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AND WHEN RECORDED, MAIL TO:

LUKINS & ANNIS, P.S.
1600 Washington Trust Financial Center
Spokane, Washington 99201

Attention: Paul M. Davis

Document Title(s): DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE HIGHLANDS CONDOMINIUM

Reference Numbers of Related Documents: 5357370
None

Grantor(s): Highland Heights Apartments, LLC, as Declarant

Grantee(s): The Highlands, a condominium

Legal Description (abbreviated): PTN LOTS 3-4, NORTHRIDGE ADD, CITY OF SPOKANE,
SPOKANE COUNTY, WASHINGTON. See pages 1-2 of the
Declaration for the full legal description.

Assessor's Tax Parcel ID Number: 26254.2010



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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
THE HIGHLANDS CONDOMINIUM
SPOKANE COUNTY, WASHINGTON**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration"), is made on the date hereinafter set forth, by **HIGHLAND HEIGHTS APARTMENTS, LLC**, a Washington limited liability company (the "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 6 buildings – three buildings have 12 units, one building has 4 units, one building has 5 units, and one building has 1 unit – for a total of 46 apartment units, with the entire project being described as follows (the "Property"):

THOSE PORTIONS OF LOTS 3 AND 4, BLOCK 2 OF NORTHRIDGE ADDITION, ACCORDING TO PLAT RECORDED IN VOLUME 9 OF PLATS AT PAGE 24, IN THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 26 NORTH, RANGE 42 EAST, W.M., CITY OF SPOKANE, SPOKANE COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 4; THENCE ALONG THE BOUNDARY OF SAID LOT 4 THE FOLLOWING FIVE (5) CALLS:

- 1) NORTH 00°14'21" WEST 157.74 FEET TO THE TRUE POINT OF BEGINNING;**
- 2) CONTINUING NORTH 00°14'21" WEST 351.23 FEET;**
- 3) NORTH 89°07'29" EAST 122.20 FEET;**
- 4) SOUTH 09°02'00" EAST 13.38 FEET TO THE POINT OF A CURVE OF A 150.00 FOOT RADIUS CURVE TO THE LEFT;**
- 5) ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 59°04'15", 154.65 FEET TO THE NORTHWEST CORNER OF SAID LOT 3;**

THENCE ALONG THE BOUNDARY OF SAID LOT 3 THE FOLLOWING THREE (3) CALLS:

- 1) CONTINUING ALONG THE ARC OF SAID CURVE, THE CENTER OF WHICH BEARS NORTH 21°53'45" EAST, THROUGH A CENTRAL ANGLE OF 48°08'45", 126.05 FEET;**
- 2) SOUTH 26°18'48" EAST, 116.18 FEET;**
- 3) SOUTH 12°33'50" EAST 35.63 FEET;**



THENCE LEAVING SAID BOUNDARY, SOUTH 67°09'38" WEST,
232.50 FEET;
THENCE NORTH 89°55'00" WEST 182.28 FEET TO THE TRUE
POINT OF BEGINNING.

APN: 26254.2010

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 "The Highlands." The Project (defined below) shall consist of Units of wood-frame construction, with wood 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 shall receive title to an individual airspace, plus an equal undivided interest as tenant in common in the Common Elements. Each Unit shall also have appurtenant to it certain additional rights, including rights of membership in The Highlands Condominium Association, a nonprofit corporation formed to manage the Project, and exclusive rights in certain portions of the Common Elements, referred to herein as Limited Common Elements.

d) Several of the particulars relating to each Unit in the Project are described more fully on Exhibit "A" attached hereto and incorporated herein 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. Units 1 through 9 shall contain built-in gas fireplaces. No other Units shall contain any built-in fireplace.

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

Declarant hereby declares that the Property and the Project shall be 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 the Project, and every part thereof, in accordance with the plan for the establishment of the Project as a condominium regime. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall be 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 or the Project.



**ARTICLE 1.
DEFINITIONS**

Unless otherwise expressly provided, the following words and phrases, when used in this Declaration and in the Project Documents, shall 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 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 in the Project (as set forth on Exhibit “A” attached).

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 Project, together with fines, interest, late charges, and costs of collection, all as set forth in Article 8 of this Declaration. Assessments may be designated as Regular Assessments, Extraordinary Assessments, or Special Assessments, as those terms are more specifically defined in Article 8.

1.5 **“Association”**: The Highlands Condominium Association, a Washington nonprofit corporation, formed by Declarant in conjunction with the creation of the condominium regime, the Members of which shall be the Owners of Units in the Project 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 Project, excluding only the individual Condominium Unit airspaces as defined herein. The rights and restrictions pertaining to the use of the Common Elements are further described in Article 4 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”**: an estate in real property as described in the Act, consisting of title to a separate residential airspace, an undivided interest in the Common Elements, and all rights and easements appurtenant thereto. The ownership of each individual condominium Unit shall include: (1) fee simple title to the appropriate airspace; (2) an undivided interest in the Common Elements; (3) exclusive use of the portion of the Limited Common Elements which is appurtenant to that Unit; and (4) membership in the Association.

1.11 **“Declarant”**: Highland Heights Apartments, LLC, a Washington limited liability company, and its successors-in-interest and assigns with respect to the entire Project. The term “Declarant” shall not include independent third parties purchasing completed condominium Units, but shall include any third person who succeeds to any special Declarant rights reserved under this Declaration.

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

1.13 **“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 Paragraph 4.4 of this Declaration.

1.14 **“Member”**: a person entitled to membership in the Association as provided herein and in the Articles.

