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Declaration of Spokane RV Resort
Deer Park, Washington
A Condominium

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DECLARATION OF SPOKANE RV RESORT
DEER PARK, WASHINGTON, A CONDOMINIUM

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DECLARATION
Of
SPOKANE RV RESORT
DEER PARK, WASHINGTON
A CONDOMINIUM

THIS DECLARATION made on the 25 day of FEBRUARY 2003, by Warren Developments Inc., ("Declarant"), constitutes the covenants, conditions, restrictions, reservations, limitations and uses creating and establishing a condominium to be known as SPOKANE RV RESORT, DEER PARK, WASHINGTON, A CONDOMINIUM.

RECITALS

- A. Declarant is the sole owner of the real property described in Exhibit A attached and in Section 2 below
- B. Declarant has undertaken to improve said real property by constructing thereon a recreational vehicle park, complete with roads, utilities and certain amenities, to create a condominium of the real property and improvements ("Property" or "the Condominium"). Phase 1 of which is expected to include 148 units, and an additional 652 units in future Phases (all as more particularly set forth in Sections 3 and 19 hereof), including an existing rental RV Park which consists of 61 units already constructed and which is anticipated to become a future Phase, for a maximum of 800 units (hereinafter called "Parcels") designated for separate ownership, to be commonly known as Spokane RV Resort, A CONDOMINIUM with a street address of 1205 Country Club Drive, Deer Park, Spokane County, Washington 99006
- C. Declarant has recorded simultaneously herewith, with the office of the Spokane County Auditor Survey maps and sets of plans ("Surveys") for Phase 1 of the Condominium. This Declaration shall be effective only as to Phase 1 and on portions of the Property described as Phase 1 on recording. If additional Phases are added to the Condominium, Declarant will file an Amendment to said Survey and to this Declaration in accordance with the provisions of Sections 2 and 19 hereof
- D. Declarant desires to sell and /or lease or rent Parcels in the Condominium and to provide for the common ownership by the Owners of such Parcels of those portions of the Condominium which are designated to be held in common: and
- E. By recording this Declaration and the Surveys Declarant desires to submit the Property, together with all appurtenances thereto, to the provisions of the Washington Condominium Act, Chapter 64.34 of the Revised Code of Washington, as the same may, from time to time, be amended ("the Act").
- F. Declarant, owner of the Deer Park Golf Club intends Deer Park Golf Club to exist in perpetuity, as a public golf course, for the benefit of Spokane RV Resort at Deer Park Washington, and the public.



NOW, THEREFORE, Declarant hereby publishes and declares the property shall be, held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, reservations, limitations, obligations and uses, all of which are declared to be and by acceptance of deeds and/or assignments of interests there under are agreed and deemed to be in furtherance of and to effect a common plan for the property. Said covenants, conditions, restrictions, reservations, limitations and obligations shall run with the Property and the Parcels, and shall be binding upon any person acquiring or owning any interest in the Parcels and the Property, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. DEFINITIONS AND INTERPRETATIONS

1.1 Interpretation Consistent with the Act

Words used herein shall have the definition given such words in the Act, in the foregoing recitals and hereinafter unless the context thereof indicates otherwise or as may otherwise be excepted herein.

1.2 Plural, Singular, Gender

The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

1.3 Captions and Exhibits, etc.

Captions given to the various Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made. Capitalized items shall have the meanings given in Section 1.6 hereof and/or in the Act.

1.4 Liberal Construction

The provision of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium under the provisions of the laws of the State of Washington as the same as may now exist or hereafter be amended. The provisions of the Act as the same may now exist or hereafter be amended under which this Declaration is operative shall be liberally construed to effectuate the intent of the Declaration. All provisions of this Declaration and the Bylaws (defined below) are severable. In the event of a conflict between the provisions of the Declaration and the Bylaws, this Declaration shall prevail, except to the extent it may be inconsistent with the Act. The creation of the Condominium shall not be impaired and title to a Parcel and its Allocated interest in the Common Elements (defined below) shall not be rendered unmarketable or otherwise affected by an insignificant failure of this Declaration or the Survey or any amendment hereto or thereto to comply with the Act.

1.5 Covenants running with Property



It is intended that this Declaration shall be operative as covenants running with the Property or equitable servitudes supplementing and interpreting the Act and operating independently of the Act should the Act be, in any respect, inapplicable. In the event that a court of competent jurisdiction determines that this Declaration does not satisfy the requirements of the Act for any reason and that the provisions of this Declaration are not applicable as covenants running with the Property or equitable servitudes, the Owners of Parcels shall be tenants in common of said property and have their respective "Allocated Interests" in the property the fractions or percentages of ownership provided in Section 6 hereof.

1.6 Definitions

In the Declaration, unless specifically provided otherwise or unless the context requires otherwise (capitalized terms within any term defined herein also being defined herein)

1.6.1 "Act" Means the Washington Condominium Act, Laws of 1989, Chapter 43 (RCW 64.34) as amended.

1.6.2 "Affiliate of Declarant" means any person who controls, is controlled by or is under common control with Declarant.

1.6.3 "Allocated Interests" means the individual interest in the Common Elements, Common Expenses liability, and votes in the Association allocated to each Parcel as more particularly provided for in Section 6 and Exhibit C of this Declaration.

1.6.4 "Articles" means the Articles of Incorporation of Spokane RV Resort Owners' Association, as such Articles may be amended from time to time.

1.6.5 "Assessment" means all the sums chargeable by the Association against a Parcel, including without limitation: a) regular and special Assessments for Common Expenses, charges, and fines imposed by the Association; b) interest and late charges on any delinquent account; and c) costs of collection including reimbursable attorney's fees incurred by the Association in connection with the collection of a delinquent Owner's account.

1.6.6 "Association" means Spokane RV Resort Owners Association, formed to be a Washington Non-Profit corporation organized under the Act, its successors and assigns as more particularly provided for in Section 7 of this Declaration.

1.6.7 "Board" means the Board of Directors of Spokane RV Resort Owners Association, the body with the primary authority to manage the affairs of the Condominium. The term "Board" also means such persons or committees duly authorized by the Board of Spokane RV Resort Owners' Association, to act on its behalf.



- 1.6.8 “Bylaws” means the Bylaws of Spokane RV Resort Owners’ Association, as such Bylaws may be amended from time to time.
- 1.6.9. “Common Elements” means all portions of the Condominium, including Tracts, other than the Parcels.
- 1.6.10 “Common Expenses” means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.
- 1.6.11 “Common Expense Liability” means liability for Common Expenses allocated to each Parcel pursuant to Section 10 of this Declaration.
- 1.6.12 “Condominium” means the Property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the Owners of those portions, as created by this Declaration and related Survey Map and Plans pursuant to the Act
- 1.6.13 “Conveyance” means any transfer of the ownership of a Parcel, including transfer by deed or by real estate contract, but shall not include a transfer solely for security.
- 1.6.14 “Dealer” means a person who owns six or more Parcels in the Condominium.
- 1.6.15 “Declarant” means Warren Developments, Inc, a Washington Corporation, its successors and assigns.
- 1.6.16 “Declarant Control” means the right of Declarant or Persons designated by Declarant to appoint and remove officers and members of the Board or to veto or to approve a proposed action of the Board or Association pursuant to Section 8 hereof.
- 1.6.17 “Declaration” means this document as it now exists and as it may later be amended from time to time as recorded in the office of Spokane County,
- 1.6.18 “Development Rights” means any right or combination of Rights reserved by Declarant herein to (a) add real property or improvements to the Condominium; (b) create or alter Parcels, Common Elements or Limited Common Elements within real property included or added to the Condominium; (c) subdivide property from the Condominium; or (d) withdraw real property from the Condominium; or (e) reallocate Limited Common Elements with respect to Parcels which have not been conveyed by the Declarant.



- 1.6.19 “Dispose or Disposition” means a voluntary transfer or Conveyance to a Purchaser or lessee of any legal or equitable interest in a Parcel, but does not include the transfer or release of a security interest.
- 1.6.20 “Eligible Mortgagee” means the holder of a Mortgage on a Parcel that has filed with the Secretary of the Association a written request for copies of notices of any action by the Association that requires consent of mortgagees.
- 1.6.21 Foreclosure means a forfeiture or judicial or non-judicial foreclosure of a Mortgage or deed of trust.
- 1.6.22 “Identifying Number” means the description of each Parcel in the Condominium.
- 1.6.23 “Limited Common Element” means any portion of the Common Elements allocated by this Declaration or by operation of the Act for the exclusive use of one or more but fewer than all the Parcels.
- 1.6.24 “Manager” or “Managing Agent” means the person or entity retained by the Board to perform such Management and administrative functions and duties for the Condominium as delegated to such person or entity by the Association in writing.
- 1.6.25 “Member” means a member of Spokane RV Resort Owners Association.
- 1.6.26 “Mortgage” means a mortgage, or deed of trust that creates a lien against a Parcel, or a real estate contract for the sale of a Parcel.
- 1.6.27 “Owner” means the owner of record, whether one (1) or more persons or entities, of fee simple title to any Parcel which is part of the Property, and contract buyers or vendees of a Parcel (unless otherwise provided under section 7), but excluding those having interests in a Parcel merely as security for the performance of an obligation.
- 1.6.28 “Parcel” means a “Unit” as defined in the Act, which is an envelope of space, the horizontal boundaries of which represent the extension upward and downward of the side surface boundaries of a tract of land depicted on the Survey Map and Plans and the vertical boundaries of which are shown by the subsurface elevations shown on the Survey Map and Plans, to be used for the siting of a Recreational Vehicle and appurtenances as hereinafter described.
- 1.6.29 “Person” means a natural person, corporation, partnership, Limited Partnership, trustee, governmental subdivision or agency or other legal entity.



- 1.6.30 "Pet Area" means those parcels where certain pets may be kept pursuant to Section 9.10. The Pet Areas are limited to those areas that are posted. The pet areas may be changed at the discretion of the Board from time to time by adoption of rules or by amendments to the Declaration.
- 1.6.31 "Property" and "Real Property" mean real property as defined in the Act and includes the real property described in Exhibit A hereof, including any fee, leasehold, or other estate or interest in, over, or under land, including structures, fixtures and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of Conveyance. "Property and Real Property" include land, with or without upper or lower boundaries, and spaces that may be filled with air or water.
- 1.6.32 "Purchaser" means any person, other than a Declarant or a Dealer, who by means of a Disposition acquires a legal or equitable interest in a Parcel other than (a) a leasehold interest, including renewal options, of less than twenty years at the time of creation of the Parcel, or (b) as security for an obligation.
- 1.6.33 "Recreational Vehicle" as used herein shall mean a commercially manufactured Recreational Vehicle (as defined by the Washington Department of Licensing), motor home or travel trailer, of such exterior material and design as approved by the Board and/or Declarant used primarily to provide temporary living quarters for recreational or seasonal use and not exceeding forty five (45) feet in length, nor more than 15 feet in width when deployed on a Parcel, inclusive of SLIDEOUTS.
- 1.6.34 "Recreational purposes" means use for daily, weekly or seasonal dwelling for recreational purposes.
- 1.6.35 "Special Declarant Rights" means any rights reserved for the benefit of Declarant in this Declaration to: (a) complete improvements indicated on the Survey recorded with this Declaration; (b) exercise Development Rights; (c) maintain sales offices, management offices, signs, advertising the Condominium, and models; (d) use easements through the Common elements for the purpose of making improvements within the Condominium or within property which may be added to the Condominium; (e) make the condominium part of a larger condominium or development; (f) make the condominium subject to a master association; or (g) appoint or remove any officer of the Association or any master association or any Member of the Board or to veto or approve a proposed action of the Board of the Association during any period of Declarant Control.

1.6.36 "Survey" means the Survey Map and Plans of Spokane RV Resort, a Condominium recorded in the office of the Auditor of Spokane County, Washington, and any amendments, replacements or substitutions.

2. DESCRIPTION OF PROPERTY AND ACCESS

- 2.1 Property: The portion of the Property hereby submitted to the Act and/or this Declaration is described in Exhibit A attached as "Phase 1, 2 and 3". The interest of the Declarant in all the property described in Exhibit A is a fee simple interest.
- 2.2 Access: Each parcel has either direct access to a public street known as Country Club Drive or to a Common Element roadway and by way of said roadway, to a public street known as Country Club Drive.

3. DEVELOPMENT RIGHTS/DEVELOPMENT IN PHASES

- 3.1 Right to Phase: This Condominium will be developed and established in more than one (1) Phase.
- This Declaration provides a description of: the Property within Phases 1, 2 and 3, the Common Elements and Limited Common Elements for Phase 1, 2 and 3, and the Parcels in Phase 1. The Survey, filed simultaneously herewith, depicts (certified with respect to boundaries of the Parcels in Phase 1) the following: a survey of the surface of the Property in all Phases; the location of the Phase 1 parcels and Common Elements; and the plans of the Phase 1 parcels, showing as to each Parcel in Phase 1 the vertical and horizontal boundaries, the location of all such Parcels, and the number and dimensions of all such Parcels. The provisions regarding Phase 1, 2 and 3 (including Phase 1 Property and all other Parcels and other improvements constructed thereon), as a condominium under the Act, is subject to the right of Declarant to withdraw or alter setback lines of Parcels or Common elements within the Condominium or to provide additional buffers at the boundary lines of the Condominium Property if required by judicial or governmental orders or rulings. The provisions regarding subsequent phases (including the Property and all parcels and other improvements constructed thereon) as part of the Condominium under the Act will not take effect until the requirements of Section 3.2 and Section 19 are met.

The maximum number of Parcels which may be added in subsequent Phases is set forth in Recital B. Declarant reserves the right to reduce or increase the total number of Phases and the number of Parcels in each subsequent Phase, and retains all rights under RCW 64.34.236 and 64.34.216(i)(j). The Survey Map and Plans as relates to subsequent phases is not final as to number, location, boundaries or size of Parcels.

