

**DECLARATION ESTABLISHING COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR CHELTENHAM ADDITION**

This declaration is made this 1st day of February, 2009 by **INLAND PACIFIC DEVELOPMENT, L.L.C.**, a Washington Limited Liability Company, referred to below as "Declarant".

ARTICLE I: GENERAL PROVISIONS

1.1 Real Property Description. Declarant is the owner of all that real property located in Spokane County, Washington, as described on Exhibit "A" attached hereto, sometimes referred to below as the "Property" and sometimes referred to below as "**CHELTENHAM ADDITION**".

1.2 Development. Declarant intends to develop and market the Property as separate Building Lots for single family home purposes. Upon recordation of this Declaration, Declarant submits and subject's the Property, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of the Property as hereinafter defined) to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein, all of which shall run with the land.

1.3 Conditions. Any purchaser of a Lot within the Property acknowledges that said Building Lot is subject to zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed. It is solely the purchaser's obligation to become familiar and comply with the same.

ARTICLE II: DECLARATION

Declarant hereby declares that the Property, and each Building Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale thereof, and to enhance the value, desirability

and attractiveness thereof. The terms, covenants, conditions, easements and restrictions set forth herein shall run with the land, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in said real property or any Building Lot, parcel or portion thereof; shall inure to the benefit of and be binding upon Declarant, Declarants' successors in interest and each grantee or Owner and such grantee's or Owner's respective successors in interest, and may be enforced by Declarant, by any Owner or such Owner's successors in interest, against any other Owner, tenant or occupant of said real property.

Notwithstanding the foregoing, no provision of this Declaration shall be construed so as to prevent or limit Declarants' Homebuilders right to complete development of the Property and to construct improvements thereon, nor Declarants' Homebuilders right to maintain model homes, construction, sales or leasing offices or similar facilities (temporary or otherwise) on any portion thereof, nor Declarants' Homebuilders right to post signs incidental to construction, sales or leasing.

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by the Declarant or an Association pursuant to Article X hereof, and may be referred to herein as the "Committee".

3.2 "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

3.3 "Assessments" shall mean those payments required of Owners or Association Members, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

3.4 "Association" shall mean the Cheltenham Homeowners Association, a Washington non-profit corporation, its successors and assigns, established by Declarant to exercise the powers and to carry out the duties set forth in this Declaration or any Supplemental Declaration.

3.5 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

3.6 "Building Lot" shall mean one or more Lots within a Parcel as specified or shown on any Plat and/or by any Supplemental Declaration, upon which improvements may be constructed. With respect to Association voting rights, Building Lot shall also mean a Lot so specified on any final plat or on any preliminary plat of the Property.

3.7 "Common Area" shall mean all real property in which the Association holds an interest or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the Owners. Every Owner has a right and easement of enjoyment to the Common Area that is appurtenant to the title to their Building Lot. Common area may be established from time to time by Declarants on any portion of the Property by describing it on a Plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Common Area may include easement and/or license rights.

At the time of recording this Declaration, Common Areas are intended to include drainage tracts identified as Tracts "A" and "B" on the face of the Plat, and any private roads, including portions of sanitary sewer and storm water systems within said private roads, all of which are located with the plat boundaries for the Property.

THE COMMON AREA SHALL ALWAYS BE SUBSERVIENT AS DEFINED BY SPOKANE COUNTY AND SHALL NOT BE SOLD, TRANSFERRED OR CONVEYED BY THE ASSOCIATION. IT SHALL REMAIN A NON-TAXABLE PARCEL(S), IF POSSIBLE, ACCORDING TO COUNTY REQUIREMENTS.

3.8 "Declarant" shall mean Inland Pacific Development, L.L.C. a Washington Limited Liability Company, the owners of the Property as of the date of execution of this Declaration. The term "Declarant" shall also include the successors in interest of the Declarant, so long as such successor is expressly designated as the successor Declaring by the immediately preceding Declarant.

3.9 "Declaration" shall mean this Declaration as it may be amended from time to time.

3.10 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including interest thereon as provided in this Declaration or a Supplemental Declaration.

3.11 "Member" shall mean each person or entity holding a membership in the Association.

3.12 "Owner" shall mean the person or other legal entity, including declarant, which acquires fee simple interest of record to a Building Lot that is covered by this Declaration, as well as purchasers under real estate contracts.

3.13 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Auditor, Spokane County, Washington, as the same may be amended by duly recorded amendments thereof.