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

1.16 **“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).

1.17 **“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.

1.18 **“Owner or Owners”**: the record holder or holders of title of a Unit in the Project. This shall include any person having a fee simple title to any Unit, but shall exclude 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, shall be considered the “Owner.”

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

1.20 **“Project”**: the entirety of the project described by this Declaration (generally synonymous with “Property”).



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 land 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 Project, together with the recorded diagrammatic floor plan or plans of the buildings thereon, which identifies each Unit in the Project and shows its relative location and approximate dimensions and elevations, all as required by the Act. The Survey/Plan was recorded in Spokane County, Washington on March 22, 2006, as instrument number 5357370.

1.24 **“Unit”**: all elements of an individual condominium, as enumerated in Paragraph 1.13 above. 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 shall be vested in the Owner. In that context, the physical boundaries of the Unit (airspace) shall be 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 shall be 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 in lieu thereof (if constructed substantially according to the Survey/Plan) shall be 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 Units in the building.

ARTICLE 2.
INTERPRETATION

2.1 **Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Project and its operation under the provisions of Washington law. It is intended and covenanted also that, insofar as it affects this Declaration and the Project, the provisions of the Act (as defined below), shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

2.2 **Percentage of Owners or Mortgagees.** For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power for, approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgagees on,



more than one Unit, such Owner shall be deemed a separate Owner of each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

2.3 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the city of Seattle, Washington for All Urban Consumers, prepared by the United States Department of Labor for the most recent base period, to adjust for any deflation in the value of the dollar.

ARTICLE 3.
ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS

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

3.2 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.

3.3 Membership. The Owner of a Unit shall automatically, upon becoming the Owner of that Unit, be a Member of the Association, and shall remain a Member thereof until such time as its ownership ceases for any reason, at which time such membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association.

3.4 Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. 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 shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

3.5 Classes of Membership; Voting Requirements. The Association shall have two (2) classes of voting membership established according to the Articles, with the voting power attributable to each Unit corresponding to the Allocated Interest appurtenant to each Unit, according to Exhibit "A" attached hereto. Except as specifically set forth herein, voting requirements shall be as set forth in the Bylaws.



3.6 Membership Meetings. Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

3.7 Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association. However, to assure the Developer reasonable control of the Association during the development and sale of the Units, the Declarant shall have the right to appoint Directors of the Association, according to the following:

(a) Until 60 days after conveyance of 25% of all Units to Owners other than the Declarant, the Declarant shall have the right to appoint all Directors.

(b) Commencing 60 days after conveyance of 25% of all Units to Owners other than the Declarant, at least one (1) Director and not less than 25% of the Directors shall be elected by the Members other than the Declarant;

(c) Commencing 60 days after conveyance of 50% of all Units to Owners other than the Declarant, not less than 33 1/3% of the Directors shall be elected by the Members other than the Declarant;

(d) The period of Declarant control shall terminate automatically on the earliest of: (i) sixty (60) days after conveyance of 75% of all 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 in the Project; 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 Unit Owners shall elect a Board of Directors. Within sixty (60) days following such termination of Declarant control, the Declarant shall deliver to the Association all property of the Unit Owners and the Association held by the Declarant, as provided by the Act.

3.8 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.

3.9 Power of Attorney. The Declarant, on behalf of all Owners of Units in the Project, hereby grants to the Association an irrevocable Power of Attorney to sell and convey the entire Project for the benefit of all Owners thereof, when partition of the Project may be had under the terms of this Declaration or by law, which power shall: (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 as



required hereunder or 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.

ARTICLE 4.
RIGHTS IN COMMON ELEMENTS

4.1 Common Elements. The Common Elements shall include all of the elements of the Project, other than the individual Unit airspaces, as provided in the Act. Each Unit Owner shall have, as appurtenant to his/her Unit, an undivided interest in the Common Elements equal to the Allocated Interests set forth in Exhibit "A." Each Unit Owner shall have 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 as provided in this Declaration, the Articles or the Bylaws.

4.2 No Separate Conveyance of Undivided Interests. The undivided interests in the Common Elements and the fee title to the respective Units conveyed therewith shall 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 shall be 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.

4.3 Partition Prohibited. Except as permitted by law, the Common Elements shall remain undivided as set forth above, and no Owner shall 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 Project. Judicial partition by sale of a single Unit owned by two or more persons, and division of the sale proceeds, is not prohibited hereby (but physical partition of a single Unit is prohibited).

4.4 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.

4.4.1 The Limited Common Elements shall include:

(a) Any portion of any 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 shall be deemed part of the Common Elements);

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



(c) The carport appurtenant to each Unit, as reflected on the Survey/Plan. The boundary of a carport is defined by the striping on each side of it and imaginary lines between the end points of such striping.

(d) The storage locker appurtenant to each Unit, as reflected on Exhibit A.

4.4.2 Boundary. If there is no fence, wall, or other enclosure establishing the boundary of a Limited Common Element, then the boundary shall be as depicted on the Survey/Plans.

4.4.3 Transfer of Limited Common Elements.

(a) Renting. After Declarant's initial assignment, an Owner may rent or lease the carport assigned to that Unit to any other Owner; provided, that the rental or lease term shall automatically expire on the date the Owner disposes of its interest in the Unit (whether such disposition is by deed, contract, foreclosure or otherwise); and provided further, that the Board shall be notified in writing of the existence of any such rental or lease agreement.