- 3.2 Declaration and Survey Amendments
- For each subsequent phase following Phase 1, the Declarant shall execute and record an Amendment to this Declaration stating that said subsequent Phase (including the subsequent phase land, and all parcels, and other improvements



thereon) is established as a part of the Condominium under the Act. From and after the recording of said amendment, all of the Property within Phase 1 and within subsequent phases for which such an amendment has been recorded, together with all Parcels, and other improvements constructed thereon, shall constitute a single Condominium pursuant to the Act and the provisions of this declaration. In conjunction with said Amendment to the Declaration, an updated or revised survey, or both, shall be filed and if the survey previously filed affects or describes said subsequent phases but lacks required detail, certification or other matters required under the Act shall also be filed. The Declarant is the owner of any parcels thereby created.

The Amendment to the Declaration shall assign an Identifying Number to each new Parcel among all Parcels. The amendment must describe each new Parcel, and any Common elements and any Limited Common elements, designate the Parcel created to which each is allocated, and reallocate the Allocated Interests among all Parcels to the extent required by RCW 64.34.228. Development Rights may be reserved within any real property includes all matters required by RCW 64.34.216, as the case may be, and the Survey includes all matters required by RCW 64.34.232. This provision does not extend the time limit on the exercise of Development Rights imposed by this Declaration.

3.3 Common Elements

All Common Elements for each phase will be utilized by Owners of the next succeeding phase as it is established, and the additional Owners will, after the effective date of the subsequent phase, also share in the expenses thereof. Owners in a prior phase will utilize the Common Elements for the subsequent phases, and also share in the expense thereof. Declarant reserves the right to alter and or reduce certain Common and Limited Common Elements within the Condominium if necessary to comply with judicial or governmental orders or rulings. Further, Declarant retains control of the Limited Common Elements, and reserves the right to convert said Limited Common Elements to Common Elements at such time as the Declarant deems appropriate.

3.4 Completion

Declarant shall complete subsequent phases in accordance with the plans and specifications prepared from time to time by or for Declarant and as approved from time to time by governmental authorities having jurisdiction thereof and by the lender or lenders financing the construction of subsequent phases. Parcel size and the quality of construction of Common Element Improvements within subsequent phases will be reasonably consistent with prior phases. Completion of subsequent phases will be pursued by Declarant as expeditiously as reasonably possible, subject to delays for reasons (including, but not limited to, financing availability, labor disputes, material shortages, and acts of God) reasonably beyond the control of Declarant. All improvements for subsequent phases shall be substantially completed before such phase is incorporated into the Condominium.

3.5 Allocated Interests



The Allocated Interests for Phase 1 are calculated with respect to the Parcels within Phase 1. At such time as additional phases are made effective by the filing of the above-described Declaration Amendment by Declarant, the Allocated Interests thereafter effective for all Parcels will be based on the ratio of each Parcel to the total number of Parcels then in the Condominium, as more particularly set forth in Exhibit C.

3.6 Assessments Based on Allocated Interests

All Assessments shall be based on the Allocated Interests. The Declarant or Board may upon the activation of any phase re-compute the budget and the Assessments, and impose revised Assessments.

3.7 Easements for Phased Development and Alteration of Site

A. In addition to the general easements reserved by statute and by reference in other sections of this Declaration, there is reserved a non-exclusive easement in favor of Declarant (and Declarant's heirs, successors, assigns and purchasers) over and across Phase 1 Property (and across the land described in Exhibit A, as hereafter amended, for any subsequently completed phase) for ingress and egress and over and across easements, roadways, and utility lines specified or established in and for completed phases, and the right to make alterations to the roads, utility lines or setbacks and to connect either completed subsequent phases, or otherwise develop portions of the Property for other purposes if not completed as a Condominium phase.

B. The easements reserved under this Section, shall entitle the Declarant (and Declarant's heirs, successors, assigns), to make changes within the Condominium as required by governmental or judicial orders or rulings, to develop each successive phase of the Condominium, or develop and utilize the lands if such lands are utilized for other purposes under the powers reserved to Declarant: to tie into water, sewer, storm sewer, electrical, gas, telephone or other utility lines of all varieties; to alter and /or connect with roadways or utility systems developed and in place in the completed phases of the Condominium; and to utilize any recreational facilities developed in completed phases of the Condominium.

C. Declarant shall bear the cost of the tie-ins to said utilities and roads and will not connect with said utilities in a manner that impairs or significantly reduces the quality of the utility service to the Property described in Exhibit A as Phase 1 and for the Property in a subsequently completed phase; provided, that if said tie-ins cause an increase in the cost of delivering affected utility services to Phase 1 and for Property in any subsequently completed phase, that cost shall be borne by the Declarant.

D. Any property which is not developed as a subsequent phase of the Condominium and which utilizes and benefits from the utilities, roadway easements and recreational facilities reserved to Declarant hereunder, shall pursuant to an irrevocable covenant running with the land be obligated to pay



a pro-rata share (based on relative number of living units or Parcels as applicable) of the costs of subsequent repairs, maintenance and operation of same.

- E. Declarant (and Declarant's heirs, successors and assigns) shall have a non exclusive easement to construct and maintain (at any time and at Declarant's sole cost and expense and in exercise of Declarant's sole discretion and at such locations within Phase 1 and within any subsequently completed phases of the Condominium as Declarant may determine) such signs as Declarant may deem necessary for the identification of the name, location and direction, and for the sale or renting, of buildings, RV spaces, units and Parcels regardless of whether such buildings, RV spaces, units or Parcels are located on property which is within a subsequent phase of the Condominium or on Property which the Declarant under powers reserved hereunder has elected not to develop as a phase of the Condominium.

3.8 Liens Arising in Connection with Phases

At the time an amendment is made incorporating a subsequent phase into the Condominium, no lien arising in connection with Declarant's ownership of, and construction of improvements upon, the subsequent phase Property will adversely affect the rights of existing Parcel Owners or the priority of first Mortgages on parcels in the existing Condominium Property. All taxes, assessments, mechanics liens, and other charges affecting a subsequent phase Property will be paid or otherwise satisfactorily provided for by Declarant.

3.9 Exclusion of Subsequent Phases

If all or any of the subsequent phases are not completed and the amendment(s) provided for in this Section is not recorded, then Declarant at any time may elect not to incorporate all or some of such subsequent phases into the Condominium and elect not to record the amendments provided for in this Section. To effectuate the foregoing, Declarant, upon its sole signature and without further consent of any of the other Owners being required, may file any documents necessary to clarify the Property within such subsequent phases and, is not subject to this Declaration. If Declarant exercises its right not to incorporate or subject such subsequent phases to the provisions of this Declaration, then the phases in fact completed shall thereafter continue to constitute a complete, fully operational Condominium; property within the subsequent phases (and improvements thereon) may be used for any other lawful purpose in Declarant's discretion including without limitation a separate condominium or campground; and the easements provided for in this Declaration shall continue for the benefit of Property within such subsequent phases and Declarant's (and its heirs, successors, and assigns) in its development and use of such subsequent phase Property.

3.10 Limitation of Declarant's Rights

- A. Declarant has created 61 rental Parcels and reserves the right to create 148 Parcels in Phase 1. The total Project (if all Phases are completed) shall include Condominium Parcels not exceeding 900 in number.



B. Notwithstanding any other provisions of this Declaration, Declarant's right to add phases by amendments under this section shall expire ten (10) years after initial Declaration recording.

3.11 Order of Exercise of Development Rights

A. Any Development Right may be exercised with respect to different portions of the Property at different times;

B. No assurances are made as to final boundaries of such portions or as to the order in which those portions may be subject to the exercise of each Development Right; and

C. Even though a Development Right is exercised in any portion of the Property subject to that right, that right need not be exercised in all or in any other portion of the remainder of the Property.

3.12 Exercise of Development Right

To exercise any Development Right reserved in this Declaration, Declarant shall prepare, execute, and record an amendment to the Declaration under Section 3.2 and comply with RCW 64.34.232

3.13 Termination of Development Rights

Except as may otherwise be provided in this Declaration, the foregoing Development Rights shall continue so long as Declarant owns one or more Parcels in the Condominium; provided Declarant may voluntarily terminate any or all such Rights at any time by recording an amendment to the Declaration, which amendment specifies which Right is thereby terminated.

3.14 Liability for Damage

Declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the Condominium, of any portion of the Condominium damaged by the exercise of Rights herein reserved by Declarant or created by this Declaration or the Act.

3.15 Declarant's Easements

Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights or Development Rights, whether arising under the Act or reserved in this Declaration. (Also see Section 18.)

4. IDENTIFYING NUMBER AND DESCRIPTION OF PARCEL BOUNDARIES

The identifying number of each Parcel is shown on Exhibit B attached. The boundaries of each Parcel are defined and delineated on the Survey. The minimum approximate square footage of any Parcel is 2900 square feet. Each Parcel is located on ground level. Each



Parcel includes the air space and improvements encompassed therein, and is subject to the Deer Park Municipal Airport Easement.

5. DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS AND USES THEREOF

5.1 The Common Elements include:

5.1.1 Common Element Roadways

Common Element roadways and driving areas within the Property which provide access to Parcels, Recreational and Open Space Tracts and any parking not within a Parcel.

5.1.2 Storm Drainage

Storm drains, detention ponds and appurtenances within the Property.

5.1.3 Recreation Areas

Tract "D" as shown on the Survey, including a laundry building, pavilion, swimming pool, spa, tennis court and other recreational facilities and landscaping on said Tract "D".

5.1.4 Open Space Tracts

Tract "A" as shown on the Survey.

5.1.5 Gates

Entrance Gates and Gate Houses.

5.1.6 Utilities

Subject to the ownership of utility companies' utility lines and connections including without limitation, water, sewer, telephone, electrical, cable television, gas and Internet connection.

5.2 The Limited Common Elements include:

Any portion of any ducts, wire, conduits or other fixtures or Common Elements located outside the boundaries of a Parcel, designated to serve a single Parcel, and Tracts "B", "C", "E" and "F" as shown on the Survey.

5.3 Owner's Easements of Enjoyment

Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and pass with title to every Parcel. Such right and covenant of enjoyment shall be subject to reasonable Rules and Regulations adopted by the Board, which may include, but shall not be limited to:

5.3.1 Admission Fee, Etc.

The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Elements;



5.3.2 Suspension of Voting and Use Rights
The right of the Association to suspend the voting rights and recreational facility use of an Owner for any period during which Assessments against an Owner's Parcel remain unpaid, and for a period not to exceed sixty (60) days, for any infraction of the Association's Rules and Regulation;

5.3.3 Guests
The right of the Association to limit the number of guests of an Owner that may use the Common Elements at a given time;

5.3.4 Others
Other rights of the Association as set forth in this Declaration or in the Act.

5.4 Delegation of Use
In accordance with the Bylaws, and as restricted by this Declaration, any Owner may delegate his/her right of enjoyment in and to the Common Elements to the Owner's family members, tenants, contract purchasers, guests and invitees, subject to any limitations adopted by the Association or the Board.

5.5 Easement for Utilities
The Board is authorized to grant such additional licenses, easements and rights of way for utilities and services as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Elements, or for the health, safety, convenience and welfare of the Owners.

6. ALLOCATED INTERESTS IN THE COMMON ELEMENTS

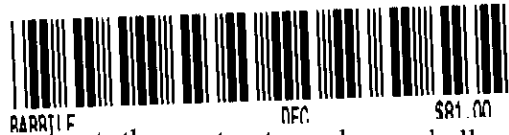
The Allocated Interests of each Parcel in the Common Elements and for all purposes, including voting, Assessments and ownership, shall be the fraction resulting from the numerator of one Parcel and the denominator of the number of Parcels then submitted to the Condominium. The calculation of Allocated Interests after combining Parcels shall be governed by Section 20 and shall not affect the total of Allocated Interests in the Condominium. The ownership interests shall not be altered by variations in selling prices.

7. OWNERS' ASSOCIATION

7.1 Form of Association
The Association shall administer the Condominium and shall be a nonprofit, Incorporated Association formed or to be formed under the provisions of this Declaration and the Act. The Association may use the name "Spokane RV Resort Owners' Association".

7.2 Membership

7.2.1 Qualification
Each Owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Parcel owned; provided,



if a Parcel has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as may hereinafter be provided, and shall be the voting Owner unless otherwise specified in the contract of sale. Ownership of a Parcel shall be the sole qualification for membership in the Association and membership shall consist exclusively of Parcel Owners.

7.2.2 Transfer of Membership

The Association membership of each Owner (including Declarant) shall be appurtenant to the Parcel giving rise to such membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except by transfer of title to said Parcel. Any other transfer shall be void. Any disposition of an Owner's interest in a Parcel shall operate automatically to transfer the membership in the Association to the new Owner thereof.

7.2.3 Parcel Owners and any subsequent Buyer or Buyers of a Parcel are obligated to give immediate notice to the Association of any purchase or sale of a Parcel.

Every subsequent Owner of a Parcel must inform the Association promptly of its new Voting Member.

7.3 Voting

7.3.1 Number of Votes

The total voting power of all Owners (including Owners of Parcels now or hereafter submitted to the Condominium) at all times shall be equal to the total number of Parcels in the Condominium. The total number of votes available to Owners shall be one vote per Parcel owned (equal to the Allocated Interests in the Common Elements pertaining to such Parcel as such Allocated Interests may be adjusted from time to time in accordance with Sections 3, 6, 19 and 20).

7.3.2 Voting Owner

There shall be one (1) voting representative of each Parcel. Declarant shall be the voting representative with respect to any Parcels owned by the Declarant. The voting representative shall be designated by the Owner or Owners of each Parcel by written notice to the Board. The designation shall be revocable at any time by written notice to the Board from a party having an ownership interest in a Parcel or by written or actual notice to the Board on the death or judicially declared incompetence of any party with an ownership interest. The power of designation and revocation may be exercised by the administrator or guardian and/or Owner of the Parcel. Where revoked and no designation made, if only one of the multiple Owners is present at a meeting, that Owner is entitled to cast the vote



allocated to that Parcel; if multiple Owners are present and one of them casts the vote allocated to that Parcel without prompt protest to the person presiding at the meeting by any other Owner of that Parcel, the vote shall be valid.