3.14 "Regular Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner to the Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

3.15 "Special Assessment" shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner to the Association, pursuant to the provisions of this Declaration or a Supplemental Declaration.

ARTICLE IV
DEVELOPMENT PERIOD; MANAGEMENT RIGHTS OF

DECLARANT DURING DEVELOPMENT

4.1 Management by Declarant Development Period shall mean that period of time from date of recording the Declaration until: (1) the thirtieth (30th) day after transfer of title to consumer home purchasers of Lots representing one hundred percent (100%) of the total voting power of all Lot Owners as then constituted, including any annexed property, or (2) the date on which Declarant elects to permanently relinquish all of Declarant's authority under this Article IV by written notice to all Owners, or (3) a date not more than thirty (30) years from the date of recording this Declaration, whichever of the preceding date is first to occur. Until termination of the Development Period, either upon the sale of the required number of Lots, the expiration of the stated time period, or at the election of the Declarant, the Property shall be managed and the Association organized at the sole discretion of the Declarant.

4.2 Notices to Owners Not less than ten (10) nor more than thirty (30) days prior to the termination of the Development Period, the Declarant shall give written notice of the termination of the Development Period to the Owner of each Lot. Said notice shall specify the date when the Development Period will terminate and shall further notify the Owners of the date, place and time when a meeting of the Association will be held. The notice shall specify that the purpose of the Association meeting is to appoint new Officers and Directors of the Association from the Owners. At this meeting, the Declarant shall appoint new directors and officers for the Association for a irrevocable period of one (1) year, which shall be the transition year from Declarant control to homeowner control. Notwithstanding any provision of the Articles or By-Laws of the Association to the contrary, for the purpose of this meeting, the presence, either in person or by proxy, of the Owners of five Lots shall constitute a quorum.

4.3 Declarant may in its sole discretion, and at such times as the Declarant deems appropriate, appoint three persons who may be Lot Owners, or are representatives of corporate entities or other entities which are Lot Owners, and which may include Declarant or an agent thereof, as a Temporary Board. This temporary Board shall have full authority and all rights, responsibilities, privileges and duties to manage the Properties under this Declaration and shall be subject to all provisions of this Declaration, the Articles and By-Laws, provided that after selecting a Temporary Board, the Declarant, in the exercise of its sole discretion, may at any time terminate the Temporary Board and reassume its management authority under Article IV or select a new Temporary Board under this section of IV.

4.4 So long as no Temporary Board is managing the Properties or until such time as the first permanent board is appoint, should Declarant choose not to appoint a Temporary Board, Declarant or a managing agent selected by the Declarant shall have the power and authority to exercise all the rights, duties and functions of the Board and generally exercise all powers necessary to carry out the provisions of this Declaration, including but not limited to enacting reasonable administrative rules, contracting for required services, obtaining property and liability insurance, and collecting and expending all assessments and Association funds. Any such managing agent or the Declarant shall have the exclusive right to contract for all goods and services, payment for which is to be made from any monies collected from assessments.

4.5 These requirements and covenants are made to ensure that the Properties will be adequately administered in the initial stages of development and to ensure an orderly transition to

the Association operations. Acceptance of an interest in a Lot evidences acceptances of this managing authority in Declarant.

ARTICLE V: USE AND CONSTRUCTION RESTRICTIONS

5.1 Use of Individual Lots. No Building Lot or dwelling shall be constructed, occupied or used except for new, site constructed single family residences. Maximum and minimum dwelling sizes may be prescribed by the Architectural Committee in its discretion. No trade, business, profession, commercial or manufacturing enterprise or activity (other than home occupation) shall be conducted therein. As used in this paragraph the term "home occupation" shall mean only an occupation, profession or craft, carried on within a dwelling by the Owner, which activity does not change the residential character of the dwelling, is conducted in such a manner as to not create any outward appearance of a business in the ordinary meaning of the term, as may be further defined by City of Spokane Regulations.

Provided, however, nothing in this Section shall prevent the Developer or a Builder from using a residence within the development to conduct business and sell Building Lots or homes, on a temporary basis only until the last Building Lot or house is sold.

5.2 Nuisances. No noxious, illegal or offensive activities shall be carried on in any Building Lot or dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners of his respective Building Lot, or which shall in any way increase any rate of insurance for any Owner within the Property, or cause any insurance policy to be cancelled or to cause a refusal to renew the same or otherwise conflict with the spirit of this Declaration in establishing a peaceful, residential community within the Property.