(b) Reallocation Between Units. A Limited Common Element may only be reallocated between Units with the approval of the Board and by an amendment to the Declaration executed by the Owners of, and approved in writing by the Mortgagees holding Mortgages against, the Units to which the Limited Common element was and will be allocated. The Board shall approve the request of the Owner or Owners under this section within thirty days unless the proposed reallocation does not comply with the Act or this Declaration.

(c) Common to Limited Common, Etc. Sixty-seven percent (67%) of the Owners, including the Owner of the Unit to which the Limited Common Element will be assigned or incorporated, must agree to reallocate a Common Element as a Limited Common Element or to incorporate a Limited Common Element into an existing Unit. Such reallocation or incorporation shall be reflected in an amendment to the Declaration or Survey/Plans. Provided, however, this Section shall not apply with respect to any such reallocation or incorporation made as a result of the exercise of any right reserved by Declarant in Article 17 of this Declaration.

4.5 Regulation of Common Elements Use. The rights and easements of use and enjoyment of the Common Elements created by this Declaration shall be subject to such Rules and Regulations as may be adopted by the Board of Directors. Without limiting the generality of the Board's authority to enact reasonable Rules and Regulations, such rights shall be 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 Unit, and other than Limited Common Elements appurtenant to such Unit), for any period during which the payment of any Assessment against the Member and its 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 shall not constitute a waiver or discharge of the Member's obligation to pay Assessments or 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.

4.6 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 shall not be entitled to the use or enjoyment of any part of the Common Elements for so long as such delegation remains in effect.

4.7 Damage by Member. Each Member shall be 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 installation or maintenance of any improvement by the Member, or by any guest, tenant, employee or invitee of the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim shall 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 shall be a Special Assessment against such Unit and may be enforced as provided herein for the enforcement of other Assessments.



ARTICLE 5.
DESCRIPTION OF OTHER IMPROVEMENTS

Exhibit B attached hereto sets forth the following:

5.1 Recreational Facilities. A description of the recreational facilities, if any, included within the Project.

5.2 Parking. The number of covered, uncovered or enclosed parking spaces.

ARTICLE 6.
ARCHITECTURAL CONTROL

6.1 Prohibition of Alteration and Improvement. Subject to the exemption of Declarant hereunder, no building, sign, fence, wall, obstruction, awning, 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 Declarant and/or the Board as provided in this Article.

6.2 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 shall 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 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 shall be 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 Committee of all required materials.

6.3 Architectural Control Committee. The number, appointment and term of members of the Committee shall be 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. Unless and until a Committee is appointed, the functions of the Committee shall be undertaken by the Board.



(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 first anniversary of the recordation of this Declaration. Thereafter, Declarant reserves to itself the power to appoint a majority of the members of the Committee, until ninety percent (90%) of all Units in the Project have been sold or until the third anniversary of the recordation of this Declaration, whichever first occurs. 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 shall 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 shall be liable in damages or otherwise for decisions made in good faith pursuant to the authority granted in this Article.

ARTICLE 7.
REPAIR AND MAINTENANCE

7.1 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 ("Maintenance Work"), or shall contract for such Maintenance Work to assure maintenance of the Common Elements and facilities thereon in good condition, reasonable wear and tear excepted.

For the purpose of performing the Maintenance Work in respect of the Common Elements and facilities thereon as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the 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) shall have an irrevocable easement over and onto all portions of the Common Elements, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Unit.

7.2 Limited Common Element Maintenance. Limited Common Elements are for the sole and exclusive use of the Units for which they are reserved or assigned; provided that the use, condition and appearance thereof may be regulated under provisions of the Bylaws or this Declaration including the following:

7.2.1 Decision by Board. Decisions with respect to the standard of appearance and condition of Limited Common Elements, and with respect to the necessity for, and manner of, Maintenance Work in connection therewith, shall be made by the Board.



7.2.2 Performance of Work. Performance of such Maintenance Work shall be carried out by the Board on behalf of the Owner or Owners of Units to which the Limited Common Element in question is assigned or reserved; provided, that by written notice, the Board may permit such Owner or Owners to perform such Maintenance Work themselves;

7.2.3 Board Approval. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective Limited Common Elements without prior written approval of the Board;

7.2.4 Owner Pays Cost. Unit Owners will be responsible for the cost of Unit Owner or Board Maintenance Work for the Limited Common Elements reserved for or assigned to their Unit(s).

7.2.5 Multiple Owners. With respect to a Limited Common Element reserved for or assigned to more than one Unit for the mutual and joint use thereof, the cost of such Maintenance Work for such Limited Common Element shall be divided in equal shares among the Units for which such Limited Common Element is reserved;

7.2.6 Cost as Special Charge. With respect to any such Maintenance Work performed by the Board, the cost thereof (or the appropriate share thereof if the Limited Common Element in question has been assigned or reserved jointly to more than one Unit) shall be levied as a special assessment against the Unit or Units (and the Owner or Owners thereof) to which such Limited Common Element is assigned or reserved.

ARTICLE 8.

ASSOCIATION MAINTENANCE FUNDS AND ASSESSMENTS

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

- (a) Regular Assessments;
- (b) Extraordinary Assessments; and
- (c) Special Assessments.

All Assessments, together with interest, costs, penalties and actual attorneys' fees, shall be 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, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. No Owner of a Unit 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.

8.2 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 in the entire Project and for the improvement and maintenance of the Common Elements for the common good of the Project. The Regular Assessments shall 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.

8.3 Regular Assessments. Until the end of the Association's fiscal year immediately following the closing of the sale of the first Unit in the Project, the annual maximum Regular Assessment per Unit shall be such amount as is set forth in the Project 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 shall 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 at least ninety (90) days in advance of the start of each fiscal year, as part of the budgeting process.

