
Residing at Coeur d'Alene, ID
Commission Expires 4-29-08

EXHIBIT "A" TO

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

DESCRIPTION OF UNITS

Unit	Garage/Carport	Bedrooms	Bathrooms	Approx. Sq. Ft.	Level	Allocated Interest
274	G-181	3	2	1145	1st	0.446428
275	G-182	2	1	879	2nd	0.446428
276	G-184T	3	2	1145	2nd	0.446428
277	C-110	2	1	846	2nd	0.446428
278	G-183	2	1	883	3rd	0.446428
279	G-179T	3	2	1145	3rd	0.446428
280	C-107	2	1	851	3rd	0.446428
281	G-173T	3	2	1145	1st	0.446428
282	G-177	2	1	846	2nd	0.446428
283	G178T	3	2	1145	2nd	0.446428
284	G-174	2	1	879	2nd	0.446428
285	G-175	2	1	851	3rd	0.446428
286	G-180	3	2	1145	3rd	0.446428
287	G-176	2	1	883	3rd	0.446428
288	G-188	2	2	983	1st	0.446428
289	C-109	1	1	728	2nd	0.446428
290	C-105	1	1	728	2nd	0.446428
291	G-187	2	2	983	2nd	0.446428
292	G-189	2	2	983	2nd	0.446428
293	G-185	2	2	983	3rd	0.446428
294	G-191	2	2	983	3rd	0.446428
295	G-196	2	2	983	1st	0.446428
296	C-111	1	1	728	1st	0.446428
297	C-116	1	1	728	1st	0.446428
298	G-192	2	2	983	2nd	0.446428
299	G-186	2	2	983	2nd	0.446428
300	G-190	1	1	728	2nd	0.446428
301	G-195	1	1	728	2nd	0.446428
302	G-193	2	2	983	3rd	0.446428
303	G-194	2	2	983	3rd	0.446428
304	G-205	3	2	1145	1st	0.446428
305	G-208	2	1	879	2nd	0.446428
306	G-206	3	2	1145	2nd	0.446428
307	C-114	2	1	846	2nd	0.446428
308	G-207	2	1	883	3rd	0.446428
309	G-204	3	2	1145	3rd	0.446428
310	C-112	2	1	851	3rd	0.446428

311	G-199	3	2	1145	1st	0.446428
312	G-200	2	1	846	2nd	0.446428
313	G-203T	3	2	1145	2nd	0.446428
314	G-198	2	1	879	2nd	0.446428
315	G-201	2	1	851	3rd	0.446428
316	G-202T	3	2	1145	3rd	0.446428
317	G-197T	2	1	883	3rd	0.446428
342	G-238	2	1	846	1st	0.446428
343	G-235T	3	2	1145	1st	0.446428
344	C-135	2	1	879	2nd	0.446428
345	G-237	3	2	1145	2nd	0.446428
346	C-131	2	1	846	2nd	0.446428
347	C-130	2	1	883	3rd	0.446428
348	G-236T	3	2	1145	3rd	0.446428
349	C-133	2	1	851	3rd	0.446428
350	C-132	1	1	672	1st	0.446428
351	C-126	1	1	672	1st	0.446428
352	C-129	2	1	846	2nd	0.446428
353	G-233	1	1	672	2nd	0.446428
354	C-136	1	1	672	2nd	0.446428
355	C-128	2	1	846	2nd	0.446428
356	C-124	2	1	851	3rd	0.446428
357	C-134	1	1	672	3rd	0.446428
358	G-234	1	1	672	3rd	0.446428
359	C-125	2	1	851	3rd	0.446428
360	G-227	3	2	1145	1st	0.446428
361	G-232	2	1	846	1st	0.446428
362	C-123	2	1	846	2nd	0.446428
363	G-230T	3	2	1145	2nd	0.446428
364	C-127	2	1	879	2nd	0.446428
365	G-228	2	1	851	3rd	0.446428
366	G-229T	3	2	1145	3rd	0.446428
367	G-231	2	1	883	3rd	0.446428
368	G-239T	1	1	672	1st	0.446428
369	G-242	1	1	672	1st	0.446428
370	G-240	2	1	879	2nd	0.446428
371	G-243	1	1	672	2nd	0.446428
372	G-244T	1	1	672	2nd	0.446428
373	G-241	2	1	846	2nd	0.446428
374	G-245T	1	1	672	1st	0.446428
375	G-246	1	1	672	1st	0.446428
376	G-248	2	1	846	2nd	0.446428
377	G-249	1	1	672	2nd	0.446428
378	G-250T	1	1	672	2nd	0.446428
379	G-247	2	1	879	2nd	0.446428
380	G-257T	3	2	1145	1st	0.446428
381	G-253	2	1	879	2nd	0.446428
382	G-252	3	2	1145	2nd	0.446428