5.3 Vehicle and Equipment Restrictions. No more than one of the following vehicles, whether personal or recreational, shall be allowed and the same must be parked behind the front edge of the dwelling built and ten feet from the side lot line of any Building Lot: travel trailer, camper, motor home, recreational vehicle, boat and trailer, commercial vehicle, bus, or truck (except for purposes of loading and unloading of passengers or personal property). No inoperable automobile, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any Building Lot, dedicated street or other area within the Property, other than temporarily for emergency repairs, unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans, service vans or standard size pickup trucks that are used for both business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be reasonably unobtrusive and inoffensive. No noisy or smoky vehicle shall be operated on the Property. No off-road unlicensed motor vehicle shall be maintained or operated within the Property, except as reasonably necessary to the execution and the rights and duties of the Declarants under this declaration. No goods, equipment, material, supplies or vehicles used in connection with any trade, service, or business whenever conducted, shall be kept parked, stored, dismantled, or repaired outdoors on any Building Lot, or any dedicated street within the Property.

No vehicles may be kept or parked on a permanent basis on any of the public streets within the Property.

5.4 Signs. No signs, billboards, or other advertising structure or device shall be displayed to the public view on any Lot except one sign not to exceed five (5) square feet in area may be placed on a Lot to offer the property for sale or rent. Larger signs also may be used by the Declarant or a builder to advertise the Property during the construction and sale period. Political yard signs, not more than five (5) square feet, of a temporary nature will be allowed during campaign periods on Lots. Within five (5) days of the occurrence of the election, such signs must be removed from Lots. The Board may cause any sign placed on Properties in violation of this provision to be removed and destroyed with the cost thereof to be assessed to that Lot Owner.

5.5 Animals. No animals, livestock, poultry or birds of any kind shall be raised, bred or kept in any Building Lot or dwelling, or on any portion of the Property; excepted that no more than two (2) usual and ordinary household pets, such as dogs, cats, or birds may be kept outdoors, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times. Keeping dogs under reasonable control shall include keeping dogs contained within the Owner's Building Lot when not on a leash, either by sufficient fencing, an "invisible fence" type restraint system, or other equally effective means of containing the dog within the Building Lot. Outside an Owner's Building Lot, all dogs must be restrained on leashes. Owners shall keep their dogs from barking excessively in any area where such barking can be heard from outside the Building Lot. Excessive barking after receipt of a warning from the Architectural committee and/or an Owner of another Building Lot who is being affected by the noise of such barking shall be considered a nuisance, resulting in appropriate action to assure that such excessive barking is eliminated. Barking more than occasionally to alert the Owners of the need to let the dog into a house, to warn of strangers coming to the Building Lot, and the like shall be permitted. Leaving a dog outside the dwelling for prolonged periods while the dog is frequently barking will be considered excessive.

NO PIT BULLDOGS SHALL BE PERMITTED ANYWHERE ON THE PROPERTY BY ANY PERSON FOR ANY REASON AT ANY TIME, PIT BULL being defined as the American Stafford Shire Terrier by the American Kennel club or the Stafford Shire Bull Terrier by the A.K.C., or the American Pit bull Terrier by the United Kennel Club.

5.6 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from each Building Lot at each Owner's expense, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view from the dedicated streets.

5.7 Right to Lease. Except for a dwelling in possession of a lender following a default in a first mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, the respective dwellings shall not be rented by the Owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days, or (b) any rental if the occupants of the dwelling are provided customary hotel service such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Subject to the foregoing, restrictions, the Owners of the respective Building Lots shall have the absolute right to rent out the dwellings (but no less than entire dwelling) provided that the rental agreement is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration. Any failure on the part of any tenant to comply with these covenants shall

constitute a default under the terms of such rental agreement.

5.8 Landscaping. At the time construction of the exterior of each residence is completed, the front yards of each residence shall be landscaped by each Owner in substantial conformity with those homes already built and landscaped. Front Yard Landscaping must be completed within six (6) months of occupation. Rear yards must be completed within one (1) year of occupation.