7.3.3 Joint Owner Disputes

The vote for a Parcel must be cast as a single vote. Fractional votes will not be allowed. If Joint Owners are unable to agree amongst themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If more than one vote is cast for a particular Parcel, none of the said votes shall be counted and said votes shall be deemed void.

7.3.4 Pledged Votes

If an Owner is in default under a first Mortgage on a Parcel for a period of ninety (90) or more consecutive days, the Mortgagee shall automatically be authorized to elect at any time thereafter to vote on behalf of the Owner on all issues upon which the Owner has pledged the mortgagee his or her right to vote. If the Board has been notified in writing of any such pledge to a mortgagee or if an Owner has otherwise pledged his/her vote regarding special matters to a mortgagee under a duly recorded Mortgage or to a vendor under a duly recorded real estate contract, only the vote of such mortgagee or vendee will be recognized as to those special matters. Amendments to this Section shall only be effective upon written consent of the voting Owners and their respective mortgagees, deed of trust beneficiaries, and vendors, if any.

7.4 Meetings, Audits, Notices of Meetings, Quorum

7.4.1 Annual Meetings, Special Meetings.

There shall be an annual meeting of the Owners in the second quarter of each year (or such other date as the Board by resolution or the Association may designate) at such reasonable place and time as may be designated by written notice of the Board mailed or delivered to the Owners not less than ten (10) days nor more than sixty (60) days prior to the date fixed for said meeting. Special meetings of the Owners may be called at any time for the purpose of considering matters for which rules and regulations adopted pursuant hereto require the approval of all or some of the Owners or for any other reasonable purpose. Such meetings shall be called by written notice of the President of the Association upon the decision by the President or upon written request by Owners having at least sixty percent (60%) of the total votes. Said notice shall be delivered not less than ten (10) days nor more than sixty (60) days prior to the date fixed for said meeting as provided in Section 21.3 of this Declaration. The notice for any meeting shall specify the date, time, place of the meeting, and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to this Declaration or Bylaws, changes in the



previously approved budget that result in a change of Assessment obligation, and any proposal to remove a director or officer of the Association.

7.4.2 Quorum

The presence in person or proxy at the beginning of an Association meeting of Owners or their agents having twenty five percent (25%) or more of the total votes of the Association shall constitute a quorum.

7.4.3 Proxy Votes

Votes allocated to a Parcel may be cast pursuant to a proxy duly executed by the Parcel Owner, provided such proxy is in writing, signed by the Owner and filed with the Board of the Association prior to the date of the meeting in which such vote is cast. The Association shall also honor any proxies given by an Owner to a mortgagee in a Mortgage: Provided, however, the mortgagee shall have first delivered a copy of said Mortgage to the Association. If more than one person owns a Parcel, any Owner of the Parcel may vote or register protest to the casting of proxy. A Parcel owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or is purported to be revocable without notice. A proxy terminates eleven (11) months after the date of its issuance unless otherwise stated in the proxy.

7.4.4 Audit

At the annual meeting, there shall be presented an audit (or review if authorized by the Association) of the Common Expenses for the preceding calendar year (or fiscal year, if adopted by resolution of the Board or the Association) and the allocation thereof to each Owner and the estimated Common Expenses for the coming calendar year (or fiscal year, if adopted by resolution of the Board or Association). The Board at any time, or by written request of Owners having at least sixty percent (60%) of the total allocated votes in the Association, may require an audit (or review if authorized by the Association) of the Association and management books be presented at a special meeting. An Owner may, at his/her own cost and expense, at any time make or cause an audit or review to be made of the books of the Board and Association.

7.4.5 Budget

The Board shall submit a budget summary to the Owners and review the budget at a meeting of Owners within thirty (30) days of its adoption. The budget shall be deemed ratified, even if no quorum is present at the meeting, unless a majority of the voting power dissents or the Board fails to provide for the required Owner's review of the budget summary.

7.4.6 Surplus Funds



Any surplus funds of the Association after payment of or provision for Common Expenses and any prepayment of reserves shall, in the discretion of the Board, either be paid to the Parcel Owners in proportion to the Common Expense Liabilities or credited in reduction of their future Common Expense Assessments.

7.5 Bylaws of Association

7.5.1 Adoption of Bylaws

Declarant shall adopt the initial Bylaws to provide for administration of the Condominium and organization of the Association consistent with this Declaration and the Act. To the extent required by the Act, the provisions of this Declaration, as applicable, shall be incorporated into the Bylaws. The initial Bylaws may be amended by the Declarant acting alone at any time prior to the election of the first elected Board of Directors. Thereafter said Bylaws may be amended by sixty percent (60%) of the allocated votes at a meeting of the Association duly held for that purpose. Notice of the time, place and purpose of such meeting shall be delivered to each Owner at least ten (10) days, but not more than sixty (60) days prior to such meeting.

7.5.2 Bylaws Provisions

The Bylaws shall include applicable provisions of this Declaration and may contain supplementary, not inconsistent, provisions regarding operation of the Condominium and administration of the Property. The Bylaws shall provide for:

- A. The manner, qualifications, powers, duties, terms of office, and manner of electing and removing the Board members and officers and filling vacancies.
- B. Election by the Board of such officers of the Association as the Bylaws specify.
- C. Which, if any, of its powers the Board or officers may delegate to other persons or to a managing agent:
- D. Which of the Association officers may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.
- E. The method of amending the Bylaws

Subject to the provisions of this Declaration, the Bylaws may provide for any other matters the Association deems necessary and appropriate. Notwithstanding any other provisions contained in the Act or this Declaration, for purposes of appointing or electing officers or directors of the Association, the term "Owner" shall be deemed to include any director, officer, partner in, or trustee of any



person, who is, either alone, or in conjunction with another person or persons, an owner. Any officer or Director of the Association who would not be eligible to serve as such if he or she were not a Director, officer, partner in or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that person, or if that person would have been disqualified from continuing in such office as a natural person.

7.6 Association Records

The Association shall keep financial records sufficiently detailed to enable the Association to comply with the resale certificate requirements of the Act. All financial and other records of the Association, including but not limited to checks, bank records and invoices are the property of the Association and shall be made reasonably available for examination and for copying by the manager of the Association, by any Owner or the Owner's authorized agents. At least annually, the Association shall prepare or cause to be prepared, a financial statement of the Association which shall be audited by a Certified Public Accountant unless the audit is waived by Owners having sixty (60%) percent of the allocated votes of the Association. Association funds shall be kept in bank accounts in the Association's name and shall not be commingled and checks expending funds of the Association must be signed by two officers or directors of the Association.

8. MANAGEMENT OF CONDOMINIUM

A. Management by Declarant

8.1 Declarant Control Period

Declarant shall control the Association until the earlier of (a) sixty (60) days after Conveyance of ninety percent (90%) of the Parcels which may be created in all phases to be built and sold to Owners other than Declarant; (b) two (2) years after last Conveyance or transfer of a Parcel by Declarant except as security for a debt; (c) two (2) years after the last exercise of Development Rights to add new Parcels to the Condominium; or (d) the date on which Declarant records an amendment to the Declaration voluntarily surrendering its right to appoint and remove Board officers and members. During the Declarant control period, Declarant may surrender the right to appoint officers and members of the Board, provided however, Declarant may require, by provisions in such recorded instrument, for the duration of the Declarant Control period, that specified actions of the Association or the Board be approved by Declarant before becoming effective. To carry out this provision Declarant may, from and after the date of recording hereof, adopt and enforce Bylaws and reasonable rules and regulations for the Association, may give notice and call meetings, determine, assess, collect, receive and expend assessments and Association funds, hire a manager or other employees or service agencies as required, purchase supplies and equipment and determine maintenance and other policies, contract for required services, property and insurance, have the exclusive right to contract for all goods and services, set up and constitute Association books and accounts, and generally exercise all powers necessary to carry out the provisions of this Declaration and itself or through a Managing Agent manage the Condominium development. Acceptance



of an interest in the Parcels described in this declaration evidences acceptance of this management authority in Declarant for the initial period of condominium operation indicated and in carrying out the same, Declarant is entitled to the benefits of all powers, indemnities and protections provided in this Declaration for the Board.

8.2 Transfer of Control

Declarant shall transfer control of the Association in accordance with RCW Section 64.34.312

B. Management by Board

i. Composition

Prior to the termination of the period of Declarant control, Declarant or a person appointed by the Declarant may appoint and remove officers and members of the Board. However, not later than sixty (60) days after Conveyance of twenty-five (25%) percent of the Parcels which may be created to owners other than Declarant, at least one Member and not less than twenty-five (25%) percent of the Members of the Board must be elected by owners other than Declarant. Not later than sixty (60) days after Conveyance of sixty (60%) percent of the Parcels which may be created to Owners other than Declarant, not less than thirty-three and one third (33.33%) percent of the Members of the Board must be elected by Owners other than Declarant.

ii. Election

Within thirty (30) days after termination of the period of Declarant Control, The Owners shall elect a Board of at least three members, a majority of whom must be Owners. The Board shall elect the officers. The Board and officers shall take office upon election. At each annual meeting, subject to the provisions of Section 8.1. and 8.2. hereof, the Owners shall elect directors to replace those whose term has expired: PROVIDED, HOWEVER, the first Board elected hereunder may be elected at a special meeting duly called by Declarant and shall serve until the first annual meeting. Nomination of a slate of candidates for the first elected Board may be made by the Declarant. Nominations of a slate of candidates for subsequent Boards may be made by a nominating committee composed of three (3) or more Owners who are not Board members, selected by the Board. Additional nominations may only be made by a petition signed by at least fifty (50) Owners.

iii. Term

The Term of the Board appointed by the Declarant shall be determined by Declarant. The terms of office of the first elected Board shall be three (3) or less years and shall be staggered. The first elected Board shall determine which of the directors shall have lesser terms than three (3) years. All subsequent members of the Board shall be elected for a term of three (3) years or such lesser term as may from time to time be provided by the By-laws. The



members of the Board shall serve until their respective successors are elected or until their death, resignation or removal; PROVIDED, HOWEVER, that if any member ceases to be an Owner (including the special definition of Owner in Section 7.5.2), that person's membership in the Board shall thereupon terminate. In the event of a vacancy occasioned by any cause other than removal, the remaining Board Members may select a replacement Board member who shall serve until the next annual meeting or until any special meeting called to elect a new Board Member.

iv. Removal

Any Board member may be removed from membership on the Board by the Owners, with or without cause, and a successor elected for the unexpired term, by a two thirds (2/3) vote of the voting power in the Association present and entitled to vote at any meeting of the Owners at which a quorum is present.

Notwithstanding the foregoing. Any Members of the Board appointed by the Declarant may be removed and replaced solely by Declarant, and during the period of Declarant Control any member of the Board elected by the owners other than Declarant may be removed only by a two thirds (2/3) vote of such Owners.

v. Proceedings

A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent (50%) of the votes on the Board are present at the beginning of the meeting. The decision of a majority of those present shall be the act of the Board. From its membership, subject to Section 8.1 hereof, the Board shall elect a president of the Board and the Association who shall preside over both its meetings and those of the Owners. The Board shall additionally elect a Vice- President, Secretary and a Treasurer. The latter two offices may be combined and the manager or managing agent may perform the function of these two offices under the direction of the Association officers if the Board so directs. Meetings of the Board may be called, held and conducted in accordance with this Declaration and such Bylaws and regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of its members as evidenced by their signatures upon any minutes or resolutions of the Board.

C. Authority of the Board

The Association through the Board of Directors shall enforce the provisions of this Declaration and the Bylaws for the benefit of the Condominium and the Owners, and shall have all of the powers and authority permitted to the Association under the Act and this Declaration.

8.3.1 Delineation of Authority

Such authority should include but may not be limited to authority to do the following:



- A. Adopt, amend and enforce Bylaws, Rules and Regulations.
- B. Adopt and amend budgets for revenues, expenditures and reserves, and impose and collect Assessments for Common Expenses from Owners.
- C. Hire and discharge or contract with managing agents and other employees, agents and independent contractors.
- D. Engage in litigation proceedings in the Association's name on behalf of itself or two or more Owners on matters affecting the Condominium.
- E. Make contracts and incur Common Expense Liabilities.
- F. Regulate the use, maintenance, repair, replacement and modification of Common Elements.
- G. Improve the Common Elements.
- H. Acquire, hold, convey, and encumber real and personal property subject to the provisions of RCW 64.34.348.
- I. Grant easements, leases, increases and concessions over and through Common Elements and petition for and consent to vacation of streets and alleys adjacent to the Condominium.
- J. Charge fees for use of Common Elements and Limited Common Elements (except those described in Section 5.2 hereof) and for services provided to Owners.
- K. Impose and collect charges for late payment of Assessments pursuant to RCW 64.34.425, after ten (10) days notice and opportunity for hearing before the Board or other persons designated by the Board, in accordance with the Bylaws and Rules and Regulations of the Association, and levy reasonable fines in accordance with a previously established schedule adopted by the Board and given to the Owners for violations of the Declaration, Bylaws and/or Rules and Regulations of the Association.
- L. Impose and collect reasonable charges for the preparation and Recording Amendments to the Declaration, resale certificates and statements of Assessments.
- M. Provide for indemnification of officers of the Board and purchase directors and officers liability insurance.



N. Exercise any other power conferred by the Declaration or the Bylaws or exercisable by any other non-profit corporation not inconsistent herewith, and any other power necessary and proper for the governance and operation of the Association.