383	G-254	2	1	846	2nd	0.446428
384	C-139	2	1	883	3rd	0.446428
385	G-251T	3	2	1145	3rd	0.446428
386	G-256T	2	1	851	3rd	0.446428
387	G-260	1	1	672	1st	0.446428
388	G-259	1	1	672	1st	0.446428
389	G-255	2	1	846	2nd	0.446428
390	C-142	1	1	672	2nd	0.446428
391	G-258	1	1	672	2nd	0.446428
392	G-261	2	1	846	2nd	0.446428
393	C-138	2	1	851	3rd	0.446428
394	C-137	1	1	672	3rd	0.446428
395	C-140	1	1	672	3rd	0.446428
396	C-141	2	1	851	3rd	0.446428
397	G-266	3	2	1145	1st	0.446428
398	G-262T	2	1	846	2nd	0.446428
399	G-267	3	2	1145	2nd	0.446428
400	G-264	2	1	879	2nd	0.446428
401	G-265	2	1	851	3rd	0.446428
402	G-263T	3	2	1145	3rd	0.446428
403	G-268	2	1	883	3rd	0.446428
404	G-272	2	2	983	1st	0.446428
405	G-273	1	1	728	2nd	0.446428
406	G-280	1	1	728	2nd	0.446428
407	G-278	2	2	983	2nd	0.446428
408	G-276	2	2	983	2nd	0.446428
409	G-277	2	2	983	3rd	0.446428
410	G-274	2	2	983	3rd	0.446428
411	G-269	2	2	983	1st	0.446428
412	C-145	1	1	728	1st	0.446428
413	C-144	1	1	728	1st	0.446428
414	G-271	2	2	983	2nd	0.446428
415	G-270	2	2	983	2nd	0.446428
416	C-146	1	1	728	2nd	0.446428
417	C-143	1	1	728	2nd	0.446428
418	G-275	2	2	983	3rd	0.446428
419	G-279	2	2	983	3rd	0.446428
420	C-154	2	1	846	1st	0.446428
421	G-291	3	2	1145	1st	0.446428
422	G-289T	2	1	879	2nd	0.446428
423	G-290T	3	2	1145	2nd	0.446428
424	C-153	2	1	846	2nd	0.446428
425	G-288	2	1	883	3rd	0.446428
426	G-292	3	2	1145	3rd	0.446428
427	C-156	2	1	851	3rd	0.446428
428	C-151	1	1	672	1st	0.446428
429	C-157	1	1	672	1st	0.446428
430	G-287	2	1	846	2nd	0.446428

431	C-148	1	1	672	2nd	0.446428
432	C-155	1	1	672	2nd	0.446428
433	G-284T	2	1	846	2nd	0.446428
434	C-159	2	1	851	3rd	0.446428
435	C-158	1	1	672	3rd	0.446428
436	C-160	1	1	672	3rd	0.446428
437	C-147	2	1	851	3rd	0.446428
438	G-281	3	2	1145	1st	0.446428
439	G-286	2	1	846	1st	0.446428
440	C-152	2	1	846	2nd	0.446428
441	G-283T	3	2	1145	2nd	0.446428
442	C-149	2	1	879	2nd	0.446428
443	G-285	2	1	851	3rd	0.446428
444	G-282	3	2	1145	3rd	0.446428
445	C-150	2	1	883	3rd	0.446428
446	C-161	1	1	728	1st	0.446428
447	G-300	1	1	728	1st	0.446428
448	G-304	2	2	983	1st	0.446428
449	C-164	1	1	728	2nd	0.446428
450	C-163	1	1	728	2nd	0.446428
451	G-303	2	2	983	2nd	0.446428
452	G-296	2	2	983	2nd	0.446428
453	G-302	2	2	983	3rd	0.446428
454	G-301	2	2	983	3rd	0.446428
455	G-299	2	2	983	1st	0.446428
456	G-297	2	2	983	2nd	0.446428
457	G-294	2	2	983	2nd	0.446428
458	G-295	1	1	728	2nd	0.446428
459	C-162	1	1	728	2nd	0.446428
460	G-298	2	2	983	3rd	0.446428
461	G-293	2	2	983	3rd	0.446428
462	G-325P	2	2	1053	1st	0.446428
463	G-322	1	1	728	2nd	0.446428
464	G-321	1	1	728	2nd	0.446428
465	G-317	2	2	1053	2nd	0.446428
466	G-320	2	2	983	2nd	0.446428
467	G-326P	2	2	1053	1st	0.446428
468	G-328	1	1	728	1st	0.446428
469	G-319	1	1	728	1st	0.446428
470	G-324	2	2	983	2nd	0.446428
471	G-327	2	2	1053	2nd	0.446428
472	G-318	1	1	728	2nd	0.446428
473	G-323	1	1	728	2nd	0.446428
474	G-308P	2	2	1053	1st	0.446428
475	G-312	1	1	728	2nd	0.446428
476	G-316	1	1	728	2nd	0.446428
477	G-313	2	2	1053	2nd	0.446428
478	G-310	2	2	983	2nd	0.446428