5.9 Alteration and/or Improvements to Property. With the exception of work carried out to further the completion of the Property, no residence, building, fence, wall, obstruction, balcony, screen patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind, shall be commenced, erected, painted or maintained within the Property, nor shall any alteration or improvement of any kind be made thereto until the color of the same has been approved in writing by the Architectural Control Committee, described in Section 4 below and hereinafter referred to as the "Committee". Plans and specifications showing the nature, color, materials and location of such improvements or alterations shall be submitted to the Developer or Committee for approval as to the color of the external appearance of the proposed construction. Further, no construction shall be commenced on any Building Lot until the Developer or Committee shall have approved in writing, the color of the proposed construction item on the Building Lot. No permission or approval shall be required to rebuild in accordance with the original approved colors, or to rebuild in accordance with colors previously approved by the Developer or Committee for that Building Lot.

5.10 Single Family. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Building Lot other than one detached dwelling for single family occupancy only, with a private attached two-car garage. Notwithstanding the foregoing, the owner of two adjacent Building Lots may construct their dwelling across the line between their lots, or otherwise without regard to the setback requirements pertaining to the common boundary line (however, any such combination of lots shall not operate to reduce the Owner's rights and obligations with respect to each separate lot as shown on the Plat of the Property, nor to reduce the obligation to pay assessments for each of the original Building Lots so combined).

5.11 Roofs. All roofs shall be constructed of asphalt composition of good quality or tile or comparable alternate product as approved by the Architectural Control Committee.

5.12 Garages. All dwellings shall have an enclosed attached garage of at least 20 feet by 22 feet in size, with fully improved driveways to the street; with said driveways to be of a hard surface material, such as exposed aggregate, asphalt, or concrete.

5.13 Mail Boxes, etc.. Mail boxes shall be placed as required by the U.S. Postal Service in a central location. Individual mail boxes and/or newspaper receptacles will not be allowed.

5.14 Fences, Walls. No fence, wall, hedge or mass planting, other than foundation planting, may extend nearer to a street than the minimum setback line of the dwelling as constructed. However, nothing in this subparagraph shall prevent the erection of a necessary retaining wall. No wire, cyclone or metal fencing of any kind shall be permitted on any Building Lot unless approved in writing by the Architectural Control Committee.

5.15 Antenna. No radio, citizens band, or other communication antenna shall be erected upon any Building Lot or dwelling except for standard television antennas which are reasonably unobtrusive and inoffensive.

5.16 Temporary Structures. No trailer, basement, tent, shack, garage, barn, camper or other outbuilding or any structure of a temporary character erected or placed on any Building Lot shall at any time be used as a residence.

5.17 Exterior Lighting. All exterior lighting shall be low intensity and shall be limited to landscaping or structural accent lighting.

5.18 Completion Time. Any dwelling or other structure erected or placed on any Building Lot shall be completed as to external appearance, including finished painting and front and side yard landscaping pursuant to plans and specifications, all within twelve (12) months from the date of commencement of construction. The Owner of each Building Lot shall, as soon as reasonably possible after occupying the dwelling, but not to exceed one year, continue landscaping rear yard areas, in substantial conformity with other Building Lots within the Property.

ARTICLE VI:
CHELTENHAM HOMEOWNERS ASSOCIATION

6.1 Organization of Cheltenham Homeowners Association. Cheltenham Homeowners Association, the "Association", shall be initially organized by the Declarant as a Washington non-profit corporation under the provisions of the Washington code related to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration.

6.2 Membership. Each Owner, by virtue of being an owner and for so long as such ownership is maintained, shall be a Member of the Association and no Owner shall have more than one membership in the Association. Memberships in the Association, shall be appurtenant to the Building Lot or other portion of the Property owned by such Owner. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.

6.3 Voting. Voting in the Association shall be carried out by Members, once Declarant has relinquished authority over the association pursuant to Article IV of this declaration. The number of votes such Member may cast on any issue is determined by the number of Building Lots that the Member owns. Each Owner, shall have one vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall share the vote attributable to the Building Lot, but fractional will not be allowed. The right to vote may not be served or separated from the ownership of the Building Lot, to which it is appurtenant, except that any Owner may give a revocable proxy to any person. Any sale, transfer of conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the new Owner.

6.4 Power and Duties of the Association. The Association shall have the powers of a corporation organized under the corporation laws of the State of Washington applicable to non-profit corporations, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Washington law and under this Declaration, and the articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, and the affairs and the performance of the other responsibilities herein assigned, including without limitation:

6.4.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

6.4.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

6.4.3. Delegation of Powers. The authority to delegate its power and duties to committees, provided any such committee shall contain at least two Directors of the Association; and to contract for the maintenance, repair, replacement and operation of the Common Area.

