

PUBLIC OFFERING STATEMENT FOR CAVE B RIDGE CONDOMINIUMS

This Public Offering Statement is being furnished to prospective purchasers of Units in the Cave B Ridge Condominiums, developed by Columbia River Reserve LLC, a Washington Limited Liability Company (the “Declarant”), pursuant to a Condominium Declaration and Survey Map and Plans recorded with the Auditor of Grant County, copies of which are attached hereto as Exhibits A and B. Capitalized terms not otherwise defined below shall have the meaning set forth in the Declaration.

A. The Name and Address of the Condominium

Cave B Ridge Condominium
c/o Cave B Ridge Condominium Association (the “Association”)
Sagecliffe Pointe Road
Quincy, WA 98848

B. Name and Address of the Declarant

Columbia River Reserve LLC
342 Silica Road. NW
Quincy, WA 98848

C. Name and Address of Management Company

None

D. Relationship of Management Company to Declarant

Not applicable.

E. Five most recent condominium projects completed by Declarant or affiliate of Declarant within the last five years.

None

F. Nature of Interest being Sold

Fee Simple

G. Permitted Uses and Restrictions relating to the Unit and the Common Elements.

Permitted uses and restrictions applicable to the Units and Common Elements are set out in detail in the Declaration of Covenants, the Survey and Plans, and the Association’s Bylaws and Rules and Regulations, which are attached hereto or have been provided separately to potential buyers of Units. The Units may

generally be used for residential purposes except no timesharing is permitted. Unit leases longer than one (1) week must be in writing and be submitted to the Association. Common Elements exist for the general use of some or all of the Unit Owners and cannot be used exclusively by a single Unit Owner to the exclusion of some or all other Owners. Common Elements are generally maintained and controlled by the Association subject to the provisions of the Declaration, the Bylaws, and the Rules and Regulations. Grant County land use plans and regulations, including its comprehensive land use plan and zoning ordinances, may also impose additional restrictions on the use of the Units and Common Elements, which should be confirmed and researched by each potential purchaser to his or her satisfaction.

H. Restrictions on leasing right of Declarant to lease majority of Units

Same as those applicable to all Unit Owners, including those set forth in the Rules and Regulations of the Association concerning the form and duration of the leases.

I. The number of units in the Condominium is 44 Units. No other units may be added except by the Declarant pursuant to its reserved development rights.

J. Principal common amenities which materially affect the value of the condominium and those that will or may be added to the condominium.

Common Elements and Amenities are more fully described in the Declaration of Covenants and the Survey and Plans and include: utility easement areas, pathways, landscaped areas, and open space areas.

The Declarant intends to install a pool for use by the Unit Owners sometime in 2018. There are no plans to add any additional common amenities in the foreseeable future.

K. Limited Common Elements

Limited Common Elements are more fully described in the Declaration of Covenants and the Survey and Plans and include: parking spaces assigned to the Units and the space within each Lot except where the Unit exists (excluding the utility easement area and units) which may be nonexclusively used by all Owners of Units within such Lot.

L. Other real property not in the Condominium, the owner of which has access to any Common Elements, and a description of the terms of such access:

Public roadways, rights of ways, and pathways, private facilities, and public facilities, including those listed below.

[See attached Schedule A]

- M. Other real property not in the Condominium, to which Unit Owners have access to and a description of the terms of such access:

Public roadways, rights of ways, and pathways, private facilities, and public facilities, including those listed below.

[See attached Schedule A]

- N. Status of Construction

All Units have not been completed. However, some of the Units are in the process of being constructed, including Units 7A, 7B, 7C, and 7D (also known as Units 25-28 on the Declaration of Covenants) and Unit 8D (also known as Unit 30 on the Declaration of Covenants). Unit construction is on-going and is estimated to be fully completed by October 31, 2019.

- O. Estimated current Common Expense liability for Units

The estimated current liability for Units, including the assessment amounts, are disclosed on the statement and current Budget for the Association, which are attached hereto and incorporated herein as Schedule B and Schedule C, respectively. The budget and assessment schedule are subject to change at the end of each calendar year. Monthly assessments cover operational and administrative expenses, including fees and costs related to garbage collection, sewer services, water services, administration, and landscaping, and a portion of which is retained as a reserve. Electricity, internet, and cable services must be paid separately by the Unit owners.

- P. Estimated Common Expense liability payment due at closing:

The Declarant shall collect from each Unit purchaser at closing an amount equal to two (2) months estimated Common Expense Liability for the Unit, which shall be a non-refundable contribution to the initial working capital of the Association. If assessments according to the Association Budget are being made at the time of the closing of the Unit Sale, a pro-rated amount for the remainder of the month in which the Unit is purchased will also be collected from the Unit purchaser as well.

- Q. Estimated fees for use of Common Elements not reflected in Common Expenses and Charged by Declarant or the Association for use of any Common Elements.

None

- R. Any assessments constituting liens against Units or Common Elements in favor of any governmental agency.

None

- S. Parts of the Condominium, other than the Units, that Owners must maintain:

The Association is responsible for maintenance and repair of all Common and Residential Limited Common Elements, and shall assess each Unit for its share of such costs, except that the Association may assess any Common Expenses associated with the operation, maintenance, repair, and replacement of a Limited Common Element against a Unit or Units to which that Limited Common Element is assigned.

Each Unit Owner is responsible for the maintenance, repair, replacement, restoration and insurance of the Owner's Unit. Each Owner shall, at the Owner's sole expense, keep the interior of the Unit and its appurtenant Limited Common Elements in a neat, clean, and sanitary condition, free of rodents and pests, and in good order, condition and repair, and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit.

Unit Owners shall pay for repair or replacement of Common Elements damaged by the Owners or their tenants, licensees or invitees.

- T. This Condominium does not involve a conversion Condominium

- U. Timesharing of Units is absolutely prohibited.

- V. Development Rights and Special Declarant Rights reserved by Declarant, together with the dates such rights must terminate and copy of or recording number to any recorded transfer of such right.

1.1 The right to complete improvements and otherwise perform work authorized by the Declaration.

1.2 The right to establish and maintain any Unit owned by the Declarant.

1.3 The right to complete any improvements shown on the Survey Map and Plans.

1.4 The right to establish and maintain sales and leasing offices and Model Units.

- 1.5 The right to use easements through the Common Elements for the purposes of making improvements within the Condominium and showing prospective buyers and Tenants the Units owned by Declarant and the common amenities of the Condominium.
- 1.6 The right to convert Common Elements to Limited Common Elements and to allocate Limited Common Elements with respect to and among Units.
- 1.7 The right to appoint and remove members of the Board of Directors.
- 1.8 The right to delay the commencement of assessments so long as Declarant pays all Condominium expenses.
- 1.9 The right to combine or subdivide Units owned by Declarant and Common Elements.
- 1.10 The right to convert Common Elements into new Units.

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- 2.1 Declarant's Development Rights continue until the earlier of Declarant no longer owning any Unit or six (6) years after the recording of the Declaration.
 - 2.2 Declarant may voluntarily terminate any Development rights by recording an amendment to the Declaration.

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- 3.1 Declarant has not yet transferred any Special Declarant Right.

W. Material difference between Model Unit and other Units

The initial model is Unit 8D (also known as Unit 30 on the Declaration of Covenants). Model units will vary from time to time as the development is being built. There will be no structural differences between the then current model and other units being offered for sale.

X. Liens on property to be conveyed to the Association

None

Y. Physical hazards known to Declarant that particularly affect the Condominium or the immediate vicinity of the Condominium which are not readily ascertainable by purchaser.

The Condominium is bordered on the south and the north by vineyards. Periodic noise, dust, machinery, and other agricultural activities will occur and should be expected.

The Condominium Development land is hilly with some steep grades of 0-45% and contains soil mixed with rock and rock outcroppings.

The Condominium Development is approximately one (1) mile away from the Columbia River.

Z. Brief description of construction warranties.

Declarant warrants that each Residential Unit and the Common Elements and Limited Common Elements are suitable for the ordinary uses of real estate of their type; that they will be in as good conditions at closing as existed on the date of the sale agreement, reasonable wear and tear and damage caused by casualty or condemnation excepted; and that the Residential Units and Common Elements will be free from defective materials and constructed in accordance with applicable law; according to sound engineering and construction standards, and in a workmanlike manner. Declarant will assign to purchaser any warranties issued by the manufacturer or supplier of new equipment or appliances installed in the unit.

AA. Building code violation citations received by Declarant which have not been corrected.

None

BB. A statement of any unsatisfied judgments or pending suits against the association, a statement of the status of any pending suits material to the condominium of which the declarant has actual knowledge, and a statement of any litigation brought by an owners' association, unit owner, or governmental entity in which the declarant or any affiliate of the declarant has been a defendant, arising out of the construction, sale, or administration of any condominium within the previous five years, together with the results thereof, if known;.

None

CC. Any right of first refusal to lease or purchase any Unit or any common element.

None

- DD. The extent to which insurance provided by the Association covers furnishings, fixtures and equipment located in the Units:

The Association has not procured and maintained and will not procure and maintain casualty and property damage insurance policies covering any improvements, fixtures, equipment, appliances or other personal property in or within the Units. Unit Owner's must obtain their own casualty and property damage insurance policies covering said property in or within the Units.

EE. RIGHT OF PURCHASER TO CANCEL THE CONTRACT

Notice: Unless a purchaser is given the public offering statement more than seven days before execution of a contract for the purchase of a unit, the purchaser, before conveyance, shall have the right to cancel the contract within seven days after first receiving the public offering statement, and if necessary, to have seven days to review the public offering statement and cancel the contract, or to extend the closing date for conveyance to a date not more than seven days after first receiving the public offering statement. The purchaser shall have no right to cancel the contract upon receipt of an amendment to the public offering statement unless the Purchaser would have that right under generally applicable legal principles. If a purchaser elects cancel a contract, the purchaser may do so by hand-delivering notice thereof to the offeror or by mailing notice thereof by prepaid United States mail to the offeror or to his or her agent for service of process. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly.

- FF. A final certificate of occupancy was not issued more than sixty calendar months prior to the preparation of this Public Offering Statement and therefore no reports or statements are required Under RCW 64.34.415 or RCW 64.34.440.