8.4 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 voting power of the Association.

8.5 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 his Unit into compliance with the provisions of the Project Documents, including interest, penalties, actual attorneys' fees and costs.

8.6 Allocation of Assessments. Each Unit, including Units owned by Declarant, shall bear such share of each aggregate Regular and Extraordinary Assessment as corresponds to such Unit's Allocated Interest (Exhibit "A"), subject to the authority of the Board to make the following adjustments, in its discretion:

- (a) Common Expenses associated with Limited Common Elements may be paid by or assessed against the Units to which the Limited Common Elements are assigned, on an equal basis;
- (b) Common Expenses benefiting fewer than all of the Units may be assessed exclusively against the Units benefited; and



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

8.7 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 shall begin with respect to all existing Units, in any event, no later than sixty (60) days after the conveyance of the first Unit. Due dates of Assessments shall be the first day of every calendar month. No notice of such Assessment shall be required other than an annual notice setting forth the amount and frequency of the Assessment for the following year.

8.8 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 initial fund to be established by deposits at the closing of the sale of each Unit by the Declarant, in the amount of at least two (2) months' Regular assessments for such Unit. Amounts paid into the fund shall be considered reserve funds under Paragraph 8.2 above, and shall not be considered as 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 Unit Owners. The Declarant shall have 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 while the Declarant retains voting control over the Association.

8.9 Transfer of Unit by Sale or Foreclosure. The sale or transfer of any Unit shall not affect any Assessment lien, or relieve the Unit from any liability therefore, whether the lien pertains to payments becoming due prior or subsequent to such sale or transfer. Notwithstanding the foregoing, 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 shall extinguish the lien of all such Assessments as to payments which became due prior to such sale or transfer. Sale or transfer pursuant to mortgage foreclosure shall not, however, affect the personal liability of the Owner for unpaid Assessments. Any Assessments for which the liens are extinguished pursuant to this Paragraph shall be 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 shall be jointly and severally liable with the grantor for all unpaid Assessments by the Association against the latter for his 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 therefore. However, any such grantee shall be entitled to a statement from the Board, setting forth the amount of the unpaid Assessments due the Association, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such Assessment becoming due after the date of any such statement.

8.10 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 of Twenty-Five Dollars (\$25.00) shall be assessed. After an Assessment shall be delinquent thirty (30) days from its due date, the Assessment and the late charge shall thereafter bear interest at the lesser of (A) the rate of 16% per annum until paid or (B) the maximum rate allowed by law. Each unpaid Assessment, whether Regular, Extraordinary or Special, shall constitute 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 Project 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 shall have all rights respecting the Unit as are set forth in the Act. The Association, acting on behalf of the Unit Owners, shall have 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 shall have 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 shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including actual attorneys' fees and costs and may temporarily suspend the Association membership rights of a Unit Owner who is in default in payment of any Assessment, after notice and hearing according to the Bylaws.

8.11 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 shall 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 Paragraph 8.4 above), to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE 9.
EASEMENTS AND UTILITIES

9.1 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 and invitees, residing on or temporarily visiting the Property, for walkways, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Unit in the Project.



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 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 shall be appurtenant to, binding upon and shall pass with the title to, every Unit conveyed.

9.2 Encroachment Easements. Each Unit within the Property is hereby declared to have 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. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event any portion of the building 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 shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist.

9.3 Utility Easements. Declarant also 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.

9.4 Owners' Rights and Duties With Respect to Utilities. The rights and duties of the Owners of Units within the Project with respect to utilities shall be as follows:

(a) Whenever sanitary sewer, water, electric, 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 Project, 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 shall have the right, and are hereby granted an easement to the full extent necessary therefore, 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, electric, gas, telephone, or television lines or connections, heating or air conditioning conduits, ducts, or flues, or other utility or service connections are located or installed within the Project, 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 his or her Unit.

ARTICLE 10.
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:

10.1 Use of Individual Units; Animal Restrictions. No Unit shall be occupied and used except for single-family residential purposes, by the Owner and his or her family, or by a single-family tenant, and their guests and invitees. No Unit may be used for commercial or other non-residential purposes, except for home office businesses. Any such business shall create no outward appearance of the business operation (e.g., no signs or advertising), create no additional noise or disturbance to the Owners of other Units, and result in no substantial increase in vehicle or pedestrian traffic within the Project.

No animals shall be raised or kept within any Unit, except that no more than two (2) cats or one (1) dog, or one (a) cat and one (1) dog, may be kept within any Unit, with the right to keep all pets being conditioned by a requirement that they be kept leashed and only allowed in those certain areas designated by the Association as pet areas, and otherwise be kept under strict control at all times when in the Common Elements. All Owners shall immediately clean up any waste (including excrement) created by such Owner's pet(s). All such pets must be licensed per local and municipal regulations. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds unreasonably disturbing other Unit Owners, and may exercise this authority for specific animals even though other animals are permitted to remain.

10.2 Unit Maintenance. Each Unit and any Limited Common Elements appurtenant thereto shall be maintained in a clean, neat and orderly condition and in good repair at all times. All rubbish, trash and garbage shall be regularly removed from the Project, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers which shall be kept screened and concealed from the view of other Units, the Common Elements, and all public ways.

10.3 Nuisances. No noxious, illegal, or offensive activities shall 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 of the Owners of his or her respective Unit, or which shall in any way increase the rate of insurance for the Project, 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.