6.4.4. Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

6.4.4.1 Lines, cables, wires, conduits or other devices for the transmission or provision of electricity or electronic signals for lighting, heating, power, telephone, television, communications or other purposes;

6.4.4.2 Sewers, storm drains, underground irrigation pipes, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and

6.4.4.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting common areas, public and private streets or land conveyed for any public or quasi-public purposes including, but limited to, bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years following execution of this Declaration.

6.4.5 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, including the repair and replacement of all improvements within any portion of the Common Area.

6.4.6 Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

6.4.7 Taxes and Assessments. Pay all real and personal property taxes and Assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association, in its discretion.

6.4.8 Water and other Utilities. Acquire, provide and/or pay for water, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area, and to manage all domestic, irrigation and amenity water rights and rights to receive water held by the Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

6.4.9 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Washington, and maintain in effect any insurance policy the Board, in its discretion, deems necessary or advisable, including, without limitation fire and casualty insurance, public liability insurance, directors' and officers' liability insurance, and such other insurance, including motor vehicle insurance and Worker's Compensation Insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonest of any employee or other person charged with the management or possession of any Association funds or other property.

6.4.10 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including, without limitation, the recondition of any claim of lien with the Spokane county Auditor, as more fully provided herein.

6.5 Personal Liability. To the fullest extent permitted by law, no Member of the Board, member of any committee of the Association, officer of the Association, the Declarants,

nor the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the released persons, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct. If a released person has so acted, the Association shall indemnify and hold person from any damage, loss or prejudice aforesaid, including actual defense costs and attorney's fees.

ARTICLE VII: RIGHTS TO COMMON AREAS

7.1 Use of Common Area. Every Owner shall have a right to use the Common Area; for the use it was intended, which right shall be appurtenant to and shall pass with the title to every Building Lot. The Common Area cannot be mortgaged or conveyed without the consent of the Owners of at least two-thirds (2/3) of the Building Lots, excluding Declarants. If ingress or egress to any residence is through the Common Area, any conveyance or encumbrance of such portion of the Common Area will be subject to such Building Lot Owner's easement. In furtherance of the development plan for the Property, the Declarants and the Association shall have the right to create easements and construct improvements on the Common Area, including but not limited to providing utility and storm drainfield or storm drainfield access, private streets, crossings, walkways, trails open space, and other improvements deemed desirable by the Association and/or Declarants.

7.2 Private Road and Drainage Facilities. The initial Common Areas include designated tracts for storm drainage facilities. The Common Area tracts are shown on the face of the Plat. Charges associated with inspection, maintenance, repair and reconstruction of Common Area amenities, as provided in this Declaration, shall be paid through assessments imposed pursuant to this Declaration.

Grading, construction, pavement, landscaping, and other improvements, as applicable, to open areas, drainage facilities and drainage tracts within the Property (the "Common Area Improvements") have been required to be completed in conformance with plans approved by the City of Spokane Engineer's Office. The Association shall be responsible for maintaining the Drainage Improvements, including paying the cost thereof, through assessments imposed on all Building Lots presently within or hereafter annexed into the Property. Maintenance of the Drainage Improvements constitutes an obligation running with all portions of the Property, including any additional real property subsequently annexed. Notwithstanding anything in this Declaration to the contrary, provisions regarding maintenance of the Drainage Improvements imposed hereunder, or by any separate covenants required by the City of Spokane, shall not be subject to amendment or modification without the approval of the City of Spokane. Maintenance of Drainage Improvements shall include obligations established by the Operation and Maintenance Manual prepared by the design engineer, Sawyers Engineering Consultants, and approved by the City of Spokane (the "O&M Manual"), City File #2007110, Section #07003. Compliance with any such O&M Manual will include establishment and accumulation of reserves for anticipated maintenance and repair obligations as provided in such Manual. Such amounts have been calculated to be \$18,045.00/year. It is anticipated that a reserve account will be started and established five years from the date of installation of the

improvements.

ARTICLE VIII: ASSESSMENTS

8.1 Covenant to Pay Assessments. By acceptance of a deed as real estate contract to any property in Cheltenham Addition, each Owner of such property hereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner pursuant to the provisions of the Declaration or other applicable instrument.

8.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

8.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such property beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he or she remains an Owner.