- GG. The following schedules or documents are part of this Public Offering Statement, and a prospective purchaser is entitled to receive them from the Declarant before the rescission period ends:

1. Declaration
2. Survey Map and Plans
3. Articles of Incorporation of the Association
4. Bylaws of the Association
5. Rules and Regulation of the Association
6. Current Budget for the Association - Schedule B

7. Balance Sheet of the Association
8. Assessment Schedule
9. Map - Roads - Schedule A

HH. REPRESENTATIONS

Notice: A purchaser may not rely on any representation or express warranty unless it is contained in this Public Offering Statement or made in writing by the Declarant or by any person identified in this Public Offering Statement as the Declarant's agent. The Declarant has not designated an agent for the foregoing purposes.

II. SUMMARY ONLY

Notice: This Public Offering Statement is only a summary of some of the significant aspects of purchasing a unit in this Condominium. The Condominium documents are complex, contain other Important information, and create binding legal obligations. You should consider seeking THE ASSISTANCE OF LEGAL COUNSEL.

- JJ. Cross References or other information that Declarant believes will be helpful to recipients of this The Public Offering Statement.

None

- KK. Notice: The Condominium intends to comply with the Housing for Older Persons Act of 1995, P.L. 104-76, as enacted on December 28, 1995.

LL. NOTICE OF CLAIMS

NOTICE: RCW 64.50 CONTAINS IMPORTANT REQUIREMENTS THAT YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY- FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS THAT YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE SELLER OR BUILDER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

- MM. The Units and Common Elements are not covered by a qualified warranty, and no such Claims have been filed.
- NN. The building enclosures of the Units have been designed and have been or will be inspected as required by RCW 64.55.010 through 64.55.090. No building envelope repairs have been required.
- OO. The Association does not have a current reserve study. The lack of a current reserve study poses certain risks to you, the purchaser. Insufficient reserves may, under certain circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a common element.

**CAVE B RIDGE CONDOMINIUM PUBLIC OFFERING
STATEMENT ACKNOWLEDGMENT**

In connection with the purchase of a Unit in Cave B Ridge, a Condominium, the undersigned Purchaser hereby acknowledges receipt, and the undersigned Selling Agent hereby certifies delivery of a Public Offering Statement for the Condominium (POS), together with copies of all of the documents referred to therein, including, but not limited to, those documents listed in paragraph GG. of the POS.

Purchaser and Selling Agent further acknowledge that Selling Agent does not have the authority to make, and has not made, any representation or promise on behalf of Seller, and that Seller is liable only for representations and promises contained either in the POS or other written documents signed by Seller.

Purchaser acknowledges receipt of the pamphlet entitled “the Law of Real Estate Agency” which is required by Washington State Law.

Dated _____

Purchaser

Dated _____

Purchaser

Dated _____

Selling Agent

INSTRUCTIONS TO SELLING AGENT

Upon delivery of the POS to the Purchaser, the above acknowledgment must be fully completed; signed by the Purchaser and Selling Agent; and returned to the Listing Agent. Purchase and Sale Agreements will not be accepted by Seller unless accompanied by the Purchaser's written acknowledgment of receipt of the foregoing documents.

AFTER RECORDING MAIL TO:

Michael M. Wyman
Wyman Law
2219 W Broadway Avenue, Suite A
Moses Lake, WA 98837

Document Title:

AMENDED CAVE B RIDGE CONDOS, A CONDOMINIUM

Grantor/Grantee:

Columbia River Reserve, LLC (Owner of all Lots)

Abbreviated Legal Description:

LOTS 1-11, INCLUSIVE, BLOCK 4 OF THE COLUMBIA RIVER RESERVE PHASE II PUD, PLAT MAP, BOOK 27 OF PLATS, PAGES 74-78. AUDITOR'S FILE NO. 1248163, IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 19 NORTH, RANGE 23 EAST, W.M., RECORDS OF GRANT COUNTY, WASHINGTON.

(also known as all 44 Units within Cave B Ridge Condos, a Condominium, Units 1A through 11D, inclusive, records of Grant County, Washington)

Assessor's Property Tax Parcel/Account Numbers:

320350303, 320350307, 320350311, 320350315, 320350316, 320350323, 320350327, 320350330, 320350334, 320350338, and 320350342

This condominium's survey map and plans were recorded with the original Declaration on **September 6, 2017, under Grant County Auditor's File No. 1383414, records of Grant County, Washington.**

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**AMENDED DECLARATION
FOR
CAVE B RIDGE CONDOS
A CONDOMINIUM**

THIS DECLARATION is made by Columbia River Reserve, LLC, a Washington limited liability company, as of this 12th day of December, 2017.

1. INTERPRETATION.

- 1.1 Liberal Construction.** The provisions 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 Washington law. Insofar as it affects this Declaration and the Condominium, the provisions of the Act under which this Declaration is operative shall be liberally construed to effectuate the intent of this Declaration.
- 1.2 Consistent with Act.** The terms used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.
- 1.3 Submission of the Property to the Act.** Declarant, being the sole Owner of the Property, makes this Declaration for the purpose of submitting the Property to the condominium form of use and ownership and to the provisions of the Act. Declarant hereby declares that the Property is and shall be held, used, conveyed, encumbered, leased, occupied, rented, and improved subject to the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which are declared and agreed to be in furtherance of the division of the Property into Condominium Units, Common Elements, and Limited Common Elements, and shall be deemed to run with the land and be a burden and benefit to Declarant, its successors, and assigns, and all Persons who hereafter own or acquire an interest in the Property or any part thereof, and their grantees, lessees, successors (by merger, consolidation or other wise), heirs, executors, administrators, and assigns.
- 1.4 Percentage of Owners or Mortgagees.** For purposes of determining the percentage of Owners or Mortgagees, or percentage of voting power, for approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgages on, more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such First Mortgage so held. Where a specified percentage of "Eligible Mortgagees" is required by this Declaration, it refers to the following fraction: The **numerator** shall be the number of votes allocated to Units encumbered by Eligible Mortgagees which approve the specified action (explicitly or by

implication derived from failure to respond within 60 days of the appropriate notice); and the **denominator** shall be the total number of all votes allocated to Units which are subject to First Mortgages held by Eligible Mortgagees.

1.5 Captions and Exhibits. Captions given to the various sections and subsections herein are for convenience only and are not intended to modify or affect the meaning of any of substantive provisions of this Declaration. The various Exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference.

1.6 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association shall be increased proportionately by the increase in the consumer price index for the City of Seattle, Washington for All Urban Consumers (“**Index**”), prepared by the United States Department of Labor over the base Index for January 1 of the calendar year following the year in which the Declaration was recorded, to adjust for any deflation in the value of the dollar. In the event the Index is discontinued, the Board may select a comparable index for this purpose.

1.7 Definitions.

“**Act**” and “**Condominium Act**” mean the Washington Condominium Act RCW Ch. 64.34, as amended.

“**Allocated Interests**” means the allocation of interest in the Common Elements, the Expense Liability and votes for each Unit in the Condominium determined in accordance with the formula specified in Section 2.4 and as set forth in **Exhibit “B”**.

“**Assessment**” means all sums chargeable by the Association against a Unit including, without limitation: (a) regular and special assessments for Common Expenses, (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys’ fees, incurred by the Association in connection with the collection of a delinquent Owner’s account.

“**Association**” means the Owners Association identified in Section 5.

“**Board**” means the board of directors of the Association provided for in Section 6.

“**Bylaws**” shall mean the bylaws of the Association provided for in Section 5.2.

“**Common Element**” means those portions of the Condominium described as Common Elements in Section 3 to be generally available for use by all Units. Individual Units are not common elements, and limited common elements are a subset of common elements but the general use thereof is restricted to fewer than all

Units .

“**Common Expense**” is defined in Section 8.1.

“**Condominium**” means Cave B Ridge Condos, the condominium created by this Declaration and the Survey Map and Plans.

“**Conveyance**” means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract but shall not include a transfer solely for security.

“**Declarant**” means Cave B Ridge Condos, a Washington limited liability company.

“**Declaration**” means this Condominium Declaration for Cave B Ridge Condos, and any amendments thereto.

“**Declarant Control**” means the right of the Declarant or Persons designated by the Declarant to appoint and remove officers and members of the Board pursuant to Section 17.

“**Eligible Mortgagee**” means a First Mortgagee of a Unit that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of First Mortgagees under this Declaration.

“**Expense Liability**” means the liability of an Owner for Assessments of Common Expenses.

“**First Mortgage**” means a mortgage or deed of trust that creates a lien against a Unit which has priority over all other deeds of trusts and mortgages on the Unit.

“**First Mortgagee**” means the beneficial owner, or the designee of the beneficial owner, of a First Mortgage.

“**Floor Area**” shall mean the floor area of the Improvements (if any) located within a Unit, as shown on **Exhibit “B”**.

“**Foreclosure**” means a forfeiture or judicial or non judicial foreclosure of a Mortgage or a deed in lieu thereof.

“**Improvement**” means all structures, buildings, Utility Service Facilities, walls, fences, and other permanent improvements.

“**Limited Common Element**” means a portion of the Condominium, if any, other

than the Units, allocated in Section 4 for the general use of one or more but less than all of the Units. The Limited Common Elements consist of all areas within the Lots outside of the physical boundaries of the Units excluding any Common Elements. The Limited Common Elements are a subset of the Common Elements and are reserved for general use by some but not all Units.

“Managing Agent” means the Person retained by the Board to perform such management and administrative functions and duties with respect to the Condominium as are delegated to such Person and as are provided in a written agreement between such Person and the Association.

“Mortgage” means a mortgage, deed of trust or real estate contract.

“Mortgagee” means any holder, insurer or guarantor of a Mortgage on a Unit.

“Notice and Opportunity to be Heard” means that the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, or Occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing which shall be not less than five days from the date notice is delivered by the Board. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected Person shall be noticed of the decision in the same manner in which notice of the meeting was given.

“Occupant” means each Person from time to time physically occupying any portion of a Unit, including tenants, licensees, and any Owner who physically occupies the Units.

“Owner” means the Declarant or other Person who owns a Unit in fee simple, along with an undivided ownership interest the Common Elements and any Limited Common Elements, but does not include any Person who has an interest in a Unit solely as security for an obligation.

“Person” means a natural person, corporation, partnership, limited partnership, limited liability company, trust, governmental subdivision or agency, or other legal entity.

“Property” means the land described in **Exhibit “A”**, including buildings, structures, fixtures and other improvements thereon and easements, rights and

interest 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.

“Secondary Market Participant” means any governmental, quasi-governmental, or private entity which nor or hereafter securitizes, purchases, guarantees, or services residential mortgages loans on a national basis, including without limitation, Fannie Mae, Freddie Mac, the Veterans Administration, or Federal Housing Administration.

“Special Allocations” means certain expenses of the Association which are allocated to those Units which are benefited by the expense as provided in Section 8.5, including allocations to reserves.