10.4 Vehicle and Equipment Restrictions. No utility, boat, camper or other trailer, mobile home, commercial vehicle, bus, truck (other than standard size pickup truck), inoperable automobile, boat, or similar equipment, and no vehicle which is in an extreme state of disrepair shall be permitted to remain on the Property, other than temporarily (as for purposes of loading



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and unloading of passengers or personal property), unless placed 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 shall be maintained or operated upon the Property, except such recreational vehicles as may have been approved by the Board.

10.5 Signs. Signs advertising Units for sale or rent may be displayed on the Property without prior approval of the Board provided that such signs shall be of reasonable and customary size and shall be displayed only at such location or locations within the Common Elements as shall be designated for such purpose by the Board. Except as expressly permitted by this Paragraph, and subject to the provisions of Chapter 64.38 RCW, no signs shall be displayed to the public view on any Units or on any portion of the Property, unless first approved by the Board in its discretion.

10.6 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 shall relate to less than the whole of any Unit. Any lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the Project Documents. Any failure by a lessee to comply with the terms of the Project Documents shall be a default under the lease, whether or not it is expressed therein, and the Owner shall be liable for any costs incurred which result from the lessee's actions.

10.7 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 10, 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 the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit agrees to hold Declarant harmless therefrom.

ARTICLE 11.

PROCEDURES FOR SUBDIVIDING OR COMBINING

11.1 Procedure. Subdivision and/or combining of any Unit or Units, are authorized as follows:

11.1.1 Owner Proposal. Any Owner of any Unit or Units may propose any subdividing or combining of any Unit or Units, and appurtenant Common Elements or Limited Common Elements in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to this Declaration and the Survey/Plans covering such subdividing nor combining, to the Board, which shall then notify all other Owners of the requested subdivision or combination.

11.1.2 Owner/Mortgagee Approval. Upon written approval of such proposal by sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the Eligible Holders, and of all Eligible Holder(s) and Owner(s) of the Unit(s) to be combined or subdivided, the Owner(s) making the proposal may proceed according to such plans and



specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that provisions for the protection of other Units or Common Elements or reasonable deadlines for completion of the work be inserted in the contracts for the work.

11.1.3 Survey/Plans. The changes in the Survey/Plans, if any, and Declaration shall be placed of record as amendments to the Survey/Plans and Declaration of Project.

11.1.4 Allocated Interests. The Allocated Interests formerly allocated to the subdivided Unit shall be reallocated to the new Unit(s) in any reasonable and equitable manner prescribed by that Owner of the subdivided Unit. The Allocated Interests of the new Unit resulting from a combination of Units shall be the aggregate of the Allocated Interests formerly allocated to the Units being combined.

ARTICLE 12. **INSURANCE**

12.1 Duty to Obtain Insurance; Types. The Board shall cause to be obtained and maintained the following policies of insurance, which shall comply with and be subject to all provisions of the Act:

(a) Hazard Insurance. A "master" or "blanket" type of hazard insurance policy, insuring the Project against all risks of direct physical loss commonly insured against, to not less than 80% of its actual cash value, excluding land, excavations, foundations, and other items normally excluded from such policies. Such policy shall, 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 shall name the Association (for the use and benefit of the individual Owners), as the named insured and shall 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.



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12.2 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.

12.3 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.

12.4 Right and Duty of Owners to Insure. It is the responsibility of each Owner to provide insurance on his or her personal property and upon all other property and improvements within his or her Unit. Nothing hereby shall preclude any Owner from carrying any public liability insurance as he or she 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 shall 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 shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him or her 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.

12.5 Notice of Expiration Requirements. If available, all of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall 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).

12.6 Insurance Premiums. Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be 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.

12.7 Trustee for Policies. The Association, acting through its Board of Directors, is hereby appointed and shall be 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 12.1 above shall be paid to the Board as Trustee. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) Directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds.

ARTICLE 13.
DESTRUCTION OF IMPROVEMENTS

13.1 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 shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article 12 hereof for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall represent the Owners in any related proceedings, negotiations, settlements, or agreement, and shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. Any proceeds from any settlement shall 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 recommended by the Architectural Committee have been approved in writing by seventy-five percent (75%) of the voting power of the Owners and seventy-five percent (75%) of the first mortgagees of record. If the amount available from the proceeds of such insurance policies for such restoration and repair is at least eighty-five percent (85%) of the estimated cost of restoration and repair, it shall be presumed that the Association is authorized to levy an Extraordinary Assessment to collect the deficiency and proceed with the restoration, without regard to any limitations set forth herein on Extraordinary Assessments. However, within three (3) months of the date of destruction, by the vote or written consent of not less than seventy-five percent (75%) of the voting power of the Owners, together with the approval of at least seventy-five percent (75%) of the first mortgagees of record, the Owners may determine not to levy this Special Assessment and may proceed as provided in Paragraph 13.2 below.

13.2 Sale of Property. If the amount available from the proceeds of the insurance policies maintained by the Association is less than eighty-five percent (85%) of the cost of reconstruction, and if the Owners and mortgagees do not elect, within three (3) months of the date of destruction, to rebuild the improvements, it shall be conclusively presumed that the Owners have determined not to rebuild said improvements. In the event of a determination not to rebuild, the Association, acting through a majority of the Board, shall be 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 Project 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 shall be divided among the Owners, according to the Allocated Interests as provided herein. Notwithstanding the foregoing, the balance then due on any valid encumbrance of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Unit is so encumbered.