8.2 Regular Assessments. All Owners, not including the Declarants, are obligated to pay Regular Assessments to the Treasurer of the Association on a schedule of payments established by the Board.

8.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorneys' fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, including all improvements located on such areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements for the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expense").

8.2.2 Computation of Regular Assessments. The regular assessment for calendar years 2009 and 2010 shall be \$180.00 per year. During those years only, Declarants shall pay any shortfall in meeting actual amounts required in connection with obligations to be paid by regular assessments, without provision for any reserve fund accumulation. Thereafter, the Association shall compute the amount of its expenses on an annual basis. The computation of Regular Assessments for 2010 and thereafter shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association.

8.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in semi-annual or annual installments. The Regular Assessment to be paid by any particular Owner, for any given fiscal year after 2010 shall be computed as follows: Each Owner, other than the Declarants, shall be assessed and shall pay an amount computed by multiplying the Association's total advance estimate or expenses by the fraction produced by dividing the finally platted Building Lots attributable to the Owner by the total number of finally platted Building Lots in the Property.

8.3 Special Assessments.

8.3.1 Purpose and Procedure. Pursuant to the obligation of Declarants in Section 8.2.2 to cover assessment requirements above the amount specified for Owners, there shall be no special assessments required of any Owners through the end of 2010. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year after 2010 is or will be inadequate to meet the expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of improvements upon the Common Area, attorneys' fees and/or litigation costs, other professional fees, or for any other reason, the Board shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment against the Property which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the budgeted gross expenses of the association for the fiscal year, without vote or written assent of the Owners representing a majority of the votes of the Members of the Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

8.3.2 Consistent Basis of Assessment. Every Special Assessment levied by and for the Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessments for the Association.

8.4 Limited Assessment. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the governing instruments for Cheltenham Addition, including any actual costs, consultant charges and attorneys' fees. This shall expressly include the authority to levy assessments against any Building Lot Owner in violation of any of the requirements imposed on such Building Lot Owner under this Declaration. Such assessment may be made in an amount up to Twenty-Five Dollars and No/100 (\$25.00) per day, as adjusted periodically by the Board in its reasonable discretion, for each violation which remains uncorrected after thirty (30) days written notice given to such Owner from the Association. Notwithstanding anything above to the contrary, a limited assessment may be assessed against an Owner for damage to any Building Lot or portion of the Common Area within the Property caused by reason

of the negligence or willful misconduct of such Owner, such Owner's resident tenant, or such Owner's family and guests, both minor and adult; provided such liability shall not be absolute but shall be an obligation recoverable from such Owner's available insurance and shall constitute a lien against such Owner's Building Lot only.

8.5 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all members of the Association.

8.6 Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment period, the "fiscal year", shall commence on January 1 of each year and terminate December 31 of such year. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in advance.

8.7 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessment shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each monthly installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There shall accrue with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days shall accrue interest at twelve percent (12%) per annum calculated the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against the delinquent Owner and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Building Lot.

8.8 Estoppel Certificate. The Association, upon at least five (5) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot.

ARTICLE IX: ENFORCEMENT OF ASSESSMENTS; LIENS; PROCEEDINGS

9.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance

of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the owners to pay such assessments by commencement and maintenance of a suit pursuant to paragraph 8.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

9.2 Assessment Liens.

9.2.1 Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot pursuant to this Declaration together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including costs and reasonable attorney's fees incurred. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recordation of a claim of lien with the Spokane County Auditor. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

9.2.2 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Spokane County Auditor a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction or relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

9.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, its attorney or other person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of the Washington Code applicable to the exercise of powers of sale permitted by law, as though the Association were a beneficiary designated under a deed of trust executed on Deed of Trust Form LPB#22, as in effect as of the date of recording this Declaration. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Washington as trustee for the purpose of conducting such sale or foreclosure.

9.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after the following have been completed: a copy of such claim of

lien has been deposited in the United States mail, certified or registered, postage prepaid to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien; and to the person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of the Spokane County Auditor.

9.5 Subordination to Certain Trust Deeds and Mortgages. The lien for the Assessments provided for herein in connection with a given Building Lot shall be subordinate to the lien of a deed of trust or mortgage that is of record as an encumbrance against an Owner's Building Lot prior to the recordation of a claim of lien for any Assessments. Except as provided in this paragraph with respect to a trustee or mortgagee who acquires title to or a security interest in a Building Lot, the sale or transfer of any Building Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration. No mortgagee or beneficiary under a deed of trust will be required to collect assessments. Nothing in this Declaration makes failure to pay any assessment a default under any mortgage.