“Special Declarant Rights” shall have the meaning given in the Act, and shall include, without limitation, the rights reserved for the benefit of the Declarant as specified in Section 18.

“Survey Map and Plans” means the survey map and the plans recorded with the original Declaration on **September 6, 2017, under Grant County Auditor's File No. 1383414, records of Grant County, Washington**, and any amendments, corrections and addenda thereto subsequently recorded.

“Transition Date” means the date upon which the period of Declarant Control terminates as determined in Section 17.2.

“Unit” means a physical portion of the condominium designated for separate ownership, the boundaries of which are described pursuant to Section 2.5, including any and all structures and other improvements within said boundaries.

“Utility Service” means all services which are typically required for the practical and profitable use and enjoyment of buildings similar to those located in the condominium, and which are provided by equipment and systems of physical conveyance such as wires, pipes, ducts and related equipment. Utility Services include, but are not limited to, the provision of energy (electricity, gas (if available), etc., including emergency energy supplies), communications (telephone, television, data, et., whether wireless or wired), water HVAC services, fire and security monitors and alarms, fire sprinklers, storm and sanitary sewer service, garbage removal, and the like.

1.8 Construction and Validity.

1.8.1 All provisions of the Declaration and Bylaws are severable.

1.8.2 The rule against perpetuities may not be applied to defeat any provision of the

Declaration, Bylaws, or duly adopted rules or regulations.

- 1.8.3** In the event of a conflict between the provisions of the Declaration and the Bylaws, the Declaration prevails except to the extent the Declaration is inconsistent with the Act.
- 1.8.4** The creation of this Condominium shall not be impaired, and title to a Unit and the Common Elements shall not be rendered unmarketable or otherwise affected, by reason of an insignificant failure of the Declaration or Survey Map and Plans or any amendment thereto to comply with the Act.
- 1.8.5** If the Declaration or Bylaws now or hereafter provide that officers or directors of the Association must be Unit Owners, then the term “Unit Owner” in such context shall, unless the Declaration or Bylaws otherwise provide, be deemed to include any director, manager, member, officer, partner in, or trustee or agent of (collectively, “**Representative**”) any Person, who is, either alone or in conjunction with another Person or Persons, a Unit Owner. Any officer or director of the Association who would not be eligible to serve as such if he or she were not a representative 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.

2. BASIC INFORMATION REGARDING THE CONDOMINIUM AND THE UNITS.

- 2.1 Name of Condominium.** The name of the Condominium in this Declaration and the Survey Map and Plans is Cave B Ridge Condos, a Condominium.
- 2.2 Description of Property.** The land which is included in the Condominium is described on **Exhibit “A”** attached hereto and incorporated herein by this reference. The Survey Map and Plans for this condominium were filed with the Auditor of Grant County, Washington, on **September 6, 2017, under Grant County Auditor’s File No. 1383414**, records of Grant County, Washington.
- 2.3 Description of Units.** All of the Units created by this Declaration are “airspace units; i.e., the boundaries of the Units are planes in space and therefore the certification otherwise required by RCW 64.34.200(2) is not applicable to this Condominium.
 - 2.3.1 Number of Units.** There are forty-four (44) Units in the Condominium. Declarant has reserved the right to subdivide and combine Units as a Special Declarant Right.

- 2.3.2 Identification of Units.** The location and configuration of each Unit is shown in the Survey Map and Plans.
- 2.3.3 Unit Information. Exhibit B** sets forth the area (at grade) of each Unit and the Allocated Interests of each Unit as determined in accordance with the formula set forth in Section 2.4. Each Unit includes any and all structures and other improvements located within said Unit's boundaries as shown on the Survey Map and Plans.
- 2.4 Formulas for Allocated Interests.** Each Unit shall have an equal interest in Common Elements, any Limited Common Elements, and an equal Expense Liability (i.e. a percentage interest determined by dividing one hundred (100) by the number of Units). Each Unit shall have one vote.
- 2.5 Boundaries of Units.** The Unit boundaries shall be the planes in space described in the Survey Map and Plans.
- 2.6 Relocation of Boundaries; Adjoining Units.**
- 2.6.1 In General.** Subject to the provisions of the Declaration and other provisions of law, the boundaries between adjoining Units may only be relocated by an amendment to the Declaration upon application to the Association by the Owners of those units. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application must state such reallocations. The Board shall prepare, or have prepared by the Board's attorney, an amendment to the Declaration that identifies the Units involved, states the reallocations is executed by those Unit Owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. All fees and costs in connection with such reallocations, including without limitation legal fees and recording costs, shall be the sole responsibility of the Unit Owners seeking the reallocations and shall be paid directly by such Unit Owners or upon the Association's presentation of an invoice for such amounts.
- 2.6.2 Survey Map and Plans.** The Association shall obtain and record an amendment to the Survey Maps or Plans complying with the requirements of the Act necessary to show the altered boundaries between adjoining Units and their dimensions and identifying designations. All fees and costs in connection with amending the Survey Map and Plans, including without limitation legal and surveyor fees and recording costs, shall be the sole responsibility of the Unit Owners seeking such altered boundaries and shall be paid directly by such Unit Owners or upon the Association's presentation of an invoice for such amounts.

2.7 Access to Public Streets. Each Unit has direct access to public streets via the Common Element shown on the Survey Map and Plans.

3. COMMON ELEMENTS.

3.1 Description. The Common Elements are all portions of the Condominium outside the boundaries of the Units except Limited Common Elements. The Common Elements in this Condominium are very restrictive in nature and consist of the following: (I) The “**Common Element**” shown on the Survey Map and Plans, (ii) any Utility Service Facilities serving more than one Unit, (iii) the mail box, if any, as shown on the Survey Map, (iv) the airspace above the upper horizontal Unit boundary; and (v) the earth below the lower horizontal Unit boundary.

3.2 Use.

3.2.1 In General. Subject to the provisions of this Declaration, each Owner shall have the right to use the Common Elements (excluding Limited Common Elements, if any) in common with all other Owners and a right of ingress/egress to/from the Owner’s Unit across the Common Elements or any Limited common Elements allocated to the Owner’s Unit to the public streets. The right to use the Common Elements extends not only to each Owner, but also to such Owner’s agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the rules and regulations of the Association.

3.2.2 Specific Limitations. No Owner shall park any vehicle or equipment in the Common Element. No Owner shall use or occupy the Common Element except for ingress and egress. Without limiting the generality of the foregoing, the Common Element shall not be used for barbequing, as a play space, or for automotive maintenance.

3.3 Conveyance. No Unit Owner shall have the right to convey his or her interest in the Common Elements separate from a Conveyance of such Unit Owner’s Unit. Any attempt to convey such an interest separate from Conveyance of a Unit is void.

4. LIMITED COMMON ELEMENTS. Limited Common Elements in this Condominium.

4.1 Description. The Limited Common Elements are all portions of the Condominium outside the boundaries of the Units except the Common Elements. The Limited Common Elements in this Condominium are very restrictive in nature and consist of the “**Limited Common Element**” shown on the Survey Map and Plans.

4.2 Use.

4.2.1 In General. Subject to the provisions of this Declaration, the Owner of each Unit shall have the right to use the Limited Common Elements within the Lot where his or her Unit is located in common with all other Owners of Units within the same Lot and a right of ingress/egress to/from the Owner's Unit across the Limited Common Elements to the public streets. The right to use the Limited Common Elements extends not only to each Owner, but also to such Owner's agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the rules and regulations of the Association.

4.2.2 Specific Limitations. No Owner shall park any vehicle or equipment in the Limited Common Element. No Owner shall use or occupy the Limited Common Element except for ingress and egress. Without limiting the generality of the foregoing, the Limited Common Element shall not be used for barbequing, as a play space, or for automotive maintenance except as otherwise permitted by the Association's Board.

4.3 Conveyance. No Unit Owner shall have the right to convey his or her interest in the Limited Common Elements separate from a Conveyance of such Unit Owner's Unit. Any attempt to convey such an interest separate from Conveyance of a Unit is void.

5. OWNERS' ASSOCIATION.

5.1 Form of Association. The Owners of Units shall constitute an owners' association to be known as Cave B Ridge Condos Association. The Association shall be organized as a nonprofit corporation no later than the date the first (1st) Unit in the Condominium is conveyed. Following the Transition Date, it shall be governed by the Board as described in this Declaration. The rights and duties of the Board and of the Association shall be governed by the provisions of the condominium Act, the Declaration, and the Bylaws.

5.2 Bylaws. The Board will adopt Bylaws to supplement the Declaration and to provide for the administration of the Association and the Property and for other purposes not inconsistent with the Condominium Act or this Declaration.

5.3 Qualification and Transfer. Each Owner of a Unit (including the Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the

transfer of title to the Unit and then only to the transferee of title to the Unit; provided, that if a Unit has been sold on a real estate contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

- 5.4 Number of Votes.** The total voting power of all Owners shall be forty-four (44) votes. The Owner of each Unit shall possess one (1) vote.
- 5.5 Voting Representative for Partnerships and Corporations.** If a Unit is owned by a partnership, limited liability company, corporation or other entity that is not a natural Person, such Owner shall, by notice to the Board, designate a voting representative for its Unit. This designation may be changed at any time and from time to time by written notice to the Board from the Owner.
- 5.6 Voting Representative for Natural Persons.** Any Owner who is a natural person may, by written notice to the Board, designate a voting representative for the Unit. If the designated voting representative is not an Owner, such representative's authority shall be evidenced by written proxy in accordance with the Bylaws. The designation may be revoked at any time by written notice to the Board from a Person having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any Person with an ownership interest in the Unit, except in cases in which the Person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of a Unit Owner and the administrator or executor of an Owner's estate. If no designation has been made. Or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. If a Unit is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.
- 5.7 Joint Owner Disputes.** The vote for a Unit must be cast as a single vote, and fractional votes shall not be allowed. If joint Owners (including Owners who are not natural persons) are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question.
- 5.8 Pledged Votes.** A Unit Owner may, but shall not be obligated to, pledge its vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in default under a Mortgage on its Unit for ninety (90) consecutive days or more, such Owner's Mortgagee shall automatically be authorized to declare at any time thereafter that such Owner has pledged his vote to the Mortgagee on all issues arising after such declaration and during the continuance of the default. If the Board

has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

5.9 Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board. Special Meetings of the members of the Association may be called at any time, by the President of the Association, by a majority of the members of the Board, or by Unit Owners having at least fifty percent (50%) of the votes in the Association. Not less than ten (10) nor more than sixty (60) in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members of the Association, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved Budget that result in a change in assessment obligations, and any proposal to remove a director or officer. Any First Mortgagee of a Unit may attend or designate a representative to attend the meetings of the Association.