13.3 Interior Damage. With the exception of any casualty or damage insured against by the Association pursuant to Article 12 of this Declaration, restoration and repair of any damage to the interior of any individual Unit, including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Unit so damaged. In the event of a determination to rebuild the Property after partial or total destruction, as provided in this Article 13, such interior repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Architectural Committee as provided herein.

ARTICLE 14. EMINENT DOMAIN

14.1 Awards; Repair; Restoration and Replacement. In the event of any taking of any Unit in the Project by eminent domain (including actual condemnation or sale under threat of condemnation), the Owner of such Unit shall be entitled to receive the award for such taking (subject to the rights of any mortgagee thereof), and after acceptance thereof, such Owner and his or her mortgagee(s) shall be divested of all interest in the Project if such Owner shall vacate the Unit as a result of such taking. Where other Owners are substantially affected by the taking, all Owners affected shall decide by a majority of their voting power whether to rebuild or repair the Project, or to take other action. The remaining portion of the Project shall be resurveyed, if necessary, and this Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interests of the remaining Owners in the Project. In the event of a taking by eminent domain of more than one Unit at the same time, the Board shall represent the Owners in any related proceedings, negotiations, settlements, or agreements, and shall be authorized to have prepared the necessary documents to effect any necessary reconstruction as promptly as practical. Any proceeds from any settlement involving multiple Units shall be paid directly to the Association for the benefit of the Owners of such Units and their mortgagees. The Board shall propose the method of division of the proceeds of condemnation, where Units are not valued separately by the condemning authority or by the court. In the event any Unit Owner disagrees with the proposed allocation, he or she may have the matter submitted to arbitration under the rules of the American Arbitration Association. In the event of any taking of the Common Elements (not including any Unit airspace), the Board shall negotiate and be entitled to receive the award for such taking, which shall then be distributed to all Owners (subject to the rights of mortgagees) according to the Allocated Interests.

14.2 Awards for Owners' Personal Property and Relocation Allowances. Where all or part of the Project is taken by eminent domain, each Owner shall have the exclusive right



to claim all of the award made for such Owner's personal property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation.

ARTICLE 15.
RIGHTS OF MORTGAGEES

In order to induce various lenders and lending agencies, including without limitation, those described in Paragraph 12.2 to participate in the financing of the sale or ownership of Units within the Project, this Article 15 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 15, 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.

(a) 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.

(b) 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, shall take 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.

(c) First Mortgagees, upon written request, shall 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.

(d) 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.

(e) Unit Owners shall have the right to amend the Project Documents in accordance with Article 16 below, subject to the rights of Eligible Holders to participate in the amendment process as provided in this Paragraph. Amendments of a material nature shall be agreed to by (i) the Declarant (so long as the Declarant owns any Unit in the Project); (ii) Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association (excluding votes held by the Declarant); and (iii) Eligible Holders representing at least fifty-one percent (51%) 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;
- Convertibility of Units into Common Elements or vice versa;
- Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- Hazard or fidelity insurance requirements;
- Imposition of any restrictions on the leasing of Units;
- Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- Restoration or repair of the Project (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 shall be 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.

(f) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs shall be agreed to by: (i) the Declarant (so long as the Declarant owns any Unit in the Project); (ii) Unit Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association (excluding votes held



by the Declarant); and (iii) Eligible Holders representing at least fifty-one percent (51%) 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 at least sixty-seven percent (67%) of the votes of the Mortgaged Units.

(g) Implied approval of an Eligible Holder under Paragraph 15 (e) or 15 (f) 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 Project, 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.

(h) 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 Project 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.

(i) In addition to the foregoing, the Board shall have 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 Project under their respective policies, rules and regulations as adopted from time to time.

ARTICLE 16.
DURATION AND AMENDMENT

16.1 Duration; Termination of Condominium. This Declaration shall continue 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 of Units to which at least eighty percent (80%) of the total voting power in the Association shall be allocated. All matters relating to the adoption of the Termination Agreement, the disposition of the Project, and the property rights of the Unit Owners, shall be governed by the Act.

16.2 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 15 of this Declaration, relating to material amendments. Otherwise, any amendment of this Declaration and/or the Survey/Plan shall 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 15, an amendment shall be adopted at a duly called meeting of the Association by the vote, in person or by proxy, of Unit Owners of Units to which at least sixty-seven percent (67%) of the total voting power in the Association shall be allocated.

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, shall 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 17. DECLARANT'S RIGHTS AND RESERVATIONS

Declarant has undertaken the work of developing the Project and 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. 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 shall be understood or construed to:

- (a) 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; or
- (b) 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
- (c) Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof.



So long as Declarant, its successors-in-interest and assigns, owns one or more of the Units established and described in this Declaration and except as otherwise specifically provided herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration.

In the event Declarant shall convey all of its right, title and interest in and to the Property to any third person, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such third person shall be obligated to perform all such duties and obligations of the Declarant.

ARTICLE 18. **LIMITATION OF LIABILITY**

18.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to Article 12, the Declarant shall not be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other places; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

18.2 No Personal Liability. So long as the Declarant has in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, the Declarant shall not be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any Act, omission, error or negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by the Declarant in the Declarant's official capacity; provided that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 12.

18.3 Indemnification. The Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except to the extent such expenses or liabilities are covered by any type of insurance, except in such cases wherein the Declarant is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of the law in the performance of his duties and except in such cases where the Declarant has participated in a transaction from which said person will personally receive a benefit in money, property or services to which the Declarant is not legally entitled. Provided that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.