ARTICLE X: ARCHITECTURAL COMMITTEE

10.1 Creation. While the Declarants continue to own any Building Lot within Cheltenham Addition, the Declarant shall have all right and authority to appoint all members of the Architectural Committee and to perform all functions of the Architectural Committee hereunder, unless the Declarant shall sooner relinquish such authority to the Association in a written document signed by an authorized representative of the Declarant. Thereafter, the Association shall have an Architectural Committee consisting of that number of persons, no fewer than three nor more than five individuals, specified from time to time by resolution of the Board, at least two (2) of whom shall also be members of the Board.

10.2 Review of Proposed Construction. The Architectural Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. The Board shall have the power to determine, by rule or other written designation consistent with this Declaration, which types of improvements shall be submitted for Architectural Committee review and approval.

10.3 Architectural Committee Decisions. Decisions of the Architectural Committee and the reasons therefor shall be transmitted by the Architectural Committee to the Applicant at the address set forth in the application for approval within thirty (30) calendar days after filing all materials required by the Architectural Committee, failing which, the application shall be considered approved.

10.4 No Waiver of Future Approvals. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar

proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent. The decision of the Architectural Committee shall be final.

ARTICLE XI: ANNEXATION OF ADDITIONAL PROPERTIES

11.1 By Declarants. Declarants intend to develop the property described on Exhibit "A", and may, in Declarants' sole discretion, deem it desirable to annex additional real property to the Property covered by this Declaration. Additional real property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by declarants, its successors or assigns, at any time, and from time to time, without the approval of any Owner or the Association.

The use and development of such additional real property shall conform to all applicable land use regulations, as such regulations are modified by variances.

11.2 By the Association. In addition to the provisions concerning annexations by Declarants specified in Section 11.1 above, additional real property may be annexed to the Property, subject to the same conditions by the Association upon the exercise by Members of at least two-thirds (2/3) of the votes of the Association.

11.3 Rights and Obligations of Owners of Annexed Property. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any additional real property, all provisions contained in this Declaration shall apply to the additional real property in the same manner as if it were originally covered by this Declaration.

11.4 Method of Annexation. The addition of additional real property to the Property authorized under Sections 11.1 and 11.2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the annexed property, which shall be executed by Declarants or the Owner thereof and which shall annex such property to the Property.

11.5 Deannexation. Declarants may delete all or a portion of the real property described on Exhibit "A", or any previously annexed real property, from the Property and from coverage of this Declaration and jurisdiction of the Association, so long as Declarants have an interest in such property to be deleted, and provided that a Supplemental Declaration of Deletion of Property is recorded in the Office of the Spokane County Auditor in the same manner as a Supplemental Declaration of Annexation. Members other than Declarants as described above shall not be entitled to deannex all or any portion of the Property except on the favorable vote of two-thirds (2/3) of all members of the Association and written approval of Declarants so long as Declarants own any portion of the property described on Exhibit "A" or any other real property which is then part of the Property.

11.6 In the event there is ever a separate class of membership held by the Declarants, such as a "Class B" membership, then notwithstanding anything in this Declaration to the contrary, annexation of additional properties, dedication of Common Area, and amendment of this Declaration will require prior approval of the United States Department of Housing and Urban Development and the Veterans Administration.

ARTICLE XII: EASEMENTS

12.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Building Lots due to minor unintentional wrongful placement or settling or shifting of the improvements including but not limited to structures, walkways, paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the improvements. Provided, however, in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph.

12.2 Easements of Access. All Owners of Building Lots will have a perpetual easement for access, ingress and egress over the Common Area, including but not limited to any private streets, cul-de-sacs and walkways. This easement shall run with the land. Such easements may be used by the Declarants, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

12.3 Drainage and Utility Easements. Declarants expressly reserve for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots, and Common Areas, resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarants for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Declarants hereby reserve for the benefit of the Association the right to grant additional easements and rights-of-way over the Property, as appropriate, to utility companies and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Building Lot in the Property to an Owner.

12.3.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any improvements upon any drainage or utility easement areas as shown on the Plat of Cheltenham Addition or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose. Provided, however that the Owner of such Building Lots and the Declarants, the Association or designated entity with regard to the landscaping easement described in the Article, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the Architectural Committee, so long as the same would not interfere with or prevent the easement

areas from being used for their intended purposes. Provided further, that any damage sustained to improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot whose improvements were so damaged.