5.10 Powers of the Association. Subject to any specific restrictions in this Declaration, the Association shall have all power and authority authorized by the Act, including without limitation, the power to:

5.10.1 Adopt and amend the Articles, the Bylaws, and reasonable rules and regulations for the Condominium;

5.10.2 Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Common Expenses, Special Allocations, and special Assessments from Owners;

5.10.3 Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors;

5.10.4 Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium; provided that prior to initiating litigation other than litigation to collect delinquent Assessments, or with respect to the enforcement of this Declaration, the Association shall (1) cause a written report to be prepared and distributed to all Owners and Eligible Mortgagees by a qualified attorney regarding the reasons for the litigation, strengths and weaknesses of the case, the costs involved, and the potential

consequences and outcomes (the “**Litigation Report**”); and (2) shall obtain the written consent of (I) Owners holding sixty-seven percent (67%) of all votes. The Litigation Report shall be prepared by a firm other than that to be engaged to represent the Association in the litigation and shall be accompanied and supported by such consultant reports or other factual investigation as is necessary to make a fully informed decision as to whether to proceed with litigation.

- 5.10.5** Make contracts and incur liabilities;
- 5.10.6** Regulate the use, maintenance, repair, replacement, and modification of the Common Elements and any Limited Common Elements;
- 5.10.7** Cause additional Improvements to be made as a part of the Common Elements or any Limited Common Elements or to acquire, hold, encumber, convey, and dispose of, in the Association’s name, right, title, or interest to real or tangible and intangible personal property, and arrange for and supervise any addition or Improvement of the Condominium;
- 5.10.8** Grant easements, leases, licenses, and concessions through or over the Common Elements and any Limited Common Elements and petition for or consent to the vacation of streets and alleys;
- 5.10.9** Impose and collect Assessments, fees, or charges for the use, rental, or operation of the Common Elements and any Limited Common Elements and for services provided to Owners;
- 5.10.10** Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the condominium;
- 5.10.11** Impose and collect charges for late payment of Assessments and, after Notice and Opportunity to be Heard by the Board or by such representative designated by the Board, and in accordance with such procedures as provided in this Declaration, the Bylaws, or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and rules and regulations of the Association;
- 5.10.12** Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates

required by the Condominium Act, and statements of unpaid Assessments;

- 5.10.13** Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;
- 5.10.14** Assign its right to future income, including the right to receive Assessments;
- 5.10.15** Exercise any other powers conferred by this Declaration or the Bylaws;
- 5.10.16** Exercise all other powers that may be exercised in this State by the same type of corporation as the Association; and
- 5.10.17** Exercise any other powers necessary and property for the governance and operation of the Association.

5.11 Financial Statements and Records. The Association shall keep financial records in accordance with generally accepted accounting principles and the Bylaws, and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.372. All financial and other records shall be made reasonably available for examination by any Unit Owner, any Mortgagee or the Owner's authorized agents during business hours. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. If the Condominium has fifty (50) or more Units during the financial year the annual financial statement shall be audited for such year by a certified public accountant. The financial statement shall be completed in time for the Association's annual meeting and in any event within ninety (90) days following the end of the fiscal year. Any Mortgagee will, upon request, be entitled to receive the annual financial statement within ninety (90) days following the end of the fiscal year. The Board, or Persons having thirty-five percent (35%) of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner or Mortgagee, at the Owner's or Mortgagee's expense, may at any reasonable time conduct an audit of the books of the board and Association. Upon written request of any Secondary Market Participant which holds, services, insures, or guarantees a Mortgage in the Condominium, the Association shall provide within a reasonable time the statement of the Association for the preceding fiscal year.

5.12 Right and Obligation to Enforce the Declaration or the Bylaws. The Association and/or any aggrieved Owner shall have the right and obligation to exercise all

reasonable efforts to enforce the provisions of this Declaration or the Bylaws, including by litigation if necessary. If any Occupant breaches a provision of this Declaration the Association shall, prior to commencing any such enforcement action, provide the alleged violator Notice and an Opportunity to be Heard (provided that no such Notice and Opportunity to be Heard shall apply with respect to failure to pay an Assessment). If the violation is not cured within ten (10) days of delivery of the Board's decision, and thereafter diligently prosecute such cure to completion within ninety (90) days after delivery of the Board's decision), then in such event, the Association shall promptly proceed with such enforcement actions as may reasonably be required. If the Association is a substantially prevailing party in any action to enforce the Declaration, or in any settlement, or if the violator voluntarily complies after expiration of the cure periods provided above, all costs and attorneys fees incurred in connection therewith shall be specially assessed against the Unit in question.

5.13 Inspection of Condominium Documents, Books and Records. The Association shall make available to Owners, Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, and all other books, records, and financial statements relating to the condominium or the Association. "Available" shall mean available for inspection and copying upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies. "Books and records" shall have the broadest possible meaning, and shall include, without limitation, all correspondence, reports, notes, and files, pictorial or written, hard copy or electronic, formal or informal. Such records shall include any reports, documents, e-mail, or other communications pertaining to any pending, threatened, or potential litigation, mediation, arbitration or claim of any kind which relates to the Association, the Condominium or any part thereof.

6. THE BOARD.

6.1 Selection of the Board by Class Voting. Each Owner voting as a separate class shall elect a single director, provided that until the Transition Date the Board may consist of such fewer number of directors as Declarant may decide from time to time. Each Director shall serve until removed by the Owner which elected such director. The Board shall elect officers in accordance with the procedures provided in the Bylaws. Prior to the Transition Date, the Association may be governed by a Board of fewer than three (3) directors.

6.2 Powers and Duties of the Board. Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as

otherwise provided in the Condominium Act, the Declaration or the Bylaws. The officers and Board members of the Association shall be required only to exercise ordinary and reasonable care in the discharge of their duties.

6.3 Managing Agent. The Board may contract with an experience professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. If professional management has been required by any Secondary Market Participant, the procedure for terminating professional management and assuming self-management shall require approval of Eligible Mortgagees in accordance with Section 16.2.1. Any contract with a Managing Agent shall be terminable by the Board without payment of a termination fee or penalty on no more than ninety (90) days' notice.

7. PERMITTED USES; MAINTENANCE; CONVEYANCES.

7.1 Units. Units in the Condominium are intended for and restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, including use as a home office that does not involve regular visits by customers or clients, except as provided for Units owned by the Declarant in Section 18.

7.2 Use by the Declarant. The Declarant may maintain those uses permitted by Section 18.

7.3 Renting and Leasing of Units. This Section 7.3 applies only to rental and leasing of a Unit, meaning the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value). This Section does not apply to joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership. No lease or rental of a Unit may be less than the entire Unit. Any lease or rental agreement under this Section must be in writing and provide that its terms shall be subject in all respects to the provisions of the Declaration and the Bylaws and rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents rules, and regulations shall be a default under the lease or rental agreement. If any lease under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owners and the tenant by reason of their being stated in this Declaration. Copies of all leases of Units and rental agreements shall be delivered to the Board or its designee on request. The Owner is required to furnish the tenant with a copy of the current rules and regulations, and furnish the Board with the tenant's signed acknowledgment of receipt of such materials. If any Occupant of a Unit violates or

permits the violation by his guests and invitees of any provisions hereof or of the Bylaws or of the rules and regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the Occupant of the Unit and the Owner thereof to forthwith cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the Occupant if the Owner fails to do so after Notice from the Board and an Opportunity to be Heard. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorneys' fees, which may be collected and foreclosed under Section 8. No lease or rental agreement shall be for an initial term of less than six (6) months. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise rent his Unit.

7.4 Timesharing. Timesharing of any Unit in the Condominium, as defined in RCW 64.36., is prohibited.

7.5 Maintenance of Units, Common Elements, and Limited Common Elements.

7.5.1 Association Responsibility. The Association shall maintain, repair and replace the Common Elements (including any Limited Common Elements). The Association's expenses of maintaining, repairing and replacing the common Elements and any Limited Common Elements are Common Expenses.

7.5.2 Unit Owner Responsibility. Except for damage to the Common Elements (which is to be repaired by the Association under Section 10) each Unit and Improvements located therein shall be maintained by the Owner in a functional, lawful, neat, clean and attractive condition at all times. Without limiting the generality of the foregoing, each Owner's obligations include the following:

- (i) Unit Improvements.** Each Owner shall maintain, repair and replace all structures and other improvements in its Unit, including roofs, walls, foundations, gutters, siding, windows, doors, lighting (including relamping) and other weather protection, fences (except shared fences described in paragraph (iv), below), and shall keep same in a good condition and state of repair. The exterior of the structures within any Unit shall be painted not less often than every ten (10) years. All repairs, replacements, or reconstruction shall be completed with materials as near as possible to the quality, type and color of the original structures.

- (ii) **Refuse.** Each Unit shall be kept free of accumulations of waste, litter, junk, containers, equipment, building materials and other debris. All waste and refuse shall be kept in sanitary containers sealed from the view of any Unit. The containers shall be emptied regularly and their contents disposed of off the Property. No grass cuttings, leaves, limbs, branches, and other debris from vegetation shall be dumped or allowed to accumulate on any part of the Property, except that a regularly tended compost device containing only vegetation shall not be prohibited in any back yard.

- (iii) **Storage and Parking.** No storage or parking of goods, vehicles, boats, trailers, trucks, campers, recreational vehicles, commercial-type trucks, campers, trailers, motorhomes, boats, motorcycles, or any other equipment or device shall be permitted. There shall be no parking or storage of the foregoing in or any common area or easement area except areas designated by the Declarant or Association for storage or parking. Nothing may be placed or stored in the approximately five (5) feet of graveled space between the Units.

- (iv) **Fences.** Fencing is generally prohibited, provided, however, that the Board may approve in writing, conditionally or otherwise, an Owner's request to install and maintain fencing. As a condition of approving the fencing request, the Board may require the Owner to install and/or maintain the fence at the Owner's sole cost and expense or may require that the Association install and/or maintain the fence at the sole cost and expense of the Owner.

7.5.3 High Risk Components. Intentionally deleted.

7.6 Exterior Appearance. Intentionally deleted.

7.7 Landscaping. No Unit Owner shall have the right without the prior written consent of the Board to plant, landscape, prune, trim, or otherwise take any actions whatsoever with respect to (i) Common Element landscaping, (ii) right of way areas, or (iii) the two (2) landscaped areas located on the west side of the Units and, subject to the easement rights granted under Section 14.1, the approximately five (5) feet of graveled space running between each Unit (even through these areas are not a part of the Common Element). The Association shall at all times maintain a contract with a professional landscaping company to perform regular gardening services sufficient to maintain all landscaping for which the Association is responsible in a first class condition, including all landscaping in any right of way areas which the Condominium is obligated to maintain.