8.3.2 Common Expense Liabilities

Among the Common Expense Liabilities, which may be incurred and paid out of the Common Expense fund hereafter provided for are:

- A. Water, sewer, garbage collection, electrical, telephone (except personal telephone), gas, metered washers and dryers, master or cable TV systems, internet service, and any other necessary utility service as required for the Common Elements.
- B. Policies of insurance or bonds as the same are more fully required herein or in the Bylaws.
- C. Services of persons or firms for the operation of the Common Elements whether employed directly by the Board, the Declarant or Managing Agent or furnished by the Managing Agent, or, during the period of Declarant Control. If Declarant elects to provide management services for the Condominium during the period of Declarant Control, Declarant shall be compensated for said services at the prevailing rate for such services in the Spokane, Washington area.
- D. Legal and accounting services for the administration of the Common Elements, the enforcement of this Declaration, or such other matters as may be reasonably or necessarily required for or to protect the Association or the Common Elements.
- E. Painting, maintenance, repair, landscaping and gardening work for the Common Elements, and furnishing and equipping the Common Elements as determined by the Board.
- F. Any other materials, supplies, labor, services, maintenance, Repairs, alterations, insurance, taxes, or assessments, which the Board is required to secure by law or which in its opinion is necessary or proper for the operation and/or safety of the Common Elements or for the enforcement of this Declaration, and/or to comply with any applicable requirements of the City of Deer Park or any governmental entity, provided that if for any reason such are provided or done for particular Parcels or their Owners, the cost thereof shall be specially assessed to the Owners of such Parcels.
- G. Maintenance or repair of any Parcel or its appurtenances, if such maintenance or repair is reasonably necessary in the discretion of



the Board to protect the Common Elements or preserve the appearance and value of the Condominium if the Owner(s) of said Parcel(s) have failed or refused to perform the maintenance or repair within a reasonable time after written notice of necessity of said maintenance or repair has been delivered and opportunity given to be heard, by the Board or its designated representative. The Board shall levy a special Assessment against the Parcel of such Owner(s) for the cost of such maintenance or repair.

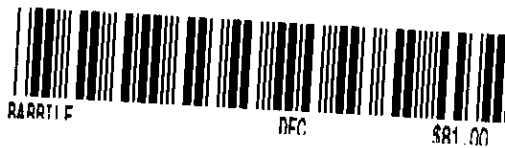
- H. Any amount necessary to discharge any lien, encumbrance or assessment levied against the entire Property or any part thereof, which is claimed to or may, in the opinion of the Board, constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Owners.
- I. Payment of all Common Expense Liabilities out of the Assessments paid by the Owners or by such other means as may be permitted by the Declaration, the Bylaws, the Act or any other laws of the State of Washington.
- J. Purchase of tangible and intangible personal property for the benefit of the Owners, in the name of the Association. The beneficial interest in such property shall be owned by the Owners in the same proportion as their respective interests in the Common Elements, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the Owners and the Association as the Board may direct.

8.3.3 Limitations on Expenditures

The Board shall not, in any event acquire real property or personal property valued in excess of Ten Thousand Dollars (\$10,000) by lease or purchase or acquire and pay out of the Common Expenses Fund for alterations, capital additions and improvements (other than for purposes of restoring, repairing or replacing portions of the Common Elements) having a total cost in excess of the sum of Ten Thousand Dollars (\$10,000), without first obtaining the affirmative vote of Owners holding a majority of the allocated votes present or represented at a meeting called for such purpose, or if no meeting is held, then the written consent of voting Owners having a majority of the allocated votes; PROVIDED, HOWEVER, any expenditures or contracts for alterations, capital additions or improvements in excess of the sum of Fifty Thousand Dollars (\$50,000) must be approved by Owners having not less than sixty percent (60%) of all allocated votes of the Association.

8.3.4 Entry to Parcels

The Board and its agents and employees may enter any Parcel when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible or in the event of emergencies. Such entry will be made with



as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board out of the Common Expense fund if the entry was due to an emergency (unless the emergency was caused by or is the responsibility of the Owner of the Parcel entered) or for the purpose of maintenance, or repairs to Common Elements where the repairs were undertaken by or under the direction or authority of the Board, or if the repair or maintenance is requested or necessitated by the Owner of such parcel. Nothing herein contained shall be construed as granting the Association any right to enter any recreational vehicle located on a parcel without the Owner's consent.

8.3.5 Power of Attorney

Each Owner by the act of becoming an Owner of a Parcel shall irrevocably appoint the Association as such Owner's attorney in fact, with full power or substitution to take such action as may be reasonably necessary to properly perform the duties of the Association and the Board hereunder, including but not limited to, the duties to maintain, repair and improve the Condominium or Property, to deal with parcels or the Owners thereof upon damage, destruction, condemnation or a taking (subject to the provisions of Section 13) to secure insurance proceeds.

8.3.6 Standard of Care

In exercising power and authority, those Board members appointed by Declarant shall be held to a standard of care of a fiduciary to the Owners and those Board members elected by owners shall be held to a standard of ordinary and reasonable care.

8.3.7 The Association shall indemnify its Directors and Officers against all liability, damage, and expenses arising from or in connection with service as directors and Officers with this Association to the maximum extent and under all circumstances permitted by law.

9. USE AND OCCUPANCY RESTRICTIONS

9.1 Limitation on Uses and Occupancy

The provisions set forth in the Declaration of Covenants, Conditions and Restrictions for Spokane RV Resort recorded ~~January 25~~ ^{February 25}, 2003, under Spokane County Recording No. 4851661, official records of Spokane County, Washington, restrict each parcel to the following:

9.1.1 Residence

Seasonal or recreational residential use by the parking and occupancy of one Recreational Vehicle; or the parking and occupancy of one Motor-Home, Motor Coach, Travel Trailer or Fifth Wheel on one parcel, or on certain Parcels in an area or areas to be designated by Declarant or by resolution of the Board of Directors of the Association from time to time.

9.1.2 Parking



The parking of no more than one licensed motor vehicle, in addition to the Recreational Vehicle, Motor Home, Motor Coach, Travel Trailer, or Fifth Wheel, on a Parcel shall be permitted. Notwithstanding the foregoing, Owners who have guests intending to stay in the Owner's Recreational Vehicle, Motor Home, Motor Coach, Travel Trailer, or Fifth Wheel may secure written permission from the Board of Directors or its authorized representative, for said guests to park their motor vehicle in a designated area for a period of up to thirty (30) days. Said privilege shall only exist after written permission has been obtained from the Board or its authorized representative.

9.1.3 Placement of other Structures and Improvements upon a Parcel

The placement of any structures or any improvements done on a Parcel without prior approval by the Board or its authorized representative in writing is hereby prohibited.

9.1.4 Period of Occupancy

Occupancy shall be from April 1 through November 15 each year, weather permitting.

9.2 Permissible Additions to a Parcel

Subject to written approval of the Board as to location, design, materials and finish, and adherence to the Condominium's Design Criteria, an Owner at his/her own cost and expense may have installed the following additions and improvements on his/her Parcel:

- A. Custom tiling or other surfacing of Pad and patio
- B. Custom barbecue and kitchen
- C. Custom recreational facilities and/or spa
- D. Custom landscaping

9.3 Approval

Every year Owners placing a Recreational Vehicle, or other permitted item upon the Parcel, must obtain certification from the Board or its designated representative that said Recreational Vehicle, or any additions and improvements will be in conformance with this Declaration and the reasonable rules and Design Criteria and restrictions of the Association. Where a building permit or other governmental permit is also required, Owners shall obtain such from the governmental agency or agencies having appropriate jurisdiction and evidence thereof provided to the Association before commencement of any work on a parcel.

9.4 Setbacks

Recreational Vehicles and any other permitted structures, additions or improvements whether permanent or semi-permanent, shall be located on Parcels in compliance with governmental setback requirements and rules of the Board.



- 9.5 Minor Guest Restrictions
Guests under age 21 must be registered with the Association.
- 9.6 No tents
No tents or sheds may be used at any time as a residence in the Condominium.
- 9.7 Business or Offensive Activities
No noxious, offensive, immoral or illegal trade or activity may be performed upon any Parcel or in the Common Elements, nor shall anything be done within the Condominium which may be or become an annoyance or nuisance to the neighborhood, or detract from the appearance of the neighborhood.
- No part of the Property shall be used for business, professional, commercial religious or institutional purposes, except for the activities of the Association in furtherance of its powers and purposes, and sales and rental activities of the Declarant. Nothing shall be done to or within a Parcel or Recreational Vehicle, which will increase the rate of insurance on the Common Elements, or other Parcels. Each Parcel and Recreational Vehicle shall be kept in pristine condition. No rubbish or debris shall be placed or permitted to accumulate upon a Parcel or in a Recreational Vehicle, or adjacent to any Parcel, so as to render the Property or any such Parcel or portion thereof unsanitary, unsightly, offensive or detrimental to the Property or other Parcels in the vicinity thereof or to occupants. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes, shall be located, used or placed on the property.
- 9.8 Signs
No billboard or sign (other than an approved Parcel number identification sign meeting the written rules and regulations of the Board) of any nature whatsoever, shall be displayed upon any Parcel, or on the outside of any Recreational Vehicle, or in any window, or in or on any vehicle parked on the Property. "For Sale" and "For Lease" signs are specifically prohibited from being placed on any Parcel. The Property is declared to be a community free from solicitation or other commercial advertising. No signs shall be permitted on any of the Common Elements without the prior written consent of the Board.
- To facilitate the sale of Owners' Lots and Recreational Vehicles a "For Sale" Notice Board shall be located inside the Recreational Clubhouse for Owners to advertise their Parcels and Recreational Vehicles for sale. Notices posted on the Notice Board shall be in a standard form as authorized by the Board or their authorized representative from time to time.
- 9.9 Outside Lighting
Except as may be installed by the Declarant, no spotlights, and floodlights or similar type-high intensity lighting shall be placed or utilized upon any Parcel, which in any way allows light to be reflected on any other Parcel, or on the



improvements thereon, or upon the Common Elements, or any part thereof, without the prior written consent of the Board.

9.10 Animals

No animals other than Two (2) generally recognized domestic house pet animals shall be maintained in a Recreational Vehicle, and then only if kept as pets. No animal shall be allowed to make an unreasonable amount of noise (as determined by the Board or their authorized representative) or otherwise become a nuisance. (See specific Rules and Regulations regarding keeping of pets on a Parcel.)

9.11 Regulation of Parking

All permitted vehicles must be parked on its Owner's Parcel or in such other areas as designated by the Board from time to time, in writing, by its rules and regulations, except as varied by written rules adopted by the Board: All vehicles parked in the Property must display a current Spokane RV Resort identification tag. Vehicles without current identification tags will be liable to be towed at Owner's expense.

9.11.1 Streets

No vehicles shall be parked on any Common Element roadway within the Condominium at any time, except for emergency or delivery vehicles temporarily there: and

9.11.2 Common Parking Spaces

Parking Spaces in Common Elements throughout the Property are exclusively for the Owners' guests and their invitees using the recreational facilities and are not to be used for storage, overnight parking, or similar use. The Association shall have the authority to operate, manage and use such parking spaces and on behalf of all Owners.

9.12 Windows

No reflective materials, including, but not limited to aluminum foil, reflective screens or glass, mirrors or similar type items, shall be permitted on any Parcel, except within a recreational vehicle so as not to be visible from outside the recreational vehicle, except as permitted by the Board.

9.13 Laundry Facilities

Outside clothes lines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any portion of the Property. No washing machines or dryers shall be kept or maintained on any Parcel, except within a Recreational Vehicle. Modern coin operated Laundry Facilities are provided for the use of Owners and Guests within the Property.

9.14 Mineral Exploration

No portion of Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.



9.15 Boats, Bicycles, Trash and Incidentals

All boats, bicycles, equipment, boxes, and storage piles, shall be kept so as to conceal them from view of neighboring property and the Common Element roadways and streets. Rubbish, trash and garbage shall not be burned or allowed to accumulate on any Parcel or on the Property. All trash, rubbish and garbage shall be stored within the Recreational Vehicle and taken regularly wrapped in garbage bags to the garbage receptacles provided at regular intervals throughout the Condominium. Garbage pickup and disposal from receptacles shall be the responsibility of the Association.

9.16 Noisy Equipment

Except for emergencies no generators or other equipment which gives off disturbing sounds or loud noises, including but not limited to, radios, stereos, televisions, CD players, "boom boxes", mopeds, motorcycles, motor scooters and other similar noisy equipment, shall be operated on any part of the Property except in a reasonable and non-offensive manner to the Condominium or neighboring parcels.

9.17 Rentals

Unless rented by the Association or Declarant, an Owner may rent a Parcel to two (2) adults for recreational purposes for a continuous period of at least 30 days, and pursuant to a written lease.

9.17.1 Lease Provisions

All leases shall contain a provision in which the tenant agrees to submit to the terms and conditions of this Declaration, the Articles, the Bylaws and the Rules and Regulations adopted by the Board as though such tenant were an Owner. Each Owner shall cause the tenant, occupant or persons living with the Owner or with the tenant, to comply with this Declaration, the articles, the Bylaws, and rules and regulations adopted by the Board, and the Owner shall be responsible and liable for all violations and losses caused by the Owner's tenants and occupants, tenants and visitors, notwithstanding the fact that the tenants and occupants of the Parcel should also be fully liable for the violations.

9.17.2 Rights of Association Against Tenants

In the event that a tenant, occupant or persons living with the tenant violates a provision of the Declaration, the Articles, the Bylaws or Rules and Regulations adopted by the Board, the Association shall have the power to bring an action or suit against the tenant to recover sums due for damages or for injunctive relief, or for any other remedy available at law or equity. The Association's costs in so doing, including, but not limited to, reasonable attorney's fees, together with interest as provided in Section 10.7 shall be reimbursed by the tenant to the Association and shall constitute a lien on the applicable Parcel which may be enforced in the manner described in Section 10.7.



9.17.3 Right to Restrict Use of Recreational Facilities

The Board shall also have the power to suspend the right of the tenant, occupant or person living with the tenant to use the recreational facilities in the Common Elements for any violation by the tenant, occupant or person living with the tenant, of any obligation and/or responsibility imposed under this Declaration, the Articles, the Bylaws or the Rules and Regulations adopted by the Board. No suspension of the right of a tenant, occupant or person living with the tenant to use the recreational facilities on the Common Elements may be for a period longer than sixty (60) days (except that the foregoing limitation shall not affect or prevent termination of the applicable lease if permitted by the terms of the lease or otherwise by applicable law).