ARTICLE 19.
GENERAL PROVISIONS

19.1 Enforcement. The Association (acting through the Board), any Owner, and any governmental or quasi-governmental agency or municipality having jurisdiction over the Project shall have 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 shall be taken on behalf of two (2) or more Unit 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 shall in no event be deemed a waiver of the right to do so thereafter.

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

19.3 Conflict of Project Documents. If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail; thereafter, priority shall be 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 shall have 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 March 17, 2006.

DECLARANT:

HIGHLAND HEIGHTS APARTMENTS, LLC,
a Washington limited liability company

By 
D. G. BRUMBACK, Manager



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Spokane Co, WA

STATE OF WASHINGTON)

:ss.

County of Spokane)

On this 17th day of March, 2006, before me, Paul M. Davis, a Notary Public in and for the State of Washington, personally appeared D. G. BRUMBACK, known or identified to me to be the manager of HIGHLAND HEIGHTS APARTMENTS, LLC, the limited liability company that executed the within instrument and the person who executed the instrument on behalf of said company, and acknowledged to me that such company executed the same.



(Seal or Stamp)

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

Paul M. Davis

Notary Public (Signature)

PAUL M. DAVIS

(Print Name)

My appointment expires: 2/8/07




CONSENT TO RECORDATION OF DECLARATION

AmericanWest Bank, being the Beneficiary named in those certain Deeds of Trust, executed and delivered by the Declarant herein, and recorded on August 2, 2004 and June 1, 2005, as Document Nos. 5106428 and 5224707, respectively, records of Spokane County, Washington, covering the property described in the above Declaration, hereby consents to the execution and recording of such Declaration and to all the terms and provisions thereof, and further agrees that the liens of said Deed of Trusts shall be subject and subordinate to the terms and provisions of the Declaration and to the Condominium Property Act of the State of Washington.

DATED: 20th, March, 2006.

AMERICANWEST BANK,
a Washington bank corporation

By 
Name: James W. Burke
Title: V.P. / Commercial Lending

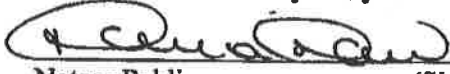
STATE OF WASHINGTON)
County of Spokane) :ss.

On this 20th day of March, 2006, before me, Donna Daw, a Notary Public in and for the State of Washington, personally appeared James W. Burke, known or identified to me to be the person whose name is subscribed to the within instrument as the Vice President of AmericanWest Bank, a Washington bank corporation that executed the within instrument and the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



(Seal or Stamp)


Notary Public (Signature)
Donna Daw
(Print Name)

My appointment expires: 7-16-07

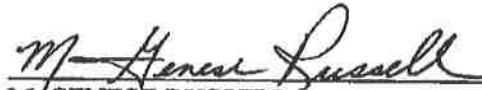
CONSENT TO RECORDATION OF DECLARATION

Bruce Russell, also known as ^{W. Bruce Russell} E. Bruce Russell, and M. Genese Russell, husband and wife, being the Beneficiary named in that certain Deed of Trust dated July 28, 2004, executed and delivered by the Declarant herein, and recorded on August 2, 2004, as Document No. 5106430, records of Spokane County, Washington, covering the property described in the above Declaration, hereby consents to the execution and recording of such Declaration and to all the terms and provisions thereof, and further agrees that the lien of said Deed of Trust shall be subject and subordinate to the terms and provisions of the Declaration and to the Condominium Property Act of the State of Washington.

DATED: 17-3, 2006.



BRUCE RUSSELL



M/GENESE RUSSELL

STATE OF WASHINGTON)
) : ss
County of Spokane)

On this 17 day of March, 2006, personally appeared before me BRUCE RUSSELL and M. GENESE RUSSELL, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal the day and year in this certificate first above written.



(Seal or Stamp)



Notary Public (Signature)

JOHN M. RIVEY III

(Print Name)

My appointment expires: 4.8.07



EXHIBIT "A" TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
THE HIGHLANDS CONDOMINIUM
DESCRIPTION OF UNITS

<u>Unit No.</u>	<u>Level</u>	<u>Approx. Sq. Ft.</u>	<u>Bedrooms</u>	<u>Bathrooms</u>	<u>Allocated Interest (%)*</u>
1	1&2	592	1	1	1.6580
2	1&2	600.5	1	1	1.6818
3	1&2	592	1	1	1.6580
4	1&2	600.5	1	1	1.6818
5	1&2	592	1	1	1.6580
6	1&2	600.5	1	1	1.6818
7	1&2	646.5	1	1	1.8106
8	1&2	600.5	1	1	1.6818
9	1&2	652.5	1	1	1.8274
10	1	854	2	1	2.3917
11	1	707	1	1	1.9800
12	2	853	2	1	2.3889
13	2	853	2	1	2.3889
14	3	853	2	1	2.3889
15	3	853	2	1	2.3889
16	1	840	2	1	2.3525
17	1	709	1	1	1.9856
18	2	853	2	1	2.3889
19	2	853	2	1	2.3889
20	3	853	2	1	2.3889
21	3	853	2	1	2.3889
22	1	637.5	1	1	1.7854
23	1	808.5	2	1	2.2643
24	2	830.5	2	1	2.3259
25	2	828	2	1	2.3189
26	3	830.5	2	1	2.3259
27	3	828	2	1	2.3189
28	1	795.5	2	1	2.2279
29	1	635.5	1	1	1.7798
30	2	830.5	2	1	2.3259
31	2	824.5	2	1	2.3091



32	3	830.5	2	1	2.3259
33	3	824.5	2	1	2.3091
34	1	644.5	1	1	1.8050
35	1	813.5	2	1	2.2783
36	2	826	2	1	2.3133
37	2	826	2	1	2.3133
38	3	826	2	1	2.3133
39	3	826	2	1	2.3133
40	1	813.5	2	1	2.2783
41	1	644.5	1	1	1.8050
42	2	826	2	1	2.3133
43	2	826	2	1	2.3133
44	3	826	2	1	2.3133
45	3	826	2	1	2.3133
46	1&2	1267.5	3	1	3.5498

Units 1 through 9 have built-in gas fireplaces. There are no built-in fireplaces in any other Units.