- 7.8 Effect on Insurance.** Nothing shall be done or kept in any Unit or in any Common Element or any Limited Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common element or any Limited Common Element that will result in the cancellation of insurance on any part of the Property, or that would be in violation of any laws.
- 7.9 Alteration of Common Elements.** Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element except upon the prior written consent of the Board ir incident to the exercise of Special Declarant Rights.
- 7.10 Signs.** No sign of any kind shall be displayed to the public view on or from any Unit, Common Element, or Limited Common Element without the prior consent of the Board; provided that Unit Owners may post “**For Sale**” signs in central location or locations specified by the Board, which shall be visible form adjacent public streets. This Section shall not apply to the Declarant, who may post such signs on the Property as it deems necessary or appropriate for the sale or rental of Units in the Condominium as long as the Declarant has a Unit for sale, as further described in Section 18.1.2. Holiday decorations are permitted subject to reasonable rules of the Board.
- 7.11 Pets.** Intentionally deleted.
- 7.12 Offensive or Damaging Activity.** No noxious or offensive activity shall be carried on in any Unit or Common Element or Limited Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners, or which will tend to damage any portion of the Units or Common Elements.
- 7.13 Telecommunications Equipment. Intentionally deleted.**

8. COMMON EXPENSES AND ASSESSMENTS.

- 8.1 Definition of Common Expense.** “**Common Expense**” shall mean all expenses of the Association incurred in accordance with the Act, including without limitation all costs of managing, maintaining, repairing and replacing Common Elements, including any Limited Common Elements, all cost of insurance policies, and overhead expenses of the Association such as postage, management fees, accounting fees, and expenses of collecting delinquent expenses, and all utility expense not separately metered to an individual unit. Limited common elements expenses are generally assessed and due and payable by the Units (and owners thereof) that benefit from the management, maintenance, repair and replacement of the limited common elements and/or are located within or adjacent to the limited common element area

in question.

- 8.2 Fiscal Year; Preparation of Budget.** The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. Not less than forty-five (45) days before the end of the fiscal year the Board shall estimate the Common Expenses, make sure provision for accumulation of reserves as it elects to retain under Section 8.9, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental budget to the remainder of the year. The Declarant shall prepare the initial budget for the first fiscal year of the Association.
- 8.3 Ratification of Budget.** Within thirty (30) days after the Board proposes a budget for the Condominium, the Owners shall meet, on a date specified by the Board by no less than fourteen (14) days prior notice, to consider ratification of the Budget. Unless at that meeting sixty-seven percent (67%) allocated to the Owners (not just sixty-seven percent (67%) of the votes represented at the meeting), are voted against the Budget, the budget is ratified, whether or not a quorum is present. In the event a proposed budget is rejected or the required notice is not given, the periodic budget last ratified shall be continued until such time as a subsequent budget is ratified. If the Board proposes a supplemental budget during any fiscal year that results in an increase in an Owner's Assessments, such budget shall not take effect unless ratified by the Owners in accordance with this Section.
- 8.4 Assessments.** The sums required by the Association for common Expenses shall be divided into installments to be paid each month over the period of time covered by the budget or supplemental budget, and shall be assessed against each Unit in accordance with their relative Expense Liability.
- 8.5 Special Allocations; Owner Misconduct.** To the extent that any Common Expense is caused by the negligence or willful misconduct of an Owner or tenant of any Unit, the Association may assess such expense against the Owner of the Unit. If such Common Expense arises out of insured damage to the Common elements (meaning damage which is of a kind which is actually insured by the Association, or damage which the Association is required to insure against by the Declaration), the Association is required to assess the deductible amount against the Unit Owner to the extent provided in Section 9.7 below.
- 8.6 Commencement of Assessments.** Monthly Assessments (or a pro-rata portion thereof) begin accruing for all Units upon the first closing of a sale of a Unit by the Declarant; provided that the Declarant shall have the right to delay commencement of Assessments for so long as Declarant pays actual expenses for the Condominium

as a whole, in accordance with RCW 64.34.360(1).

- 8.7 Initial Contribution to Working Capital.** In connection with the closing of the sale of each Unit, the first purchaser thereof shall pay to the Association, as a non-refundable initial contribution to the Association's working capital, an amount equal to two (2) times the estimated monthly Assessments against the Unit. On the Transition Date, the Declarant shall make such initial contribution for any Units remaining unsold on that date and the Declarant shall be entitled to be reimbursed the amount so paid in connection with the initial sale of such Units; provided that if a Unit has not been sold at the time of the Transition Date, Declarant shall make such contribution on behalf of the Unit, and shall have the right to recover such amount from the initial Unit purchaser. The working capital account is not an advance payment of regular Assessments. Declarant shall not have the right to use the working capital fund to defray Declarant's expenses, payment of reserve contributions, construction costs, or to make up budget deficits.
- 8.8 Special Assessments.** The board may levy a special Assessment for those Common Expenses or Special Allocations which were not previously anticipated or which cannot reasonably be calculated and paid on a monthly basis. Special Assessments shall be subject to ratification by the Owners, pursuant to Section 8.3.
- 8.9 Creation of Reserves; Reserve Account.** The Board shall establish and maintain a reserve fund for the replacement of Improvements to the Common Elements and any Limited Common Elements it is required to maintain, which reserves shall at least be sufficient in amount to satisfy the requirements of all Secondary Market Participants. The Board shall create a special reserve for use solely for the accumulation of all Association insurance premiums and deductible amounts. The reserve funds shall be held in a separate account from the operating account, with monthly statements going directly to an officer of the Association (not just to the management company), and shall require the signature of two (2) members of the Board to make withdrawals. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.
- 8.10 Notice of Assessments.** The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments be paid for the Owner's Unit and shall furnish copies of all budgets and the calculation of Expense Liability and Special Allocations which apply to the Unit, on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested.
- 8.11 Payment of Monthly Assessments.** On or before the fifth (5th) day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against such Owner's Unit for that month. Any

Assessment not paid by the fifth (5th) day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Section 8.16. Any Mortgagee of a Unit is entitled to timely written notice of any sixty (60) day delinquency in the payment of assessments or charges owned by the Owner of any Unit on which it holds the Mortgage.

8.12 Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

8.13 Failure to Assess. Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay Assessments during that or any subsequent year, and the monthly Assessments amounts established for the preceding year shall continue until new Assessments are established.

8.14 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the Certificate in favor of all purchasers and Mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificates.

8.15 Recalculation of Assessments. If Common Expense liabilities, Limited Common Element expense liabilities or Special allocations are reallocated, Assessments for Common Expenses, Limited Common Element expenses, Special Allocations, special Assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

8.16 Lien and Collection of Assessments.

8.16.1 Lien. The Association has a lien on a Unit for any unpaid Assessment from the time the Assessment is due.

8.16.2 Priority. A lien under this Section 8.16 shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of this Declaration; (b) a Mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent, and (c) liens for property taxes and other governmental assessments or charges against the Unit.

8.16.3 Mortgage Priority. Except as provided in Section 8.16.4, the Association's lien under this Section 8.16 shall also be prior to any Mortgage, to the extent the lien covers Assessments for Common Expenses, excluding any amounts for capital Improvements and collection expenses, based on the periodic budget adopted by the Association which would have become due during the six (60) months immediately preceding the date of the 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 nonjudicial foreclosure by a Mortgagee, or the date of recording of the Declaration of forfeiture in a proceeding by the vendor under a real estate contract.

8.16.4 Mortgagee Notice. The priority of the Association's lien under this Section 8.16 against a Mortgage, or as against a unit encumbered by a Mortgage held by an Eligible Mortgagee shall be reduced by up to three (3) months if and to the extent that the lien priority under Section 8.16.3 includes delinquencies which relate to a period after such Mortgage holder becomes an Eligible Mortgagee and before the Association gives such Mortgage holder a written notice of the delinquency. This Section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association.

8.16.5 Recording as Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessment 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 Grant County. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to in Section 8.16.4.

8.16.6 Foreclosure. Any lien for Assessments may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW Ch. 61.12. The Association or its authorized representative shall have the power to purchase the Unit 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 eight (8) months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of Foreclosure. A lien arising under this Section may be foreclosed non-judicially in the manner set forth in RCW 61.24 for non-judicial foreclosure of deeds of trust. For the purpose of preserving the Association's non-judicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Frontier Title Company, Moses Lake, Washington, or its successors or assigns ("Trustee"), to secure the obligations of each Unit Owner

("Grantor") to the Association ("Beneficiary") for the payment of Assessments. Grantors shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien non-judicially pursuant to this Section, it shall not be entitled to the lien priority over Mortgages.

8.16.7 Receiver during Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is 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 Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the Foreclosure action, and then to applicable charges, then to costs, fees, and charges of the Foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

8.16.8 Mortgagee Liability. Except as provided in Section 18.16.3, the holder of a Mortgage who obtains the right of possession of the Unit 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 collectible from all the Unit Owners. Foreclosure of a Mortgage does not relieve the prior Owner of Personal liability for Assessments accruing against the Unit prior to the date of such sale as provided in this Section.

8.16.9 Lien Survives Sales. Assessment liens shall not be affected by the sale or transfer of the subject Unit except in the event of sale through Foreclosure.

8.16.10 Owner Liability. In addition to constituting a lien on the Unit, each Assessment shall be the personal obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. The personal obligation to pay Assessments for

any particular Unit shall not pass to a successor in title to that Unit unless such successor agrees to assume the obligation.

8.16.11 Late Charges. 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 from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

8.16.12 Attorney's Fees. The prevailing party shall be entitled to recover any costs and reasonable attorneys' 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 prevailing party shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

8.16.13 Assessment Certificate. The Association upon written request shall furnish to an 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 Unit. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board, and every Owner, unless and to the extent known by the recipient to be false.

8.16.14 Delinquent Assessments - Rented or Leased Units. If Assessments are more than thirty (30) days delinquent for a Unit which is rented or leased, the Association may collect from the tenant of the Unit so much of the rent for the Unit as is required to pay any amounts due for Assessments, plus interest and costs. The tenant shall have no right or duty to question payment to the Association, and the payment to the Association will discharge the tenant's obligation to the Owner for rent in the amount of such payment.