9.17.4 Rental Service

The Declarant, or upon its transfer of Declarant Control as provided in Section 8.1.2, and the Act, the Association, may provide a rental and collection service for a fee. All rentals for a term of less than thirty (30) days must be handled through the Declarant or Association. The provisions of the Section 9.17.4 shall not apply to rental of Common Elements by the Association.

9.17.5 Timesharing of a Parcel is prohibited. Owners shall not participate in the loaning, renting, leasing or other form of compensated contractual "sharing" arrangement with third parties (except as specifically provided herein). The joint ownership of a Parcel shall not be deemed a timeshare under this provision.

9.18 Obstruction of Common Elements

There shall be no obstruction of the Common Elements, nor shall anything be left or stored in or on the Common Elements except by or with the permission of the Association.

9.19 Exterior Exposure

No owner shall cause or permit anything to be hung or displayed on the outside of doors or placed on the outside walls of a Recreational Vehicle, and no sign shall be affixed to or placed upon the exterior walls of a recreational vehicle, and no sign shall be affixed to or placed upon the exterior walls or roof or part thereof, without the prior written consent of the Board. No evaporative coolers, ventilation fans, or solar panels may be placed on any roof of a Recreational Vehicle or elsewhere on the Parcel so as to be visible from the view of a neighboring property, Common Element roadways or streets, without the prior written consent of the Board.

9.20 Laundry and Rubbish in Common Elements

No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

9.21 Alteration of Common Elements

Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.

9.22 Propane Tanks

Only propane tanks utilized in connection with barbecue grills, motor vehicles and recreational vehicles as attached by a manufacturer of same shall be permitted on any Parcel. The use and storage of propane tanks must be in compliance with applicable rules of the Board, applicable laws, rules and governmental regulations.

9.23 Antennas

No antenna or dish type antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of any Parcel, unless and except as approved in writing by the Board.

9.24 Rules and Regulations

The Board of the Association is empowered to pass, amend and revoke such additional Rules and Regulations as it may, from time to time deem necessary or convenient to ensure compliance with the general guidelines of this Section 9, the other provisions of this Declaration, Bylaws and other Rules and Regulations adopted by the Association. Violation of any such additional rules and regulations, if any, provided in writing to any owner shall subject any owner to an action by the Association as provided in Section 14.

9.24.1 Reservation of Special Declarant Rights

Notwithstanding anything contained herein to the contrary, none of the use restrictions contained in this Section 9, nor any restriction contained in this Declaration, shall be construed or deemed to limit or prohibit any act of the Declarant or its employees, agents and subcontractors, or parties designated by any of them, in connection with the exercise of any Special Declarant rights as defined and described in Section 1.6.35 elsewhere in this Declaration. By way of illustration and not limiting the generality of the foregoing, the Declarant shall have the right to place "For Sale" or "For Rent" signs on any unsold or unoccupied Parcels or Recreational Vehicles, and to place such other signs on the Property as Declarant may determine in its discretion to be useful in selling unsold Parcels or Recreational Vehicles, and the Declarant may occupy or give any person permission to occupy Parcels or the Common Area for sales and clerical activities, and for the purpose of maintaining model Recreational Vehicles, for display, promotion and the like. Further the Declarant shall



have the right to use the clubhouse or any other building at the Property as a sales office without paying rent.

10. COMMON EXPENSES AND ASSESSMENTS

10.1 Definition of Common Expenses

Common Expenses include those expenses defined in the Act or this Declaration incurred by the Association (or the Declarant or the Declarant's managing agent on behalf of the Association during the period of Declarant Control) in the operation, management, administration, maintenance, and repair of the Condominium pursuant to the terms of this Declaration or as may be otherwise required or permitted by the Bylaws.

10.2 Covenant for Assessments

The Declarant, for each Parcel within the Property, hereby covenants, and each Owner of any parcel by acceptance of a deed therefore, whether or not it is expressed in such deed, is deemed to covenant and agrees for the Owner and the Owner's heirs, personal representatives, successors and assigns, that each every Parcel within the Property shall be subject to an Assessment which each Owner of each Parcel agrees to pay to the Association, each Parcel's Assessment shall consist of:

10.1.1 Individual Assessments

Any individual Assessment applicable to a Parcel pursuant to Section 10.11 hereof or other provisions of the Declaration;

10.1.2 General Assessments

A pro rata share of the General Assessments set forth in Section 10.8 hereof;

10.1.3 Special Assessments

A pro-rata share of any Special Assessment as set forth herein. The pro rata share of the Common Expense Liability of each Parcel shall be equal to its allocated Interests as the same may change from time to time.

10.3 Commencement Date and Collection

Common Expense Assessments provided for in this Declaration shall commence as to all parcels on such date as determined by the Association based on a budget adopted by the Association. Until such time Declarant shall pay all Common Expenses. Further, Declarant shall pay any expenses related to any portion of the Property with respect to which Declarant has reserved Development Rights. The Association shall fix the amount of each Parcel's General Assessment on an annual basis based on the budget approved by the Association and at least thirty (30) days in advance of each annual Assessment period. The first General Assessment period shall be adjusted according to the number of months remaining in the Association's fiscal year. The Assessments may be collected on



a monthly basis, on such other, less frequent basis as the Board may determine. Written notice of the amount of Annual Assessments, the due dates of installment payments on such Assessments, and the address for remittance, shall be sent to each Owner. However, the Association reserves the right to increase or decrease Assessments due to changes in utility rates on a more frequent basis.

The Association shall, upon request, and for a reasonable clerical charge, furnish a certificate of the Association setting forth whether the Assessments on a Parcel have been paid and the current status of the Assessments against the Parcel. The certificate so issued shall be binding upon the Association.

10.4 Creation of Lien and Personal Obligations

The Association has a lien on each Parcel for any unpaid installment of an Assessment levied against a Parcel from the time such payment is due.

A lien under this Section shall be prior to all other liens and encumbrances on a Parcel except: (i) liens and encumbrances recorded before the recording of this Declaration; (ii) a Mortgage on the Parcel recorded before the date on which the Assessment sought to be enforced became delinquent; and (iii) liens for real property taxes and other governmental assessments or charges against the Parcel. A lien under this Section is not subject to the provisions of RCW 6.13.

- (a) Except as provided in Sections 10.4 (b) and 10.4 (c) of this Section 10.4, the lien shall also be prior to the Mortgages described in Section 10.4(ii) above to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association which would have become due during the six months immediately preceding the days of a sheriff's sale in an action for judicial foreclosure by either the Association or a mortgagee, the date of a trustee's sale in a non-judicial Foreclosure by a mortgagee, or the date of recording of forfeiture in a preceding by the vendor under a real estate contract.
- (b) The priority of the Association's lien against a Parcel encumbered by a Mortgage held by an Eligible Mortgagee or by a mortgagee which has given the Association a written request for a notice of delinquent Assessments, shall be reduced by up to three months if and to the extent that the lien priority under Section 10.4(a) of this Section includes delinquencies, which relate to a period after such holder becomes an Eligible Mortgagee or has given such notice of the delinquency. This shall not affect the priority of mechanic's or materials men's liens, or the priority of liens for other Assessments made by the Association.
- (c) If the Association forecloses its lien non-judicially pursuant to RCW 61.24 as provided by in Section 10.6 the Association shall not be entitled to the lien priority for under Section 10.4 (a) of this Section.



10.5 Perfecting of Lien

Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim for Assessments under this Section shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of Spokane County, Washington. Such recording shall not constitute the written notice of a mortgagee referred to in Section 10.4.

10.6 Limitation on Action and Enforcement

10.6.1 One Year Limitation

A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within one (1) year after the amount of the Assessments sought to be recovered becomes due.

10.6.2 Judicial/Nonjudicial Enforcement

A lien for unpaid Assessments may be enforced non-judicially by the Association or its authorized representative in the manner set forth in RCW 61.12. The lien arising under this Section may be enforced non-judicially in the manner set forth in RCW 16.24 for non-judicial foreclosure of deeds of trust. In furtherance thereof, Declarant hereby grants the Parcels in trust to First American Title Insurance Company of Spokane, its successors and assigns as a trustee to secure the obligations of the Owners to the Association for the payment of Assessments with power of sale, and represents the Parcels are not used principally for agricultural or farming purposes. The power of sale granted herein is operative in the case of a default in the obligation to pay Assessments. The Association or its authorized representative shall have the power to purchase the Parcel at the foreclosure sale and to acquire, hold, lease, mortgage or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial Foreclosure action, the period of redemption shall be six (6) months. Nothing in this Section 10.6 shall prohibit the Association from taking a deed in lieu of Foreclosure.

10.6.3 Receiver

From the time of commencement of an action by the Association to Foreclose a lien for non-payment of delinquent Assessments against a Parcel not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Parcel as and when due including without limitation the rental due with respect to any Recreational Vehicle located on the parcel. The exercise by the Association of the foregoing rights shall not affect the priority or pre-existing liens on the Parcel.

10.7 Liability of Mortgagees and Purchasers



10.7.1 Limitation on Liability

Except as provided in Section 10.4 above, the holder of a mortgage or other purchaser of a Parcel who obtains the right of possession of the Parcel through foreclosure shall not be liable for Assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be Common Expenses. Foreclosure of a Mortgage does not relieve the prior owner of personal liability for Assessments accruing against the Parcel prior to the date of such sale as provided in this Section.

10.7.2 Joint and Several Liability

In addition to constituting a lien on the Parcel, each Assessment shall be the joint and several obligation of the Owner, or Owners of the Parcel to which the same are assessed as of the time the Assessment is done. In a Voluntary Conveyance the grantee of a Parcel shall be jointly and severally liable with the grantor for all grantor's Conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing it.

10.7.3 Late Charges/Interest

The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established nonusurious rate, delinquent Assessments shall bear interest at the maximum rate permitted under RCW 19.52.020 commencing on the date on which the Assessments became delinquent.

10.7.4 Costs and Attorneys Fees

The Association shall be entitled to recover any costs and reasonable attorney's fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorney's fees if it prevails on appeal and in enforcement of a judgment.

10.7.5 Statement of Assessments

The Association upon written request shall furnish to a Parcel Owner or a mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Parcel. The statement shall be furnished within fifteen days after receipt of the request and is binding on the Association, the Board of Directors, and every parcel Owner, unless and to the extent known by the recipient to be false.

10.8 General Assessments



Each year the Board shall establish a General Assessment against all Parcels based on expenses estimated to be incurred by the Association during the following fiscal year in connection with the duties and service the Association is required to perform under the terms of this Declaration, the Articles, and the Bylaws, or which the Association deems appropriate in order to carry out the purposes of the Association. Such expenses shall include, but shall not be limited to, taxes and assessments against the Common Elements, if any, insurance premiums, utility bills, repair, replacement, and maintenance costs, administration and management costs, and a reasonable reserve for unbudgeted expenses, replacements, repairs and contingencies.

10.9 Special Assessments for Capital Improvements

In addition to the General Assessments authorized in Section 10.8 above, the Association may levy, in any year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair, or replacement of a capital improvement, in the Common Elements, including related fixtures and personal property, provided that any such Assessment shall be ratified by the Members in accordance with the Bylaws. Special Assessments will not be assessed until the Declarant completes the Common Elements which are turned over to the Association.

10.10 Uniform Rate of Assessment

Both General Assessments (Section 10.8) and Special Assessments (Section 10.9) shall be fixed at uniform rate for all Parcels, except as follows.

10.10.1 Limited Common Elements

Any Common Elements expense associated with the operation, maintenance, repair, or replacement of a Limited Common Element shall be paid by the Owner of or assessed equally against the Parcels to which the Limited Common Property is assessed.

10.10.2 Parcels Benefited

Any Common Expense or portion thereof benefiting fewer than all of the Owners shall be assessed exclusively against the Parcels benefited.

10.11 Individual Assessment for Maintenance and Restoration of Owner's Parcel

10.11.1 Associations Right to Restore

If the Owner of a Parcel fails to maintain his Parcel in a neat and clean condition, and generally in a manner satisfactory to the Board as set forth in the Rules and Regulations adopted pursuant to Section 9.24, the Association, through its agents, employees and/or independent contractors, shall have the right, but not the obligation, and each Owner expressly grants and assigns the Association the right (subject to prior notice as hereafter set forth), to enter upon such Owner's Parcel and to repair, maintain, rehabilitate and restore the Parcel, to the condition deemed satisfactory to the Board. The cost thereof shall be charged



against and collected from the Owner within thirty (30) days from the date of an invoice sent to the Owner, and further, this amount shall be secured by and shall be subject to all provisions regarding the Assessment lien as provided in Section 10.4.

10.11.2 Notice and Opportunity for Hearing

Prior to exercising the right of restoration, the Association shall give written notice to the Owner of the Parcel specifying the necessary repairs, maintenance, rehabilitation or restoration to be undertaken, and granting the Owner thirty (30) days to accomplish the same. If, at the end of the thirty (30) day period, the work required to be performed has not been completed, or has been completed in a manner unsatisfactory to the Board, or if, in the opinion of the Board, sufficient action has not been taken to effect same, then, the Association shall have the right, as set forth above, to make such repairs, maintenance, rehabilitation or restoration.

10.11.3 Nothing herein contained shall be construed as granting the Association any right to enter into or inside any Recreational Vehicle located on a Parcel without the Owner's consent.