479	G-307P	2	2	1053	1st	0.446428
480	G-306	1	1	728	1st	0.446428
481	G-311	1	1	728	1st	0.446428
482	G-315	2	2	983	2nd	0.446428
483	G-309	2	2	1053	2nd	0.446428
484	G-314	1	1	728	2nd	0.446428
485	G-305	1	1	728	2nd	0.446428
486	G-330	1	1	728	1st	0.446428
487	G-329	1	1	728	1st	0.446428
488	G-331P	2	2	1053	1st	0.446428
489	G-337	1	1	728	2nd	0.446428
490	G-340	1	1	728	2nd	0.446428
491	G-333	2	2	1053	2nd	0.446428
492	G-336	2	2	983	2nd	0.446428
493	G-332P	2	2	1053	1st	0.446428
494	G-338	2	2	983	2nd	0.446428
495	G-339	2	2	1053	2nd	0.446428
496	G-334	1	1	728	2nd	0.446428
497	G-335	1	1	728	2nd	0.446428
498	G-361	2	2	1053	1st	0.446428
499	G-353	1	1	728	2nd	0.446428
500	G-359	1	1	728	2nd	0.446428
501	G-355	2	2	1053	2nd	0.446428
502	G-358	2	2	983	2nd	0.446428
503	G-362	2	2	1053	1st	0.446428
504	G-364	1	1	728	1st	0.446428
505	G-363	1	1	728	1st	0.446428
506	G-354	2	2	983	2nd	0.446428
507	G-357	2	2	1053	2nd	0.446428
508	G-360	1	1	728	2nd	0.446428
509	G-356	1	1	728	2nd	0.446428
510	G-349P	2	2	1053	1st	0.446428
511	G-347	1	1	728	2nd	0.446428
512	G-341	1	1	728	2nd	0.446428
513	G-343	2	2	1053	2nd	0.446428
514	G-344	2	2	983	2nd	0.446428
515	G-350P	2	2	1053	1st	0.446428
516	G-346	1	1	728	1st	0.446428
517	G-345	1	1	728	1st	0.446428
518	G-342	2	2	983	2nd	0.446428
519	G-351	2	2	1053	2nd	0.446428
520	G-348	1	1	728	2nd	0.446428
521	G-352	1	1	728	2nd	0.446428

There are no built-in fireplaces in any Units.

The Allocated Interests of the Units, as set forth above, is equal based upon the large number and relatively similar size and layout of the Units.

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Spokane Co, WA
LUKINS & ANNIS PS CONDEC $75.00

EXHIBIT "B" TO

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

BIG TROUT CONDOMINIUMS

LEGAL DESCRIPTION OF PROPERTY

Real property in the County of Spokane, State of Washington, described as follows:

PORTIONS OF LOTS 1, 2, 3, 6 AND 7 IN BLOCK 4 OF HOMESTEAD – THE COTTAGES THIRD ADDITION, A PLANNED UNIT DEVELOPMENT PER FINAL PLAT THEREOF RECORDED IN VOLUME 23 OF PLATS, PAGES 22 THROUGH 24, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 7, BLOCK 4, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE HOMESTEAD DRIVE; THENCE S79°04'58'W ALONG THE SOUTH LINE OF SAID LOT 7, BLOCK 4 A DISTANCE OF 163.39 FEET TO THE SOUTHWEST CORNER OF SAID LOT 7, BLOCK 4, SAID POINT BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTY VISTA DRIVE AND ALSO A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 761.50 FEET (FROM WHICH POINT A RADIAL LINE BEARS S68°05'34"W); THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 44°59'28" AN ARC DISTANCE OF 597.96 FEET; THENCE N46°47'07"E A DISTANCE OF 48.00 FEET; THENCE N49°16'31"E A DISTANCE OF 30.90 FEET; THENCE N40°19'14"E A DISTANCE OF 19.19 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 7, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 7, BLOCK 4 BEARS NO2°56'04'W A DISTANCE OF 266.98 FEET; THENCE CONTINUING N40°19'14"E A DISTANCE OF 26.29 FEET; THENCE N16°36'22"E A DISTANCE OF 204.92 FEET; THENCE S88°21'52"E A DISTANCE OF 70.07 FEET; THENCE NO0°51'43"E A DISTANCE OF 41.42 FEET; THENCE N47°37'01"E A DISTANCE OF 29.84 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 7, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 7, BLOCK 4 BEARS S87°03'56"W A DISTANCE OF 182.20 FEET; THENCE CONTINUING N47°37'01"E A DISTANCE OF 8.24 FEET THENCE NO3°39'53"E A DISTANCE OF 173.19 FEET; THENCE N32°33'56'W A DISTANCE OF 19.15 FEET; THENCE N04°27'27"E A DISTANCE OF 79.49 FEET; THENCE N32°05'32'W A DISTANCE OF 24.70 FEET; THENCE S73°50'34"W A DISTANCE OF 62.37 FEET; THENCE N87°04'28"W A DISTANCE OF 64.95 FEET; THENCE N82°41'03"W A DISTANCE OF 198.53 FEET TO A POINT ON THE WEST LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER BEARS N02°56'04"W A DISTANCE OF 457.99 FEET; THENCE CONTINUING N82°41'03"W A DISTANCE OF 158.84 FEET; THENCE N06°29'50"E A DISTANCE OF 74.32 FEET; THENCE N83°00'51'1V A DISTANCE OF 25.27 FEET; THENCE N05°40'12"E A DISTANCE OF 73.34 FEET; THENCE S83°45'09"E A DISTANCE OF

108.59 FEET; THENCE N22°49'18"E A DISTANCE OF 37.73 FEET; THENCE N04°46'00"W A DISTANCE OF 99.41 FEET; THENCE N77°40'40"E A DISTANCE OF 13.74 FEET; THENCE N07°51'41"W A DISTANCE OF 18.22 FEET; THENCE N85°01'07"E A DISTANCE OF 25.65 FEET TO A POINT ON THE WEST LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER BEARS N02°56'04"W A DISTANCE OF 142.21 FEET; THENCE CONTINUING N85°01'07"E A DISTANCE OF 59.68 FEET; THENCE N04°07'03"W A DISTANCE OF 29.32 FEET; THENCE N18°13'46"W A DISTANCE OF 22.22 FEET; THENCE N04°44'47"W A DISTANCE OF 89.37 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 2, BLOCK 4 FROM WHICH POINT THE NORTHWEST CORNER OF SAID LOT 2, BLOCK 4 BEARS S87°03'56"W A DISTANCE OF 50.35 FEET, SAID POINT ALSO BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MISSION AVENUE; THENCE ALONG THE NORTH LINE OF SAID LOT 2, BLOCK 4 THE FOLLOWING (7) SEVEN COURSES:

1.) N87°03'56"E A DISTANCE OF 81.65 FEET
2.) S02°56'04"E A DISTANCE OF 80.00 FEET
3.) N87°03'56"E A DISTANCE OF 50.00 FEET
4.) N02°56'04"W A DISTANCE OF 54.00 FEET
5.) N87°03'56"E A DISTANCE OF 30.00 FEET
6.) N02°56'04"W A DISTANCE OF 26.00 FEET
7.) N87°03'56"E A DISTANCE OF 238.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, BLOCK 4, THENCE N87°03'56"E ALONG THE NORTH LINE OF SAID LOT 1, BLOCK 4 A DISTANCE OF 127.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 20.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 31.42 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF HOMESTEAD DRIVE; THENCE S02°56'04"E ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 1504.88 FEET TO THE POINT OF BEGINNING.
SITUATE IN THE CITY OF LIBERTY LAKE, SPOKANE COUNTY, WASHINGTON.