8.17 Delinquent Assessment Deposit.

8.17.1 A Unit Owner who is or has been delinquent in the payment of Assessments may be required by the Board or by the Manager, from time to time, to make and maintain a deposit of not less than one (1) month's nor in excess of three (3) months' estimated monthly Assessment and charges, which may be

collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit, and be for the purpose of establishing a reserve for delinquent Assessments.

8.17.2 Resort may be had to the reserve at any time when such Owner is ten (10) days or more delinquent in paying such Owner's monthly or other Assessments and charges. Said deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon said deposit as a result of a delinquency in payment of any Assessments or charges, said Owner shall continue to be responsible for the immediate and full payment of said delinquent Assessment (and all penalties and costs thereon) or charges and thus the full restoration of said deposit, and the Board shall continue to have all of the rights and remedies for enforcing such Assessment or charges payment and deposit restoration as provided by this Declaration and by law.

8.17.3 Upon the sale of a Unit, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration, rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, and the new Unit Owner shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the new Unit Owner appropriate compensation therefor.

8.17.4 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

9. INSURANCE.

9.1 General Requirements. Commencing not later than the time of the first conveyance of a Unit to a Person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide, commercial general liability insurance and such other insurance as the Board deems advisable, including property damage and casualty insurance coverage on any common element improvements and limited common element improvements. The Board shall review at least annually the adequacy of the Association's insurance coverage. All Insurance shall be obtained from insurance carriers with a minimum A VIII Best's financial rating and authorized to do business in the state of Washington, and, if required, meet the specific requirements of any Secondary Market Participant regarding the qualifications of insurance carriers;. Notwithstanding any other provisions herein, the Association shall continuously

maintain in effect insurance and bonds that meet the requirements for Condominium projects established by and all Secondary Market Participants so long as any of them is a holder, insurer or guarantor of a Mortgage or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies and fidelity bonds shall provide that coverage may not be canceled or substantially modified without at least thirty (30) days' (ten (10) days' cancellation for nonpayment of premium) prior written notice to any and all insureds named therein, including Owners, Mortgagees, and designated servicers of Mortgages.

- 9.2 Property Insurance to be Carried by Individual Unit Owners.** Each Unit Owner shall maintain replacement cost property insurance on all structures and other improvements located within its Unit, and shall provide evidence of such insurance to the Association and each other Owner promptly on request from time to time. The insurance proceeds shall be used to replace the structures and other improvements within its Unit. The Association shall not be obligated or required to carry property damage insurance on any structures or other improvements located within the Units.
- 9.3 Liability Insurance.** The policy of public liability insurance shall insure the Board, the Association, the Owners, and the Managing Agent, and cover all of the Common and any Limited common elements in the Condominium with a “**Severability of Interest Endorsement**” or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common and any Limited Common Elements, liability in connection with employment contracts of the Association, host liquor liability, employers' liability (stop gap) insurance, non-owned and hired automobile liability insurance, and such other risks as are customarily covered with respect to condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally required by mortgagees for projects of similar construction, location and use.
- 9.4 Insurance Trustee; Power of Attorney.** It is anticipated that each Unit Owner shall obtain its own property insurance, as provided in Section 9.2. As to any policies obtained by the Association (whether for liability or property), the named insured under the policies obtained by the Association shall be the Association, as trustee for each of the Owners. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 9.8, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders 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. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

9.5 Additional Policy Provisions. Insurance obtained by the Association shall contain the following provisions and limitations (to the extent such provisions are applicable in the particular type of policy obtained).

9.5.1 Each Unit Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Condominium or membership in the Association.

9.5.2 Such policies shall not provide for contribution by (or assessment against) Mortgagees or become a lien on the Property superior to the lien of a First Mortgage. If, at the time of the loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

9.5.3 Coverage shall not be prejudiced by: (a) any act, omission or neglect of the Owners of Units when such act or neglect is not within the scope of the Owner's Authority on behalf of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

9.5.4 A waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit, and/or their respective agents, members of the Owner's household, employees, or lessees, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

9.5.5 A standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in the policy shall mean and include all holders of Mortgages of any Unit or Unit lease or sublease in their respective order of preference, whether or not named therein.

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any Persons under any of them;

- (c) Waive any provision invalidating such mortgagee clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and
- (d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association or the insurance trustee.

9.6 Fidelity Bond/Directors and Officers Insurances. If obtained by the Association, any fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other Persons who handle or are responsible for handling funds of, or funds administered by the Association. The Managing Agent shall maintain fidelity bonds for its officers, employees, and agents who handle or who are responsible for handling funds of, or funds administered by the Association. All such fidelity bonds shall name the Association as an obligee and shall be not less than three months' aggregate Assessments, plus the amount of any reserve funds. The bonds shall contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "**employee**" or similar expression. The Association shall obtain directors and officers liability insurance which shall at a minimum insure each director and officer of the Association against any loss arising from any claim for any alleged wrongful act made by such person while acting in his/her capacity as director or officer of the Association.

9.7 Owner's Responsibility for Deductible Amounts: Owner's Separate Insurance. Intentionally deleted.

9.8 Use of Insurance Proceeds. Any portion of the common Elements which are damaged or destroyed shall be repaired or replaced promptly unless (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) all Unit Owners vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense, Notwithstanding the provisions of this Section, Section 11.6 governs the distribution of insurance proceeds if the Condominium is terminated.

10. DAMAGE OR DESTRUCTION; RECONSTRUCTION.

10.1 Obligation to Repair. All damages to all structures and other improvements within a Unit shall be promptly repaired by Owner of that Unit, and the costs thereof shall be paid solely by the Owner of such Unit. With respect to damage to the Common Elements, the Association, acting through the Board, is hereby designated to

represent the Unit Owners in proceedings, negotiations, settlements or agreements relating to damage to the Condominium and each Owner hereby designates the Association as its attorney in fact for such purposes. In the event of damage to any Common Element or any Limited Common Element, the Board shall promptly arrange for the repair thereof, and shall specially assess the cost of any such repair against the Unit Owners, except to the extent of available insurance proceeds.

11. CONDEMNATION.

- 11.1 Consequences of Condemnation; Notices.** If any Unit or portion thereof or the Common Element or Limited Common Element, if any, or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each Mortgagee, if any, and the provisions of this Section shall apply.
- 11.2 Power of Attorney.** Each Owner appoints the Association as attorney in fact for the purpose of representing the Owners in condemnation proceedings and negotiation, settlements and agreements with the condemning authority for acquisition of Common Elements or Limited Common Elements, if any, or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to this Section, the affected Owners may individually or jointly act on their own behalf. However, any proceeds from a condemnation settlement must be payable to the Association for the benefit of the Unit Owner and his or her mortgage holders.
- 11.3 Condemnation of a Unit.** If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Condominium, whether or not any Common elements or Limited Common Elements, if any, are acquired. Upon acquisition, unless the decree otherwise provides that Unit's Allocated Interest are automatically reallocated to the remaining Units in proportion to the respective Allocated Interest of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element, or Limited Common Element if applicable, as determined by the Board.
- 11.4 Condemnation of Part of a Unit.** Except as provided in Section 11.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common

elements and Limited common Elements, whether or not any Common elements or any Limited common elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the assigned interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

11.5 Condemnation of Common Elements or Any Limited Common Element. If part of the common elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interest in the Common Elements. Any portion of the award attributable to the acquisition of a Limited Common Element, if any, must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of the acquisition. If the Board determines that a particular Owner's interest in the Common elements or any limited Common Element diminished with respect to other Owners by the acquisition of common elements or any Limited Common element, the Declaration may be amended to adjust that Owner's Expense Liability allocation, or to remove the allocation of any Limited Common Element to that Owner's Unit, as the case may be.

11.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 10. Termination of the Condominium requires in all cases the consent of specific percentages of Owners and Eligible Mortgagees as set forth in Section 21, unless all of the Units in the Condominium are condemned, in which case the rights of the Owners shall be as specified in the Act.

12. COMPLIANCE WITH DECLARATION.

12.1 Enforcement. Each Owner shall strictly comply with the provisions of this Declaration, the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration, the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages (unless such relief is prohibited by law as to any Owner), or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Owners), or by the aggrieved Owner on such Owner's own against the party (including an Owner or the Association) failing to comply. Except as provided in Section 5.12, in the event of a dispute between Owners or between Declarant and the Association, Board or any Owner, each party shall be solely responsible for payment of all legal fees incurred by that party, regardless of the nature of the dispute or who

may be the prevailing party.

12.2 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this declaration, of the Bylaws, or to exercise any right or option contained in such documents, 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 or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any Assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

13. TORT AND CONTRACT LIABILITY; LITIGATION.

13.1 Limitation of Liability for Utility Service Failure, Etc. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable for; (a) the failure of any Utility Service to be obtained and paid for by the Board; (b) for injury or damage to person or property caused by the elements, or resulting from electricity, gas, if applicable, water, rain, dust, or sand which may leak or flow from outside or from any parts of the building, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or (c) for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such Utility Service failure, or for such injury or damage, or for such inconvenience or discomfort.

13.2 No Personal Liability. So long as a Board member, or Association committee member, or Association officer, or the Declarant or the Managing Agent has acted in good faith, without intentional misconduct, upon the basis of such information as is then possessed by such Person, no such Person shall be personally liable to any Owner, or to any other Person, 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, that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Association.

13.3 Indemnification of Board Members. Each Board member or Association committee member or Association officer, shall be indemnified and defended by the Association against all expenses and liabilities including attorneys' fees, reasonable incurred by or imposed in connection with any proceeding to which he may be liable, or in which he may become involved, by reason of being or having held such

position, to the maximum extent permitted by Washington law. This Section 13.3, create a contract right on the part of each officer and director of the association, and of this provision is amended, such amendment shall not affect the right of indemnity and defense subsequent to the amendment with respect to any act or occurrence of the officer or director prior to the effective date of the amendment. The associations rights and obligations with respect to indemnification are set forth in greater detail in the Association's bylaws.

13.4 Litigation by Association. Prior to instituting litigation, the Association shall comply with the requirements set forth in Section 5.10.4 of this Declaration.

14. EASEMENTS.

14.1 In General. Each Unit and Unit Owner and such Owner's contractors shall have an easement in and through each other Unit and the Common Elements and any Limited Common Element for all Utility Service Facilities and for reasonable access thereto, as required to effectuate and continue proper operation of each Unit and the Condominium. Each Unit Owner has an unrestricted right of ingress and egress to his or her Unit, a non-exclusive easement across all Common Elements to the public streets. This right is perpetual, runs with the Unit estate and inures to benefit of all Occupants and successors in title to the Unit.