11. INSURANCE AND FIDELITY BONDS

11.1 Insurance to be obtained by the Association

Commencing not later than the time of the first Conveyance of a Parcel to a person other than Declarant, the Association shall maintain, to the extent reasonably available:

11.2 Hazard Insurance

Property Insurance on the entire Condominium, which shall include equipment, improvements, and betterments on any Parcel or Common Elements installed by the Declarant or the Association, against all risks of direct physical loss commonly insured against including loss or damage by fire or other hazards, casualties and risks embraced within the coverage of the standard "extended coverage" policy available from time to time in the State of Washington, against all other perils customarily covered for similar types of projects (including those covered by standard "all risk" endorsement), and against loss or damage due to vandalism and malicious mischief. Said insurance shall be in an amount equal to not less than one hundred percent (100%) of the current replacement cost at the time the insurance is purchased and at each renewal date, from time to time, of all such insurable improvements (excluding land, foundations, excavations and other items usually excluded from such property coverage insurance). The policy or policies providing such insurance shall also contain (if available at no additional cost or at such additional cost as may be determined to be reasonable by the Board), the following endorsements (or their equivalents): (i) "agreed amount" and "inflation protection" endorsements; (ii) "increased cost of construction" endorsements; (iii) "contingent liability from operation of building laws and



codes” endorsement; (iv) “demolition cost” endorsement; (v) a steam boiler coverage endorsement providing not less than \$50,000 coverage for each accident at each location and (vi) a “severability of interest” endorsement which shall preclude the insurer from denying a claim of an Owner because of the negligent acts of the Association or other Owners.

11.2.1 Liability Insurance

Comprehensive public liability insurance, covering all occurrences commonly insured against, including all damage, bodily injury, death and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements, and if reasonably available, director’s and officer’s liability insurance. The comprehensive public liability policy shall provide coverage of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage for any single occurrence.

11.2.2 Modification or Cancellation

If the insurance described in Sections 11.1, and 11.2 and 11.2.1 is not reasonably available, or is modified, canceled or not renewed, the Association promptly shall cause notice of the fact to be hand-delivered or sent prepaid by first class United States mail to all Owners, to each Eligible Mortgagee, and to each mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

11.2.3 Other Insurance

The Association may carry any other insurance it deems Appropriate to protect the Association or the Owners.

11.2.4 General Provisions Governing Insurance

The insurance required to be obtained under Sections 11.1, 11.2 and 11.2.1 shall be written in the name of the Association and shall be governed by the provisions hereinafter set forth:

- (a) Each Parcel owner is an insured person under the policy with respect to liability arising out of the Owner’s interest in the Common Elements or membership in the Association;
- (b) The insurer waives its right to subrogation under the policy against any Owner, member of the Owner’s household, and lessee of the Owner;
- (c) No act or omission by any Owner, unless acting within the scope of the Owner’s authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and



- (d) If, at the time of a loss under the policy, there is other Insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

11.2.5 Insurance Adjustment and Proceeds

Any loss covered by the Hazard insurance under Section 11.2. above must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Parcel owners and lien holders as their interests may appear. Subject to the provisions of this Section, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the condominium is terminated.

11.2.6 Use of Insurance Proceeds on Damage or Destruction

Any portion of the Condominium for which insurance is required under this Section which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) the Condominium is terminated; (ii) repair or replacement would be illegal under the state or local health or safety statute or ordinance; or (iii) eighty percent of the Owners including every Owner of a parcel or assigned Limited Common Element which will not be rebuilt, repaired or restored, vote not to rebuild, repair or restore. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Parcels and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Parcels and the Owners of the Parcels to which those Limited Common Elements were allocated or to lien holders, as their interest may appear, in proportion to the Common Elements interests of all the Parcels. If the Parcel Owners vote not to rebuild any Parcel, that Parcel's Interests are automatically reallocated upon the vote as if the Parcel had been condemned under the Act, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this Section, the provisions of the Act shall govern the distribution of insurance proceeds if the condominium is terminated.

11.2.7 Fidelity Bonds

The Board may obtain and maintain at all times adequate Fidelity Bond coverage to protect against dishonest acts on the part of officers, directors and employees of the Association and all others who handle, or are



responsible for handling funds held or administered by the Association, whether or not such officers, directors, employees or others receive compensation for services they render to or on behalf of the Association. Any independent management agent which handles funds for the Association shall also obtain (and pay for) such fidelity bond coverage with respect to its own activities and those of its directors, officers, and employees, whether or not such directors, officers and employees receive compensation for services rendered. The fidelity bonds (i) shall name the Association as obligee, (ii) shall be issued by one or more companies authorized to issue such bonds in the state of Washington, and (iii) shall be in an amount sufficient to cover the maximum total of funds reasonably expected by the Association to be in the custody of the Association or such agent at any time while such bond is in force, but in no event shall the amount of such fidelity bond coverage be less than the sum of three (3) months' General Assessments on all Parcels, plus the total of funds held in the Association's reserves. Each such fidelity bond shall provide that the issuer shall provide not less than ten (10) days written notice to the Association before the bond may be canceled or substantially modified for any reason.

11.2.8 Cost of Insurance

All premiums for the insurance or bonds required to be obtained by the Board by this Section 11.2.7 shall be an expense of the Association (except that the cost of the fidelity bond required to be furnished by any independent management agent shall be paid by such agent).

11.2.9 Ownership Change

Promptly upon the Conveyance of a Parcel the new Parcel Owner shall notify the Association of the date of the Conveyance and the new Parcel Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners, of the name and address of the new Owner, and request that the new Owner be made a named insured under such policy.

11.3 Insurance to be obtained by the Owners

11.3.1 Public Liability Insurance

It shall be the individual responsibility for each Owner to provide, at the Owner's sole expense, comprehensive public liability insurance in the minimum amount of \$300,000.00, against loss or liability for damages, which might result from the ownership, use or occupancy of such Owner's Parcel, Recreational Vehicle, or any other improvements situated upon the Owner's parcel. Owner shall name the Association as "Additional Insured".

11.3.2 Other Insurance



It shall be the individual responsibility of each Owner to provide as such Owner sees fit and at such Owner's sole expense, fire, liability, flood, theft and any other insurance covering the Owner's Recreational Vehicle, other permitted property and personal property within the Owner's Recreational Vehicle.

12. PROCEDURES ON DAMAGE OR DESTRUCTION/RECONSTRUCTION

12.1 Initial Board Determinations

In the event of damage or destruction to any part of the Property by fire or other casualty, the Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

12.1.1 Type or Extent

The nature and extent of the damage or destruction from fire or other casualty, together with an inventory of the improvements and Property directly affected thereby.

12.1.2 Estimate

A reasonably reliable estimate of the cost to repair and restore the damage and destruction from fire or other casualty which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

12.1.3 Anticipated Proceeds

The anticipated insurance proceeds, if any, to be available from Insurance covering the loss from fire or other casualty based upon the amount paid or initially offered by the insurer.

12.1.4 Excess Costs

The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds from fire or other casualty, and the amount of Assessment to each Parcel if such excess were paid as a maintenance expense and specially assessed against the Parcels in proportion to their percentage of interest in the Common Elements.

12.1.5 Recommendation

The Board's recommendation as to whether such damage or destruction from fire or other casualty should be restored or repaired.

12.2 Emergency Repairs to Common Elements

The Board shall have the right, without prior notice to the Owners and Mortgagees, pursuant to Section 12.3, to make such emergency repairs and/or perform such emergency work, as defined in Section 12.4.2 as it may in its sole discretion deem appropriate.



12.3 Notice of Damage or Destruction.

The Board shall promptly, and in all events within sixty (60) days after the Date of damage or destruction from fire or other casualty; provide each Owner and mortgagee who has theretofore requested special notice with a written notice summarizing the initial Board determination made under Section 12.1. If the Board fails to do so within said sixty (60) days, then any Owner or mortgagee may make the determinations required under Section 12.1 and give the notice required under this Section 12.3.

12.4 Definitions; Restoration; Emergency Work

12.4.1 Repair, Construction, Rebuild or Restore

As used in this Section 12, the words “repair”, “construction”, “rebuild” or “restore” shall mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction by fire or other casualty. Modifications to conform to then applicable government rules and regulations or available means of construction may be made.

12.4.2 Emergency Repairs and Emergency Work

As used in this Section 12, the terms “Emergency Repairs” and “Emergency Work” shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the Owners from liability from the condition of the Property.

12.5 Restoration by Board

12.5.1 When Required

Unless prior to the commencement of repair and restoration work (other than emergency work referred to in Section 12.4.2), the Owners shall have decided not to repair and reconstruct in accordance with the provisions of either Section 11.2.6, 12.6.2 or 12.7.2, the Board shall promptly repair and restore the damage and destruction from fire or other casualty, use the available insurance proceeds therefore, and pay for the actual cost of repair and restoration in excess of insurance against all of the Parcels in proportion to their Allocated Interests in the Common Elements.

12.5.2 Contracts, Etc.

The Board shall have the authority to employ Architects and Attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as may be reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Board has by means of insurance proceeds and sufficient assessments made provision for the cost thereof. The Board may authorize the insurance carrier to proceed with repair and restoration when the Board is satisfied that such work will be appropriately carried out.



12.5.3 Insurance Trustee

The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for such loss in excess of Fifty Thousand dollars (\$50,000), or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Section.

12.6 Limited Damage; Assessment Under \$5,000.

If the amount of the estimated Assessment determined pursuant to Section 12.1 does not exceed Five Thousand Dollars (\$5,000) for any one Parcel, then the provisions of this Section 12.6 shall apply:

12.6.1 Meeting

Either the Board, or a requisite number of Owners, within fifteen (15) Days after the notice required under Section 12.3 has been given, may, but shall not be required to, call a Special Owner's Meeting in accordance with the provisions of Section 7.4 to consider such repair and restoration work. Except for emergency work, no repair and restoration work shall be commenced until after said fifteen (15) days if such meeting is called within said fifteen (15) days.

12.6.2 Approval

A decision of eighty percent (80%) of the Owners including any Owner of a Parcel or assigned Limited Common Element which will not be rebuilt, repaired or restored will be required to avoid the provisions in Section 12.5.1 and to determine not to repair and restore the damage and destruction from fire or other casualty: PROVIDED HOWEVER, the failure of the Board or the Owners within said fifteen (15) day period to call for a special meeting shall be deemed a unanimous decision to undertake such work.

12.7 Major Damage: Assessment Over \$5,000

If the amount of the estimated Assessment determined pursuant to Section 12.1 exceeds Five Thousand Dollars (\$5,000) for any one Parcel, then the provisions of this Section 12.7 shall apply:

12.7.1 Meeting

The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction from fire or other casualty, call a Special Owner's Meeting to consider repair and restoration of such damage or destruction. If the Board fails to do so within said sixty (60) day period, then notwithstanding the provisions of Section 7.4, any Owner or mortgagee may convene and conduct the meeting required under this Section 12.7.1. Except for emergency work, no repair and restoration work shall be commenced until conclusion of the Special Owners' Meeting required under this Section 12.7.1.



12.7.2 Approval

A concurring vote of more than eighty percent (80%) of the Owners, including any Owner of a Parcel or assigned Limited Common Element which will not be rebuilt, repaired or restored, total voting power will be required to avoid the provisions of Section 12.5.1 and to determine not to repair and restore the damage and destruction from fire or other casualty: PROVIDED HOWEVER, that failure of the Board, owners, or any mortgagee to convene the special meeting required under Section 12.7.1 within sixty (60) days after the date of damage or destruction from fire or other casualty shall be deemed a unanimous decision to undertake such repair and restoration.

12.8 Decision Not to Restore; Disposition

In the event of a decision under either Sections 11.2.6, 12.6.2 or 12.7.2 not to rebuild, repair and restore the damage and destruction from fire or other casualty, and said damage and destruction affects or in the opinion of the Board materially affects the entire property, the Board may nevertheless expend such of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include, but is not necessarily limited to, removal of the damaged or destroyed buildings, and clearing, filling and grading any real property), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

12.8.1 Tenants in Common

The property shall be owned as tenants in common by the Owners and shall no longer be subject to this Declaration or to condominium ownership;

12.8.2 Ownership Interest

The undivided interest in the Property owned in common which pertains to each Owner shall be Allocated Interests previously owned by such Owner in the Common Elements unless the Owners and the mortgagees unanimously vote to readjust said Allocated Interests

12.8.3 Mortgage

Any mortgages, secured interests, or liens affecting any of the Parcels shall be deemed transferred in accordance with their existing priorities to the Allocated Interests of the Owner in the Property and/or Condominium as provided herein.

12.8.4 Partition

The Property shall be subject to an action for partition at the suit of any owner in which event the net proceeds of the sale, together with the net proceeds of the insurance of the Property and Condominium, if any, shall be considered as one fund; such fund shall be divided into separate shares one for each owner in an amount equal to the Allocated Interests owned



by each such Owner in the Property and/or Condominium; then, after first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all mortgages, secured interests, and liens on the Allocated Interests in the Property and/or Condominium owned by such Parcel the balance remaining in each share shall then be distributed to each owner.

12.9 Miscellaneous

The provisions of this Section 12 shall constitute the procedure by which a determination is made by the Owners to repair, restore, reconstruct or rebuild any damage from fire or other casualty as provided in the Act. By the act of accepting an interest in the Property, each Owner and any party claiming by, through or under such Owner hereby consent and agree to the provisions hereof. If any provisions of this Section 12 shall be determined to be invalid or unenforceable by a court or competent jurisdiction, such determination shall not affect the validity of any other provision of this Declaration. The purpose of this Section 12 shall be to provide a fair and equitable method of allocating the costs of repair and restoration of any damages caused by fire or other casualty and making determination for repair and restoration if all or a portion of the improvements are damaged or destroyed by fire or other casualty. The provisions of this Section 12 may, in the discretion of the Board, be increased proportionately by the increase in the Revised Consumer Price Index for All Urban Consumers, Spokane District, prepared by the United States Department of Labor for the year most recently proceeding the year in which the damage occurred over the year 2000 to adjust for any inflationary effects on in the value of the dollar. If the Consumer Price index for All Urban Consumers is for any reason discontinued, then the nearest comparable official price index, whether so named or designated, issued by any authorized agency of the United States of America for purposes of reflecting comparative price increases or increases in the cost of living shall be utilized for purposes of adjusting for inflation in the value of the dollar. By unanimous vote of the Owners, which vote shall be taken within sixty (60) days after the date of said damage, the applicable Owners may determine to proceed other than as provided in this Section 12.