ARTICLE XIII: MISCELLANEOUS

13.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run for a term of twenty (20) years from the date this Declaration is recorded, unless amended as herein provided. Thereafter, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended, revised or extinguished by a written instrument as provided in Section 13.2. Except that the Homeowners Association is responsible for the perpetual operation and maintenance of the private storm water facilities and the Homeowners Association cannot be extinguished without there being some other mechanism in place to maintain the facilities.

13.2 Amendment. Except where a greater percentage is required by express provision in this Declaration, and except as provided in Section 7.2 regarding the Drainage Improvements which shall not be amended or modified without the consent of the City of Spokane, the provisions in this Declaration may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Owners representing more than two-thirds (2/3) of the votes of Owners of Building Lots, excluding the Declarants. Any such amendment shall be effective upon its recordation with the Spokane County Auditor.

13.3 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph.

13.4 Enforcement and Non-Waiver.

13.4.1 Right of Enforcement. Each Owner of any Building Lot, the Declarants, and the Association shall each have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.

13.4.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action by the Declarants, the Association or any Owner of a Building Lot(s) within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Declarants, the Association, the

Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

13.4.3 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law or equity.

13.4.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

13.4.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

13.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Washington.

13.7 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 19th day of February, 2009.

DECLARANT

INLAND PACIFIC DEVELOPMENT, L.L.C.

By: 
Richard T. Dahn

Its: Manager

STATE OF WASHINGTON)
)ss.
COUNTY OF SPOKANE)

On this 19th day of February, 2009 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **RICHARD T. DAHM** to me known to be the Manager of **INLAND PACIFIC DEVELOPMENT, L.L.C.**, A Washington Limited Liability Company, the company that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument.

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

Sandra J. Butler
NOTARY PUBLIC in and for the State of
Washington, residing at Spokane, Wa
My commission expires: 9-1-2009
Printed Name: Sandra J. Butler



CC&RChel#2.wpd

EXHIBIT "A"

Legal Description

A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 24,
TOWNSHIP 26 NORTH, RANGE 42 EAST, W.M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SECTION CORNER OF SAID SECTION 24; THENCE SOUTH
89°54'04" EAST, ALONG THE EAST/WEST CENTER OF SECTION LINE A DISTANCE OF 1321.31 FEET
TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION
24; THENCE NORTH 00°01'17" WEST, ALONG SAID EAST LINE A DISTANCE OF 30.00 FEET TO THE
NORTHERLY RIGHT OF WAY LINE OF STRONG ROAD AND THE POINT OF BEGINNING; THENCE
CONTINUING NORTH 00°01'17" WEST, ALONG SAID EAST LINE A DISTANCE OF 1287.93 FEET TO THE
NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID
SECTION 24; THENCE NORTH 89°45'50" WEST, ALONG THE NORTH LINE OF SAID SOUTHWEST
QUARTER OF THE NORTHEAST QUARTER A DISTANCE OF 249.90 FEET; THENCE SOUTH 00°14'10"
WEST, A DISTANCE OF 120.00 FEET; THENCE SOUTH 00°32'52" EAST, A DISTANCE OF 60.00 FEET;
THENCE SOUTH 00°14'10" WEST, A DISTANCE OF 240.00 FEET; THENCE SOUTH 00°56'26" EAST, A
DISTANCE OF 60.01 FEET; THENCE SOUTH 00°14'10" WEST, A DISTANCE OF 120.00 FEET; THENCE
NORTH 89°38'06" WEST, A DISTANCE OF 77.57 FEET; THENCE SOUTH 03°29'27" EAST, A DISTANCE
OF 459.36 FEET; THENCE NORTH 87°55'20" WEST, A DISTANCE OF 355.17 FEET; THENCE SOUTH
16°30'55" WEST, A DISTANCE OF 19.19 FEET; THENCE SOUTH 90°00'00" EAST, A DISTANCE OF
122.02 FEET; THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 66.00 FEET; THENCE SOUTH
90°00'00" EAST, A DISTANCE OF 208.37 FEET; THENCE SOUTH 00°01'39" EAST, A DISTANCE OF
158.86 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STRONG ROAD; THENCE
SOUTH 89°54'04" EAST, ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 330.32 FEET TO THE
POINT OF BEGINNING;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.