14.2 Encroachments. To the extent not provided by the definition of "Unit" in the Declaration and in the Condominium Act, each Unit are hereby declared to have an easement over all adjoining Units and Common Elements and any Limited Common Element for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements and any Limited Common Element so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

14.3 Easement Specifically Reserved by the Declarant. The Declarant reserves an access easement over, across, and through the Common Elements and any Limited Common Element of the condominium for the purpose of completing any unfinished Units or other improvements, exhibiting and preparing Units for sale, making repairs required pursuant to any contract of sale, and discharging the Declarant's obligations or exercising Special Declarant Rights.

14.4 Exercise of Easement Rights. Each Owner exercising this right of entry shall: (I) provide reasonable advance notice prior to such entry; (ii) utilize only such portion of another Unit, and only for such duration as is reasonably necessary to accomplish a permitted purpose and in a manner that will not unnecessarily disturb the quiet enjoyment of such other Unit by the Owner thereof; and (iii) at the expense of the Association (in the case of entry by the Association, or at the expense of the entering Owner (in the case of entry by an Owner), restore such other Unit, Common Elements and improvements to as near the original condition as reasonably practicable and allow no liens to be placed upon such other Owner's Unit. This provision is intended to be interpreted in favor those Owners burdened by this easement who must grant entry for the exercise of these easements rights, and shall be liberally construed to ensure that such Owners are not unreasonably inconvenienced or suffer damages by reason of such entry.

14.5 Utilities. An easement is hereby granted to each Owner upon, across, over, through and under the Property for ingress, egress, installation, replacement, repair and maintenance of all Utility Service Facilities.

15. PROCEDURES FOR SUBDIVIDING OR ALTERING UNITS. Intentionally deleted.

16. AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS, ARTICLES OR BYLAWS.

16.1 Procedures. Except in cases of amendments that may be executed by the Declarant under the Declaration or the Condominium Act, the Declaration, the Survey Map and Plans, the Articles and the Bylaws may be amended only by vote or agreement of the Owners, as specified in this Section. An Owner may propose amendments to this Declaration, the Survey Map and Plans, the Articles or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with twenty percent (20%) or more of the votes in the Association, then irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of Persons entitled to vote, after notice has been given to all Persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, an amendment to the Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the property records of the county in which the Condominium is located. The amendment shall be indexed in the name of the

Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

16.2 Percentages of Consent Required. Except as provided in Sections 10 and 11 in the case of damage to or condemnation of the Property, the percentages of consent of Owners and Mortgagees required for adoption of amendments to the Declaration, the survey Map and Plans, the Articles and the Bylaws are as follows:

16.2.1 The consent of Owners holding at least sixty-six percent (66%) of the votes in the Association and the consent of Eligible Mortgagees of Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated shall be required to materially amend any provisions of the Declaration, the Survey Map and Plans, the Articles or the Bylaws, or to add any material provisions thereto, or which establish, provide for, govern, or regulate any of the following: (a) voting; (b) Assessments, Assessment liens, or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the Common Elements and any Limited Common Element, including any reduction of any required reserves; (d) responsibility for maintenance and repair of any portion of the Condominium; (e) reallocation of interests in, or rights to use Common Elements or any Limited Common Element; (f) changes of boundaries of any Unit, except any such change which occurs pursuant to Section 15; (g) convertibility of Units into Common or Limited Common Elements or Common or Limited Common Elements into Units; (h) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the condominium; (I) property or liability insurance or fidelity bonds; (j) leasing of Units; (k) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey a Unit; (l) establishment of self-management of the Condominium after profession management has been required by any Secondary Market Participant; (m) restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in this Declaration; or (n) any provisions which are for the express benefit of holders, insurers or guarantors of Mortgages.

16.2.2 An amendment that creates or increases Special Declarant Rights, changes the powers or restrictions on the powers of the Association, or increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, imposes any restriction on leasing or other use of a Unit, or the Uses to which any Unit is restricted, shall require the vote or agreement of the Owner of each Unit particularly affected and the Owners of at least ninety percent (90%) of the votes in the Association, and fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees.

16.2.3 The unanimous consent of all Owners, Mortgagees and holders of liens affecting any of the Units shall be required to remove any land from the Condominium.

16.2.4 The consent of Eligible Mortgagees holding fifty-one percent (51%) of the votes of Units held by Eligible Mortgagees shall be required to pass any amendment which would have a material adverse impact on Mortgagees.

16.2.5 All other amendments shall be adopted if consented to by Owners holding sixty-six percent (66%) of the votes in the Association.

16.2.6 An Eligible Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within sixty (60) days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

16.2.7 Limitations on Amendments, Rules and Regulations. No amendment to this Declaration, or regulation or rule prescribed by the Board, may restrict, eliminate, or otherwise modify any Special Declarant Right or Development Right provided in this Declaration without the consent of the Declarant and any Mortgagee of record with a security interest in the Special Declarant Right or Development Right or in any property subject thereto, excluding Mortgagees of Units owned by Persons other than the Declarant. No amendment may modify the provisions of Section 5.10.4 without the consent of all Unit Owners.

16.3 Amendments to Conform to Secondary Mortgage Market Requirements. No Unit Owner shall unreasonably withhold, delay or condition consent to an amendment to this Declaration which is designed to conform this Declaration to the requirements of any Secondary Market Participant. Declarant shall have the right, for so long as it owns any Units in the Condominium (but not after the sixth (6th) anniversary of the date this Declaration is recorded), to amend this Declaration for

such purposes, which amendment shall be effective upon execution and recorded by the Declarant, and delivery of a copy thereof to each Owner.

17. DECLARANT CONTROL.

- 17.1 Declarant Control until Transition Date.** Until the Transition Date, the Declarant shall have the right to appoint and remove all members of the Board; provided that: (a) not later than sixty (60) days after Conveyance of twenty-five percent (25%) of the Units which may be created, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Owners other than the Declarant; and (b) not later than sixty (60) days after Conveyance of fifty percent (50%) of the Units which may be created not less than one-third (1/3) of the members of the Board must be elected by Owners other than the Declarant.
- 17.2 Transition Date.** Declarant Control of the Association shall terminate on the Transition Date. The Transition Date shall be no later than the earlier of: (a) sixty (60) days after Conveyance of seventy-five percent (75%) of the Units; (b) two years after the last Conveyance or transfer of record of a Unit except as security for a debt; (c) two (2) years after any development right to add new Units was exercised; (d) five (5) years after the first (1st) Conveyance of a Unit, or (e) the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to further appoint and remove officers and members of the Board. If the Declarant voluntarily surrenders control pursuant to (e) above, the Declarant may require that for the duration of the period of Declarant Control, specified actions of the Association or the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
- 17.3 Declarant's Transfer of Association Control.** Within sixty (60) days after the Transition Date, the Declarant shall deliver to the Association all property, and matters required to be delivered by Section 64.34.312 of the Act.
- 17.4 Audit of Records upon Transfer.** Upon the termination of the period of Declarant Control, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards unless the Owners of Units, other than the Declarant, to which at least two-thirds (2/3) of the votes in the Association are allocated, elect to waive the audit. The costs of the audit shall be a Common Expense.
- 17.5 Termination of Contracts and Leases Made by the Declarant.** If entered into before the Board elected pursuant to Section 6.1 takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities or (2) any other contract or lease between the Association and the Declarant or an

affiliate of the Declarant, as defined in the Condominium Act, may be terminated without penalty by the Association at any time after the Board elected pursuant to Section 6.1 takes office upon not less than sixty (60) days' notice to the other party or within such shorter notice period provided for without penalty in the contract or lease. However, the Association may terminate, at any time after the Transition Date, any professional management contract entered into by the Declarant. This Section does not apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section.

18. SPECIAL DECLARANT RIGHTS AND DEVELOPMENT RIGHTS.

18.1 Special Declarant Rights. As more particularly provided in this Section 18, Declarant, for itself and any successor Declarant, has reserved the following Special Declarant Rights which must be exercised within the time limit set forth below:

18.1.1 Completion of Improvements. Declarant, its agents, employees and contractors shall have the right to complete improvements, vary the quantity and quality of improvements, and otherwise perform work which is: (I) authorized by the Declaration, (ii) indicated on the Survey Map and Plans, (iii) authorized by building permits, (iv) provided for under any purchase and sale agreement between Declarant and a Unit purchaser, (v) necessary to satisfy any express or implied warranty under which Declarant is obligated, or (vi) otherwise authorized or required by law. The foregoing right shall terminate on the earlier of (I) the date that Declarant no longer owns any Unit in the Condominium, and has developed all of the Condominium, or (ii) six (6) years from the date this Declaration is recorded.

18.1.2 Sales Facilities of Declarant. Declarant, its agents, employees and contractors shall be permitted to establish and maintain in any Unit still owned by Declarant and in any of the Common Elements (other than any Limited common Elements assigned to Units not owned by Declarant), such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units and appurtenant interests, including but not limited to: (I) business offices, (ii) management offices, (iii) sales offices, (iv) construction offices, (v) storage areas, (vi) signs, (vii) model units, and (viii) parking areas for all agents, employees, contractors, prospective tenants or purchasers of Declarant and to bring prospective purchasers in and about any Unit still owned by Declarant and in any of the Common Elements. Any such facilities not designated a Unit by the Declaration is a Common Element and, if Declarant ceases to be a unit Owner, the Declarant ceases to have any rights with regard

thereto unless it is removed promptly from the Condominium, which Declarant shall have the right to do. Declarant may maintain signs and promotional materials on the common elements advertising the marketing and sale of the Units in the Condominium, and including the right to display, erect, hang or keep signs, banners, billboards, or other advertising which the Declarant deems desirable to promote the general marketing plan and business of the Declarant. The Declarant and its respective agents, employees and representatives shall have access to the Units and the Common Elements, other than Limited Common Elements assigned to Units not owned by Declarant, for the purposes aforesaid. The provisions of this Section are subject to the provisions of state laws and to local ordinances. The number, size, location, and relocation of such facilities described in this Section 18.1.2 shall be determined from time to time by Declarant in the exercise of its sole discretion; provided, that the maintenance and use of such facilities shall not unreasonably interfere with a unit Owner's use and enjoyment of: (I) the Unit and appurtenant Limited common Elements, if any, and (ii) those portions of the Common Elements reasonably necessary to use and enjoy such Unit and any Limited Common Elements. The foregoing right shall terminate on the earlier of (I) the date that Declarant no longer owns any Unit in the Condominium, or (ii) six (6) years from the date this Declaration is recorded.