13. CONDEMNATION

13.1 Consequences of Condemnation

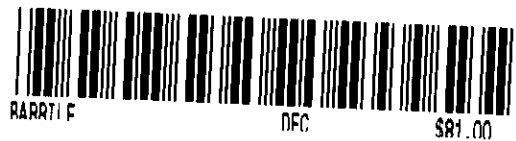
If at any time or times during the continuance of the Condominium Ownership pursuant to the Declaration, all of the Property and the Common Elements of the Condominium are taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, unless otherwise provided, the provisions of this Section shall apply.

13.2 Proceeds Payable to Association

All compensation, damages, or other proceeds therefrom (the sum of which is hereafter called the "Condemnation Award") shall be payable to the Association.



- 13.3 Complete Taking of Unit
If a parcel is acquired by condemnation, or if part of a Parcel is acquired by condemnation, leaving the Owner with a remnant of a Parcel which may not practically or lawfully be used for any purpose permitted by the Declaration, the award shall not be accepted unless it compensates the owner for the Owner's Parcel and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Parcel's Allocated Interests shall be automatically reallocated to the remaining Parcels in proportion to the respective Allocated Interests of those Parcels before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Parcel remaining after part of a Parcel is taken under this Section is thereafter a Common Element.
- 13.4 Partial Taking of Unit
Except as provided in Section 13.3. of this Section, if part of a Parcel is acquired by condemnation, the award must compensate the Owner for the reduction in value of the Parcel and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) that parcel Allocated Interests are reduced in proportion to the reduction in the size of the Parcel, and (b) the portion of the Allocated Interests divested from the partially acquired Parcel are automatically reallocated to that Parcel and the remaining Parcels in proportion to the respective Allocated Interests of those Parcels before the taking, with the partially acquired Parcel participating in the reallocation on the basis of its reduced Allocated Interests.
- 13.5 Taking of Common Elements
If part of the Common Elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their Allocated Interests. Any portion of the award attributable to the acquisition of the Limited Common Element shall be equally divided among the Owners of the Parcels to which that Limited Common Element was allocated at the time of acquisition.
- 13.6 Recordation of Judgment
The court judgment of Condemnation shall be recorded in Spokane County auditor's office.
- 13.7 Authority to Act
The Association at its election shall have the right to act on behalf of any Two (2) or more Owners in a Condominium proceeding. Should the Association not act on the Owner's behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf.
- 13.8 Reconstruction and Repair
Any reconstruction and repair necessitated by condemnation shall be governed by the procedures provided in Section 12, provided that the Board may retain and



apply such portion of each Owner's share of the condemnation award as may be necessary to discharge said Owner's liability for any Special Assessment arising from the operation of Section 12 to the extent said Section may be applicable.

14. COMPLIANCE WITH DECLARATION

14.1 Enforcement

Each Owner shall comply strictly with the provisions of the Declaration, the Bylaws and Rules and Regulations adopted pursuant thereto, as the same may, from time to time, be amended and all decisions adopted pursuant thereto. Any failure to comply with this Declaration, the Bylaws or Rules and Regulations, shall be grounds for an action to recover sums due for damages, injunctive relief, or both, maintainable by either the Board acting through its officers upon behalf of the Owners or by an aggrieved Owner.

14.2 No Waiver of Strict Performance

The failure of the Association, the Board, its officers or agents, or Declarant in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws or Rules and Regulations adopted thereto, to exercise any right or option contained in this Declaration, Bylaws, Rules and Regulations, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future, of such term, covenant, condition, restriction, Bylaw, Rule or Regulation, but such term shall remain in full force and effect.

The receipt by the Association, the Board, its officers or agents, or Declarant of payment of any Assessment from an Owner with knowledge of any such breach shall not be deemed a waiver of such breach and no waiver, express or implied, of any such provision shall be effective unless made in writing pursuant to the provisions provided in this Declaration, in the Bylaws, or in the Act, or if no such provisions are provided, then in writing and signed by the President of the Association pursuant to the authority contained in a resolution of the Board or during the period provided in Section 8.1, by Declarant or Declarant's Managing Agent.

15. LIMITATION OF LIABILITY

15.1 Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to section 11, neither the Association nor the Board (nor the Declarant nor Declarant's Managing Agent exercising the powers of the Board) shall be liable for any failure of any utility or other service to be obtained and paid for by the Board, for injury or damage to person or property caused by the elements or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any part of the property, or from any of its pipes, drains, conduits, appliances, or equipment or from any other place 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 Common Expense Assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, for such inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or from any action taken to comply with any law, ordinance or orders of any governmental agency. This exemption shall extend to the entire Association as well as the Board. This Section shall not be interpreted to impose any form of liability by any implication upon the Board or Association. This Section shall also extend to the Declarant's exercise of the powers of the Board during the initial period of operation of the Association.

15.2 No Personal Liability

As long as a Board member, Association committee member, Association Officer, Declarant or Declarant's Managing Agent exercising the powers of the Board has acted in good faith, then no such person shall be personally liable to any owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person: Provided, however, 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 Section 11.

15.3 Indemnification of Board Members

Each Board member, Association committee member, Association officer, Declarant and Declarant's Managing Agent exercising the powers of the Board shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceedings to which he may be a party or in which he may become involved by reason of being or having held such positions or any settlement thereof, whether or not he holds such positions at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties: Provided however, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association. This Section shall extend to and apply also for the Indemnification of the Declarant or for the indemnification of the manager, if any.

16. MORTGAGE PROTECTION

16.1 Abandonment of Condominium Status

Except when acting pursuant to the provisions of the Act involving damage, destruction or condemnation, the Association shall not, without the consent of sixty seven percent (67%) of all Eligible Mortgagees and or secured parties of record of the Parcels seek by act or omission to abandon the Condominium status of the Condominium or to abandon, encumber, sell or transfer any of the Common Elements.

16.2 Change in Allocated Interests



Except to the extent provided in Section 6 and Section 19, the Association shall not make any material changes to this Declaration or the Bylaws, including changes in the Allocated Interests in the Common Elements, without prior approval of sixty-seven (67%) of all Eligible Mortgagees and/or secured parties of record of the Parcels or without the unanimous approval of the Owner(s) whose Allocated Interests would be changed.

16.3 Copies of Notices

Written notice that an Owner of a Parcel has, for more than sixty (60) days, failed to meet any obligation under the Condominium Declaration, shall be given by the Association to any Eligible Mortgagee and/or secured party of any such Parcel who has requested to be so notified. Any Eligible Mortgagee and/or secured party of any such Parcel shall, upon request, be entitled to receive written notice of all meetings of the Association and be permitted to designate a representative to attend such meetings.

16.4 Effective Declaration Amendments

No amendment of this Declaration shall be effective to materially modify, change, limit or alter the rights expressly conferred upon mortgagees and/or secured parties in this Declaration with respect to any unsatisfied Mortgage and/or financing statement duly recorded unless the Amendment shall be consented to in writing by the holder of such Mortgage and/or financing statement does not materially affect any such mortgagee and/or secured party.

16.5 Insurance

Where the mortgage and/or secured party of a Parcel has filed a written request with the Board or where any Mortgagee and/or secured party of the Condominium has filed a written request with the Board or is known to the Board, the Board shall:

16.5.1 Evidence of Insurance

Furnish the mortgagee and/or secured party with a copy of any Insurance policy or evidence thereof, which is intended to cover the Parcel upon which such mortgage and/or secured party, has a lien:

16.5.2 Notice of Change in Coverage

Require any insurance carrier to give such mortgagee and/or secured party at least thirty (30) days written notice before canceling, reducing the coverage or limits, or otherwise substantially modifying any insurance with respect to the property upon which the mortgage and/or secured party has a lien (including Cancellation for non-payment of premium);

16.5.3 Approval of Settlement

Not to make any settlement of insurance claims for loss or damage to any such parcel exceeding Five Thousand Dollars (\$5,000) without the approval of such mortgagee and/or secured part: provided, however,



withholding of such approval shall not be unreasonable or in conflict with the provisions of Section 11 and 12; and

16.5.4 Notice of Loss

Give the mortgage and/or secured party written notice of any loss or taking affecting Common Elements, if such loss, damage or taking exceeds Five Thousand Dollars (\$5,000) or of any loss, damage or taking affecting any Parcel in which it has an interest if such loss, damage or taking exceeds Five Thousand Dollars (\$5,000).

16.6 Mortgagee Clause

The insurance policy required pursuant to Section 11 shall contain a standard mortgage clause which shall, if reasonably obtainable:

16.6.1 Insured

Provide any reference to a Mortgage in such policy shall mean and include all holders of Mortgages, deeds of trust, security interest, or the lessor of any Parcel in their respective order, reference and priority, whether or not named therein.

16.6.2 Acts of Owner

Provided that such insurance as to the interest of any mortgagee and/or secured party or lessor shall not be invalidated by any act of the Board or Owners of any persons acting under them.

16.6.3 Failure of Notice

Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee and/or secured party to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee and/or secured party pay any premium thereon, and any contribution clause.

16.7 Inspection of Books

Any Eligible Mortgagee and/or secured party shall be entitled to inspect the books and records of the Association at reasonable hours of the weekday and, upon request, to receive a copy of any financial statements of the Association within ninety (90) days following the end of any fiscal year of the Association.

17. SECTION DELETED

18. EASEMENTS

18.1 In General:

It is intended that in addition to rights under the Act, each Parcel shall have an easement in and through the Common Elements for all support elements and utility, wiring, and service elements, and for reasonable access thereto as may reasonably or necessarily be required to effectuate the purposes of this Declaration or the Act.



- 18.2 Specific Covenants: See Addendum
- 18.3 Reservation of Easements to Declarant and Association
There is hereby reserved to Declarant and the Association or their duly Authorized agents and representatives such easements as are necessary to perform the duties and obligations of the Association as provided in the Act, this Declaration, the Bylaws and/or the Association Rules and Regulations.
- 18.4 Reservation of Easements to Declarant
In addition to easements reserved to Declarant in Section 3 of this Declaration, Declarant hereby reserves a Development Right easement over, across and through the Common Elements and facilities of the Condominium, including, without limitation thereto, for purposes of ingress, egress, access, drainage, construction, utilities, and the right to tie in and utilize any water, sanitary sewer, storm water, electricity, gas, telephone and/or any other utility lines now or hereafter established for the Condominium, for the addition of Parcels to the Condominium and for future addition or improvements to the Common Elements and an access easement for ingress and egress over, across and through the Common Elements and facilities of the Condominium for the purpose of completing any unfinished Parcels and/or any other improvements.
- 18.5 Encroachments
Each Parcel and all Common Elements are hereby declared to have Easement over all adjoining Parcels and Common Elements for the purpose of accommodating any encroachment, if any, due to engineering errors, errors in original construction, settlement or shifting of R.V. Park buildings, or any other similar cause. There shall be valid easements for the maintenance of any such encroachments so long as they shall exist and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling, or shifting; Provided, however, 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 act or acts with full knowledge of said Owner or Owners. If buildings or facilities on a Parcel or Common Element are partially or totally destroyed and are subsequently repaired or rebuilt, the Owners agree that minor encroachments over adjoining Parcels and Common Elements shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Parcel.
- 18.6 Easement for Ingress, Egress, and Access
Each Parcel and Owner(s) thereof shall have a nonexclusive easement over, through and across the Common Elements and Common Element roadways of the Condominium and over, through and across the roadways of the subsequent phase Property as now constructed or hereafter built or relocated for ingress, egress, and access to the Common Elements and facilities and/or to the public street.



18.7 Golf Course Maintenance Easement

There is reserved to Declarant a "Golf Course Maintenance Easement" on each lot adjacent to the Golf Course developed on the property. This reserved easement shall permit Declarant, at its election, to go onto any affected lot at any reasonable hour and maintain or landscape the Golf Course Maintenance Easement Area. Such maintenance and landscaping shall include regular removal of underbrush, trees less than six (6) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the Golf Course Maintenance Easement Area. This area shall be limited to the portion of such lots within twenty (20) feet of the lot line bordering the course, or such area as may be shown as a "Golf Course Maintenance Area" on the recorded plat of such lot, whichever is greater. No improvements shall be erected within the Golf Course Maintenance Easement areas. The above described maintenance and landscaping rights shall apply to each entire lot.

18.8 Entry By Golfers

The Declarant, its agents, successors or assigns, reserves an Easement to permit and authorize registered golf course players and or their caddies to enter upon a lot to recover a ball, subject to the official rules of the course, without such entering being deemed a trespass. The recovery of balls only, not play, shall be permitted in such Easement Area. Registered players or their caddies shall not be entitled to enter on any such lot with a Golf Cart or other vehicle, nor spend unreasonable time on a lot, or in any way commit a nuisance while on a lot. "Out of Bounds" markers may be placed on Easement Areas and on lots at the expense of the Declarant or Golf Course owner.

19. AMENDMENT OF DECLARATION AND SURVEY

19.1 Amendment of Declaration and/or Survey

Amendments to this Declaration shall be made in an instrument in writing Entitled "Amendment to Condominium Declaration of Spokane RV Resort, at Deer Park Golf and Country Club, a Condominium" which shall set forth the entire proposed Amendment and be given to all Owners of Parcels as provided herein. Amendments may be adopted at a meeting of the Owners or without a meeting of the Owners if sixty seven percent (67%) of the Owners based on allocated votes of the Owners, consent in writing to such Amendment. Except as otherwise provided herein, any Amendment shall bear the signature of a President of the Association designated for that purpose and if no designation is made by the President and shall state whether the Amendment was properly adopted.