The Allocated Interests of the Units, as set forth above, have been established based on the Declarant's approximate valuation of the Units as of the date of recordation of this Declaration, which valuation is, in turn, based on the size, location, and number of rooms of the Units.



EXHIBIT

HIGHLAND HEIGHTS APTS LLC

COV

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THE HIGHLANDS CONDOMINIUM

1. Recreational Facilities: There is a recreational center in the Project that houses a laundry facility, a storage area, two restrooms and a swimming pool.
2. Additional Limited Common Elements: None.
3. Moorage Slips: None.
4. Existing Parking:
 - (a) Uncovered – 21 spaces.
 - (b) Covered – 46 spaces.Total – 67 spaces.
5. Existing Storage Lockers: Each Townhouse Unit has an assigned storage unit. Buildings 1, 2, and 3 each have 5 storage units for 6 Units. The sixth Unit has a storage unit inside the Unit – not a limited common element – those Units are: 11, 17, 22, 29, 34, 41, 46 all have storage units inside. There are 39 total storage units.

NORTHRIDGE ADDITION

Covenants, conditions and restrictions contained in the plat of Northridge Addition, AS FOLLOWS:

Easements are hereby granted to the City of Spokane and its permittees in the locations shown hereon for the installation and maintenance of public utilities. Easements are hereby granted, where needed, for slopes for street improvements.

No access will be allowed onto Five Mile Road from Lots 3, 4 and 6 of Block 2.

Street and sewer improvements shall be completed in each street for the entire length of any block or so much of a block length as is within the subdivision, within three years after the date that building permits are issued for not less than 60% of the combined frontage on both sides of the street of said block. In the event that said improvements have not been completed within said three years, the subdividers and persons with any interest in the property in said block will not protest a Local Improvement District for said improvements as may be initiated by resolution of the City Council.

Trunk and lateral storm and sanitary sewers are required in city-platted property as the same is developed. As a consideration for the acceptance of this plat by the City of Spokane, the owners of all non-public property herein platted into lots, blocks or tracts agree not to protest, under 35.43.180 R.C.W., the construction of or legal assessment for, any sewer ultimately serving their non-public property at such time as it is desired by the City of Spokane to construct such sewers. The agreement herein expressed shall be considered a covenant to run with the land and shall be carried as a provision in each and every deed drawn to transfer ownership of any or all property delineated within this plat.

* * * * *

DEDICATION

KNOW ALL MEN BY THESE PRESENTS, that Highland Heights Apts., LLC, a Washington Limited Liability Company, the owner in fee simple of the real property described herein, hereby dedicate the real property described in this survey and these plans for condominium purposes solely to meet requirements of the Washington Condominium Act, RCW 64-34 et seq. and not for any public purpose. The residential units are airspace units. The boundaries of the Residential Units are defined as planes in space. I further certify that all structural components and mechanical systems of all buildings containing or comprising any units hereby created are substantially completed.

This survey map and these plans and any portion thereof are restricted by law and the declaration for THE HIGHLANDS CONDOMINIUM, recorded the 22 day of March, 2006, under Spokane County Auditor's File No. 5357369

All or part of the land shown hereon is subject to:

- A) Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description.
- B) Easement, including the terms and provisions contained therein:
Recorded: December 11, 1973
Auditor's File No.: 7312110177
- C) Grant of Easement and MDU Broadband Services Agreement and the terms and conditions thereof:
Recorded: September 22, 2003
Auditor's File No. 4966056
- D) Conditions, notes, easements, provisions contained and/or delineated on the face of the Survey No. 5332904, recorded in Volume 120 of Surveys, at Page 31.
- E) Certificate of Approval of Boundary Line Adjustment:
Recorded: January 30, 2006
Auditor's File No.: 5336978

LEGAL DESCRIPTION

Those portions of Lots 3 and 4, Block 2 of Northridge Addition, according to the plat recorded in Book 9 of Plats, at Page 24, in the SE1/4 of Section 25, Township 26 North, Range 42 East, W.M., City of Spokane, Spokane County, Washington, described as follows:

Beginning at the southwest corner of said Lot 4; thence along the boundary of said Lot 4 the following five (5) calls: 1) N00°14'21"W 157.74 feet to the TRUE POINT OF BEGINNING; 2) continuing N00°14'21"W 351.23 feet; 3) N89°07'29"E 122.20 feet; 4) S09°02'00"E 13.38 feet to the point of curve of a 150.00 foot radius curve to the left; 5) along the arc of said curve through a central angle of 59°04'15", 154.65 feet to the northwest corner of said Lot 3; thence along the boundary of said Lot 3 the following three (3) calls: 1) continuing along the arc of said curve, the center of which bears N21°53'45"E, through a central angle of 48°08'45", 126.05 feet; 2) S26°18'48"E 116.18 feet; 3) S12°33'50"E 35.63 feet; thence leaving said boundary, S67°09'38"W 232.50 feet; thence N89°55'00"W 182.28 feet to the TRUE POINT OF BEGINNING.