18.1.3 Period of Declarant Control. Declarant reserves the rights specified in Section 17, which include, without limitation, the right to appoint and remove Board members.

18.1.4 Exercise of Development Rights. Declarant shall have the right to exercise those development rights specified in Section 18.2 through 18.4 of this Declaration.

18.1.5 Delay of Assessments. Declarant shall have the right to delay commencement of Assessments for so long as Declarant pays all expenses of the Condominium, as more specifically provided in Section 8.6.

18.1.6 Voluntary Termination of Declarant Rights. Declarant may voluntarily terminate any or all of such Special Declarant Rights at any time by recording an amendment to the Declaration, which amendment specifies which right is hereby terminated.

18.2 Withdraw Property form the Condominium. Intentionally deleted.

18.3 Development Right: Subdivision and Combination. With respect to Units owned

by the Declarant and any Limited Common elements assigned exclusively to Units owned by the Declarant, the Declarant shall have the right to subdivide or combine Units, combine Common Elements or Limited Common Elements into existing Units, convert Units or portions of Units into Common Elements or Limited Common Elements, convert Common Elements in to Limited Common Elements or Limited Common Elements into new Units. The forgoing right shall terminate on the earlier (i) of the date that Declarant no longer owns any Unit in the Condominium, or (ii) six (6) years from the date this Declaration is recorded. Whenever Declarant exercises any of the foregoing development rights:

- (a) If Declarant converts the Unit entirely to Common Elements, the amendment to the Declaration must reallocate all the Allocated Interests of that Unit among the other Units as if that Unit had been taken by condemnation.
- (b) If Declarant subdivides the Unit into two or more Units, whether or not any part of the Unit is converted into Common Elements, the amendment to the Declaration must reallocate all the Allocated Interests of the Unit among the Units created by the subdivision in any reasonable and equitable manner prescribed by the Declarant.
- (c) If Declarant combines two (2) or more Units, the amendment to the Declaration must reallocate to the new Unit all of the Allocated Interests formerly allocated to the Units so combined.

18.4 Development Right: Parking Stall and Storage Definition and Allocation. Intentionally deleted.

18.5 Declarant's Easements. Declarant has an easement through the Common Elements and Limited 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 the Declaration. The Person exercising any easement or other rights shall promptly repair and restore, to a condition compatible with the remainder of the Condominium, any portion of the Condominium damaged by the exercise of such right.

19. CONVEYANCE OF UNITS AND LIMITED COMMON ELEMENTS AND COMMON ELEMENTS.

The right of an Owner to convey a Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company

insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the Conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the Conveyance and furnish the name and address of the new Owner and Mortgagee, if any. At the time of the first Conveyance of each Unit one of the following shall be required: (i) every Mortgage, lien or other encumbrance affecting that Unit and any other Unit or Units or Property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied of record; or (ii) the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded; or (iii) the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such Mortgage, lien or other encumbrance. Any Conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in any Common Element or Limited Common Element shall be void unless the Unit to which that interest is allocated is also transferred; except for reallocation specifically permitted by this Declaration.

20. ENTRY FOR REPAIRS OR MAINTENANCE.

The Association and its agents or employees may enter any Unit and any Limited Common Elements allocated thereto to effect repairs, improvements, replacements, maintenance or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in cases of great emergency that preclude advance notice, the Board shall cause the Owner and Occupant to be given Notice and Opportunity to be Heard as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the Owners and Occupants as practicable. The Board may levy a special Assessment against the Owner of the Unit for all or part of the cost of work that the Owner has failed to perform which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Section 8.

21. TERMINATION OF CONDOMINIUM.

The Condominium may be terminated only by agreement of Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated and with the consent of sixty-seven percent (67%) of the Eligible Mortgagees; provided the consent of only fifty-one percent (51%) of Eligible Mortgagees shall be required in the case of termination for reasons of substantial destruction or condemnation of the Condominium. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within sixty (60) days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

22. NOTICES.

22.1 Form and Delivery of Notice. Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the Person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the Declarant until the Transition Date, and thereafter shall be given to the president or secretary of the Association.

22.2 Notices to Eligible Mortgagees. An Eligible Mortgagee is a First Mortgagee of a Unit that has filed with the secretary of the Association a written request that it be given copies of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Unit number. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of: (a) any proposed amendment of the Declaration or Survey Map and Plans which requires consent of Mortgagees (b) any proposed termination of Condominium status, transfer of any part of the Common Elements, or termination of professional management of the condominium; (c) any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an Eligible Mortgagee has a First Mortgage; (d) any delinquency which has continued for sixty (60) days in the payment of Assessments or charges owned by an Owner of a Unit on which an Eligible Mortgagee had a Mortgage; (e) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association pursuant to Section 9; (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to this Declaration.

23. SEVERABILITY.

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one (1) provision shall not affect the enforceability of any other provision, if the remaining provision or provisions comply with the Condominium Act.

24. EFFECTIVE DATE.

This Declaration shall take effect upon recording.

25. REFERENCE TO SURVEY MAP AND PLANS.

The Survey Map and Plans were recorded with the original Declaration on **September 6, 2017**, under **Grant County Auditor's File No. 1383414**, records of **Grant County, Washington**, as reflected on the over page of this Declaration.

26. ASSIGNMENT BY DECLARANT.

The Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the Property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

(Remainder of page blank. Signature and acknowledgment on following page)

EXECUTED as of the _____ day of _____, 2017.

DECLARANT:

Columbia River Reserve, LLC,
a Washington limited liability company,

By: _____
Vince E. Bryan, Jr., Member

By: _____
Carol A. Bryan, Member

STATE OF WASHINGTON)
) ss.
COUNTY OF GRANT)

I certify that I know or have satisfactory evidence that Vince E. Bryan, Jr. and Carol A. Bryan are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are authorized to execute the instrument and acknowledged it as Members of Columbia River Reserve, LLC, a Washington limited liability company, to be the free and voluntary act of such company for the uses and purposes mentioned in this instrument.

DATED: _____, 2017.

(Signature of Notary Public)

(Printed Name of Notary Public)

Notary for and in the state of Washington,
residing at: _____

My Appointment expires: _____

EXHIBIT “A”

LEGAL DESCRIPTIONS OF PROPERTY

LOTS 1-11, INCLUSIVE, BLOCK 4 OF THE COLUMBIA RIVER RESERVE PHASE II PUD, PLAT MAP, BOOK 27 OF PLATS, PAGES 74-78. AUDITOR’S FILE NO. 1248163, IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 19 NORTH, RANGE 23 EAST, W.M., RECORDS OF GRANT COUNTY, WASHINGTON.

(ALSO KNOWN AS ALL 44 UNITS WITHIN CAVE B RIDGE CONDOS, A CONDOMINIUM, UNITS 1A THROUGH 11D, INCLUSIVE, GRANT COUNTY, WASHINGTON)

Assessor’s Property Tax Parcel/Account Numbers:

320350303, 320350307, 320350311, 320350315, 320350316, 320350323, 320350327, 320350330, 320350334, 320350338, and 320350342

EXHIBIT “B”

UNIT DESCRIPTION AND ALLOCATED INTERESTS

LOT	UNIT NO.	FLOOR	# OF BED-ROOMS	# OF BATH-ROOMS	# OF FIRE-PLACES	INTERIOR SQUARE FOOTAGE OF IMPROVEMENTS	SURFACE AREA OF UNIT AT GRADE	ALLOCATED INTEREST (%)	VOTE
1	A	NA	1	1	0	576	672 sf	2.27%	1
1	B	NA	1	1	0	576	672 sf	2.27%	1
1	C	NA	1	1	0	576	672 sf	2.27%	1
1	D	NA	1	1	0	576	672 sf	2.27%	1
2	A	NA	1	1	0	576	672 sf	2.27%	1
2	B	NA	1	1	0	576	672 sf	2.27%	1
2	C	NA	1	1	0	576	672 sf	2.27%	1
2	D	NA	1	1	0	576	672 sf	2.27%	1
3	A	NA	1	1	0	576	672 sf	2.27%	1
3	B	NA	1	1	0	576	672 sf	2.27%	1
3	C	NA	1	1	0	576	672 sf	2.27%	1
3	D	NA	1	1	0	576	672 sf	2.27%	1
4	A	NA	1	1	0	576	672 sf	2.27%	1
4	B	NA	1	1	0	576	672 sf	2.27%	1
4	C	NA	1	1	0	576	672 sf	2.27%	1
4	D	NA	1	1	0	576	672 sf	2.27%	1
5	A	NA	1	1	0	576	672 sf	2.27%	1
5	B	NA	1	1	0	576	672 sf	2.27%	1

5	C	NA	1	1	0	576	672 sf	2.27%	1
5	D	NA	1	1	0	576	672 sf	2.27%	1
6	A	NA	1	1	0	576	672 sf	2.27%	1
6	B	NA	1	1	0	576	672 sf	2.27%	1
6	C	NA	1	1	0	576	672 sf	2.27%	1
6	D	NA	1	1	0	576	672 sf	2.27%	1
7	A	NA	1	1	0	576	672 sf	2.27%	1
7	B	NA	1	1	0	576	672 sf	2.27%	1
7	C	NA	1	1	0	576	672 sf	2.27%	1
7	D	NA	1	1	0	576	672 sf	2.27%	1
8	A	NA	1	1	0	576	672 sf	2.27%	1
8	B	NA	1	1	0	576	672 sf	2.27%	1
8	C	NA	1	1	0	576	672 sf	2.27%	1
8	D	NA	1	1	0	576	672 sf	2.27%	1
9	A	NA	1	1	0	576	672 sf	2.27%	1
9	B	NA	1	1	0	576	672 sf	2.27%	1
9	C	NA	1	1	0	576	672 sf	2.27%	1
9	D	NA	1	1	0	576	672 sf	2.27%	1
10	A	NA	1	1	0	576	672 sf	2.27%	1
10	B	NA	1	1	0	576	672 sf	2.27%	1
10	C	NA	1	1	0	576	672 sf	2.27%	1
10	D	NA	1	1	0	576	672 sf	2.27%	1
11	A	NA	1	1	0	576	672 sf	2.27%	1
11	B	NA	1	1	0	576	672 sf	2.27%	1
11	C	NA	1	1	0	576	672 sf	2.27%	1
11	D	NA	1	1	0	576	672 sf	2.27%	1

NOTES TO UNIT DESCRIPTION AND ALLOCATED INTERESTS

The Airspace units created by this Declaration do not have completed Improvements located thereon. Declarant may record an amendment to this Exhibit at a later date for informational purposes.