Amendments once properly adopted shall be effective upon recording. Any Amendment to the Declaration or Survey shall require the consent of sixty seven percent (67%) of the Allocated interests in the Association, provided unanimous consent of the Owners and mortgages and/or secured parties of any parcels affected by the Amendment shall be obtained. Any Amendment restructuring, eliminating or otherwise modifying any Special Declarant Right provided in the Declaration shall require the written consent of Declarant and any mortgage with



a security interest in the Special Declarant Right(s) excluding mortgages of Parcels owned by persons other than Declarant. It is specifically covenanted and understood by any parties accepting ownership interests in Parcels under this Declaration that any Amendment to this Declaration properly adopted will be completely effective to amend any and all of the Covenants, Conditions, Restrictions and Reservations contained herein which may be affected and any or all provisions of this Declaration. No action to challenge the validity of an Amendment adopted by the Association pursuant to this Section may be brought more than one year after the Amendment is recorded.

19.2 Amendment by Declarant

Notwithstanding any other provision of this Declaration, Declarant may at any time record an Amendment to this Declaration in connection with the exercise of any Development Right.

19.3 Amendment by Board of Agent for Process

The Board may from time to time without the consent or approval of the Owners file an Amendment to this Declaration changing the name and address of the agent for service of process.

19.4 Discontinuance of Condominium or Removal from Act

If the Declarant pursuant to this Declaration or pursuant to any applicable provision of law or the Act takes any action which results in the discontinuance of the Condominium or removal of all the property or the Condominium from the provisions of the Act, said action shall, if such action is sufficient under the Act, also terminate and discontinue the effect of all or any provisions of this Declaration or of the Survey unless some other specific provision is made by a recorded Amendment to this Declaration and, if required, to the Survey at the time of such act. Notwithstanding the foregoing, if a court of competent jurisdiction determines this Declaration does not satisfy the requirements of the Act for any reason and that the provisions of this Declaration are not applicable as covenants running with the land or equitable servitudes, the Owners of Parcels shall be tenants in common of said property and have as their respective fraction of ownership the Allocated Interests provided in section 6.

19.5 Amendment subject to Approval of Declarant

Unless Declarant waives the provisions of this Section in writing, prior to the end of the period of Declarant Control, no Amendments shall be made to this Declaration unless said Amendment has first been approved in writing by Declarant or ordered by a court of competent jurisdiction.

20. ALTERATION, RELOCATION, SUBDIVISION AND COMBINING

20.1 Combining Parcels

After acquiring an adjoining lot an Owner may petition the Board of Directors to combine the Parcels. No combination of Parcels shall be done without the approval of the Board of Directors. The failure of the Board to act upon a request



Upon written request therefore, and for a period of three (3) years (or such longer time as the Board may set) after such request, a vendor, mortgagee, or deed of trust beneficiary or secured party of any parcel shall be entitled to be sent a copy of Notices respecting the Parcel covered by a security instrument until the request is withdrawn or the security interest discharged. Such written request may be renewed an unlimited number of times.

21.4 Effective Date

This Declaration shall take effect upon recording.

21.5 Severability

The provisions of this Declaration shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any other provisions hereof if the remainder otherwise complied with the Act or as covenants effecting a common plan or running with the land. In the event that a court of competent jurisdiction determines that this Declaration does not satisfy the requirements of the Act for any reason and that the provisions of the Declaration are not applicable as covenants running with the land or equitable servitudes, the Owners shall be tenants in common of said property and have as their respective percentage of ownership the percentage of ownership provided in Section 6.

21.6 Successors to Declarant/Rights of Declarant

In the event that Declarant sells, assigns or transfers all of its rights as Declarant of the Condominium by a recorded document making specific reference to this Section 21.6, any such vendee, assignee or transferee shall have each of Declarant's rights pursuant to this Declaration and in said event, Declarant shall be relieved from any and all liabilities pursuant to this Declaration or at law and the sole and exclusive remedy of the Owners shall be limited to the to the successors to Declarant.

21.7 Sale of Recreational Vehicles

Notwithstanding any other provisions of this Declaration, Declarant shall have the right at any time, either directly or through a related, subsidiary, or affiliated corporation or entity or through the sale or lease of Parcels to a third party or entity, to conduct Recreational Vehicle sales from the Condominium Parcels.

21.8 Other Liens Affecting the Condominium.

(a) Except as provided in Section (b) of this Section, a judgment for money against the Association perfected under RCW 4.64.020 is a lien in favor of the judgment lien holder against all of the Parcels in the Condominium and their interest in the Common Elements at the time the judgment was entered. No other property of an Owner is subject to the claims of creditors of the Association.

(b) If the Association has granted a security interest in the Common Elements to a creditor of the Association pursuant to the Act, the holder of that



security interest shall exercise its first right against such Common Elements before its judgment lien on any Parcel may be enforced.

- (c) Whether perfected before or after the creation of the Condominium, if a lien other than a Mortgage, including a judgment lien attributable to work performed or materials supplied before the creation of the Condominium, becomes effective against two or more Parcels, the Parcel owner of an affected Parcel may pay to the lien holder the amount of the lien attributable to the Owner's Parcel, and the lien holder, upon receipt of payment, promptly shall deliver a release of the lien covering that Parcel. The amount of the payment must be proportionate to the ratio which that Parcel Owner's allocated Common Expense Liability bears to the allocated Common Expense Liability of all Parcel Owners whose Parcels are subject to the lien. After payment, the Association may not assess or have a lien against that Parcel Owner's Parcel for any portion of the Common Expenses incurred in connection with that lien.
- (d) A judgment against the Association shall be filed in the name of the Condominium and the Association and, when so filed, is notice of the lien against the Parcels.



IN WITNESS WHEREOF, Declarant has executed this Condominium Declaration as of the date and year first above written.

WARREN DEVELOPMENTS, INC.
A Washington corporation

Willard Warren Pres.
Willard Warren, President

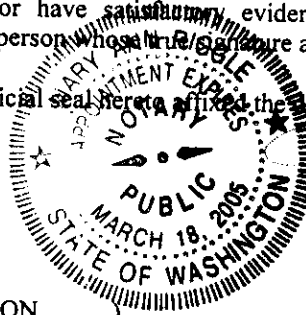
Larry Robertson Secretary
Larry Robertson, Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

On this 30th day of January, 2003, before me, the undersigned, a Notary public in and for the State of Washington, duly commissioned and sworn personally appeared, known to me to be the President of Warren Developments Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgement is the person whose true signature appears on this document.

Witness my hand and official seal hereto affixed the day and year in the certificate above written.



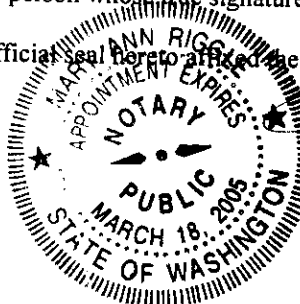
Mary Ann Riggle
NOTARY PUBLIC in and for the State of
Washington, residing at Deer Park
My commission expires 3/18/05

STATE OF WASHINGTON)
) ss.
COUNTY OF SPOKANE)

On this 30th day of January, 2003, before me, the undersigned, a Notary public in and for the State of Washington, duly commissioned and sworn personally appeared Larry Robertson, known to me to be the Secretary of Warren Developments, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgement is the person whose true signature appears on this document.

Witness my hand and official seal hereto affixed the day and year in the certificate above written.



Mary Ann Riggle
NOTARY PUBLIC in and for the State of
Washington, residing at Deer Park
My commission expires 3/18/05



EXHIBIT A

Legal Description

LEGAL DESCRIPTION - PHASE I

The real property on which Phase 1 of the Condominium are located is legally described as follows:

That portion of the N1/2 of Section 36, T29N, R42E, W.M., City of Deer Park, Spokane County, Washington, and a portion of DEER PARK GOLF & COUNTRY CLUB, DIVISION '2', as recorded in Book 25 of Plats, pages 13, 14, and 15, and that portion of the vacated Country Club Drive as per City of Deer Park Ordinance 1998-721, records of Spokane County, Washington, described as follows:

BEGINNING at a point on the North line of the NW1/4 of said Section 36, from which the north quarter corner bears S88°54'10"E 1107.01 feet; thence S88°54'10"E 1107.01 feet along the North line of said NW1/4 to the north quarter corner of said NW1/4; thence S88°55'26"E along the North line of the NE1/4 of said Section 36 a distance of 165.19 feet; thence S0°24'46"E 1441.37 feet; thence S89°35'14"W 165.15 feet to the north-south centerline of said Section 36; thence N0°24'44"W along the centerline of said Section 36 a distance of 500.02 feet; thence S89°35'14"W 94.95 feet to a 5/8" rebar, being the monumented boundary of DEER PARK GOLF & COUNTRY CLUB golf course, as shown on an unrecorded survey by Stephen T. Bourne, PLS, dated May 26, 1995; thence along said monumented boundary the following courses and distances: thence N0°24'46"W 660.30 feet; thence N88°54'10"W 66.51 feet; thence leaving said monumented boundary; thence N1°05'50"E 9.71 feet; thence N88°54'10"W 35.00 feet; thence N1°05'50"E 14.75 feet; thence N88°54'10"W 149.72 feet; thence S36°03'25"W 29.84 feet to intersect the monumented boundary of aforementioned DEER PARK GOLF & COUNTRY CLUB golf course boundary; thence along said boundary the following courses and distances: thence N88°54'10"W 112.98 feet; thence S1°05'50"W 64.26 feet; thence S51°42'53"W 72.08 feet; thence N88°54'10"W 112.28 feet; thence S1°05'50"W 318.00 feet; thence S33°54'10"E 110.00 feet; thence S56°05'30"W 399.91 feet; thence N33°54'10"W 358.28 feet; thence N1°05'50"E 741.75 feet to the point of beginning;

EXCEPT the North 30.00 feet for Enoch Road;

SUBJECT TO and TOGETHER WITH easements, restrictions, and reservations of record.

PORTION OF PARCEL NO. 29365.0044 and 29361.0012



LEGAL DESCRIPTION - PHASE II

The real property on which the proposed Phase 2 of the Condominium will be located is legally described as follows:

All that property situated in the W1/2 of the W1/2 of the NE1/4 of Section 36, T29N, R42E, W.M., City of Deer Park, Spokane County, Washington;

EXCEPT the South 30.00 feet thereof AND EXCEPT the North 30.00 feet for Enoch Road;

AND EXCEPT that portion described as follows:

BEGINNING at the northwest corner of said NE1/4; thence S88°55'26"E 165.19 feet; thence S0°24'46"E 1441.37 feet; thence S89°35'14"W 165.15 feet to the westerly line of said W1/2 of the W1/2 of the NE1/4; thence N0°24'44"W along the W1/2 of the W1/2 of the NE1/4 a distance of 1445.66 feet to the point of beginning;

SUBJECT TO and TOGETHER WITH easements, restrictions, and reservations of record.

Said parcel embraces 35.167 acres (gross), more or less.

PORTION OF PARCEL NO. 29361.0012, 29361.0013 and 29361.0046



LEGAL DESCRIPTION - PHASE III

The real property on which the proposed Phase 3 of the Condominium will be located is legally described as follows:

All that property situated in the NW1/4 of Section 36, T29N, R42E, W.M., City of Deer Park, Spokane County, Washington, being a portion of DEER PARK GOLF & COUNTRY CLUB, DIVISION '2', as recorded in Book 25 of Plats, pages 13, 14, and 15, and that portion of the vacated Country Club Drive as per City of Deer Park Ordinance 1998-721, records of Spokane County, Washington, described as follows:

BEGINNING at the northeast corner of Lot 33 of DEER PARK GOLF & COUNTRY CLUB, DIVISION '2'; thence S89°35'14"W 110.52 feet to the northwest corner of said Lot 33; thence S0°24'46"E 113.92 feet along the westerly boundary of said Division '2' and Lot 33; thence S25°45'46"W 293.18 feet along the westerly boundary of Lots 32 and 33 of said Division '2'; thence S0°31'11"E 567.34 feet along the westerly line of Lots 31 and 32 of said Division '2'; thence N89°35'14"E 238.78 feet to the easterly boundary of said Lot 31 and the westerly right-of-way of Country Club Drive, per said Division '2'; thence S0°24'46"E along said right-of-way 337.65 feet; thence along a tangent curve to the right, the center of which bears S89°35'14"W 25.00 feet distant through a central angle of 90°00'00" and an arc length of 39.27 feet to the northerly right-of-way of 12th Street, as per said Division '2'; thence N89°35'14"E along said northerly right-of-way 119.95 feet to the north-south centerline of said Section 36 and easterly boundary of said Division '2'; thence N0°24'44"W along said centerline of said Section 36 and easterly boundary a distance of 1297.62 feet; thence S89°35'14"W 94.95 feet; thence N0°24'46"W 9.40 feet to the point of beginning;

SUBJECT TO and TOGETHER WITH easements, restrictions, and reservations of record.

Said parcel embraces 7.2956 acres (gross), more or less.

PORTION OF PARCEL NO. 29364.0044 and 29361.0046



EXHIBIT B

IDENTIFYING NUMBER OF PARCEL
AND
APPROXIMATE PARCEL SQUARE FOOTAGE

Parcels are identified as follows:

Phase I:

- Block A – Lots 1-21
- Block B – Lots 1-18
- Block C – Lots 1-11
- Block D – Lots 1-5
- Block E – Lots 1-9
- Block F – Lots 1-17
- Block G – Lots 1-18
- Block H – Lots 1-38
- Block I – Lots 1-11

Approximate square footage of all parcels ranges from 2900 square feet to 6500 square feet. Exact size of each parcel is delineated on the survey filed with this Declaration.



EXHIBIT C

ALLOCATED INTERESTS

Phase 1 of Spokane RV Resort includes Parcels 1 through Parcels 148 inclusive.

The Allocated Interests of each parcel in Phase 1, for all purposes, including voting, Common Element ownership and Common Expense Liability are $1/\text{Number of Parcels}$. (ie.: $1/148$)

The Allocated Interests of each Parcel for all purposes if all proposed parcels in the proposed Phase 2 are added to Phase 1 will be $1/\text{Number of Parcels}$ (ie.: $1/339$)

The Allocated Interests of each Parcel for all purposes if all proposed parcels in the proposed Phase 3 are added to Phase 1 and 2 will be $1/\text{Number of Parcels}$ (ie.: $1/400$)