

After recording, return to:

Zachary H. Stoumbos
 P.O. Box 1086
 Vancouver, WA 98666

Real Estate Excise Tax
 Ch. 11 Rev. Laws 1951
 EXEMPT
 Affd. # _____ Date 2/4/05
 For Details of tax paid see
 Affd. # _____
 Doug Lasher
 Clark County Treasurer
 By _____ Deputy

Tax Lot 106300-000 & 106330-000 Space Above for Recording Information Only
 Section 7, T2N, R2E W.M.
 Grantor/Grantee: Talbitzer Construction, LLC

**DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,
 RESERVATIONS AND EASEMENTS FOR BLOSSOMWOOD FARM**

THIS DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS,
 RESERVATIONS AND EASEMENTS is made and executed this 3 day of
February 2005, by Talbitzer Construction, LLC, a Washington limited liability
 company ("Declarant").

Declarant is the owner of real property legally described on Exhibit "A" attached
 hereto and incorporated herein by this reference. The entire property described on Exhibit
 "A" is referred to herein as the "Property".

Declarant desires to create a general plan of development of the Property for the
 mutual benefit of all future owners. This Declaration further establishes certain restrictions
 on the various uses and activities that may be permitted on the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held,
 sold, and conveyed subject to the following covenants, conditions, restrictions and easements,
 which shall run with the Property and shall be binding upon all parties having or acquiring
 any right, title or interest in the Property or any part thereof, and shall inure to the benefit of
 each owner thereof.

DECLARATION AND COVENANTS FOR
 BLOSSOMWOOD FARM - 1

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Article 1
INTERPRETATION

1.1 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating mutually beneficial restrictions under a general plan of improvement for the benefit of all Unit Owners within the Property.

1.2 Covenant Running with Land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1.3 Percentage of Unit Owners or Mortgagees. For purposes of determining the percentage of Unit Owners or Mortgagees, or percentage of voting power for, approving a proposed decision or course of action in cases where a Unit Owner owns, or a Mortgagee holds mortgages on, more than one (1) Unit, such Unit Owner shall be deemed a separate Unit Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

1.4 Declarant is Original Owner. Declarant is the original owner of all Units and the Property and will continue to be deemed the owner thereof except upon recordation of Conveyances or documents changing such ownership regarding specifically described Units.

1.5 Captions and Exhibits. Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various Exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth herein where such reference is made.

Article 2
DEFINITIONS

When used in this Declaration, the following terms shall have the following meanings:

2.1 "Assessment" means all sums chargeable by the Association against a Unit, including, without limitation:

2.1.1 regular and special Assessments for Common Expenses, charges, and fines imposed by the Association;

2.1.2 interest and late charges on any delinquent account; and

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2.1.3 costs of collection, including reasonable attorney fees, incurred by the Association in connection with the collection of a delinquent Unit Owner's account.

2.2 "Association" means the association of Unit Owners established pursuant to Article 3 hereof.

2.3 "Board of Directors" or "Board" means the board of directors of the Association established pursuant to the Bylaws and Article 4 hereof

2.4 "Bylaws" means the Bylaws of the Association as provided for in Article 3 hereof.

2.5 "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of members of the Board of Directors, as provided in Section 11.1.5 below.

2.6 "Common Elements" means all land owned by the Association other than the Units. As depicted on the Plat Map, Tracts B and D shall be Common Elements owned by the Association. Tracts B and D are subject to a Covenant with Clark County that no development will be allowed on said Tracts.

2.7 "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

2.8 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit.

2.9 "Conveyance," "Convey," or "Conveyed" means any transfer of the ownership of a Unit, including a transfer by deed, Foreclosure or by real estate contract but shall not include a transfer solely for security.

2.10 "Declarant" means Talbitzer Construction, LLC, a Washington limited liability company, its successors and assigns.

2.11 "Declarant Control" means the right, if expressly reserved by this Declaration, of Declarant or persons designated by Declarant to appoint and remove Association officers and Board members, or to veto or approve a proposed action of the Board or Association; provided, that in no event shall exercising the voting rights allocated to a Unit or Units owned by Declarant be deemed "Declarant Control."

DECLARATION AND COVENANTS FOR
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2.12 "Declaration" means this Declaration and any amendments thereto.

2.13 "Dispose" or "Disposition" means a voluntary transfer or Conveyance to a purchaser or lessee of any legal or equitable interest in a Unit, but does not include the transfer or release of a security interest.

2.14 "Eligible Mortgagee" means the holder of a Mortgage on a Unit that has filed with the Secretary of the Association a written request that he/she/it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

2.15 "Foreclosure" means a forfeiture or judicial or nonjudicial foreclosure of a Mortgage, or a deed given in lieu thereof.

2.16 "Manager" means the Person retained by the Board to perform such management and administrative functions and duties as are delegated to such Person and as are provided in a written agreement between such Person and the Association.

2.17 "Mortgage" means a mortgage or deed of trust that creates a lien against a Unit, and also means a real estate contract for the sale of a Unit.

2.18 "Mortgagee" means the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Unit created by Mortgage, and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Unit.

2.19 "Mortgagee of a Unit" means the holder of a Mortgage on a Unit, which Mortgage was recorded simultaneous with or after the recordation of this Declaration.

2.20 "Person" means a natural person, corporation, partnership, limited partnership, trust, limited liability company, governmental subdivision or agency, or other legally recognized entities.

2.21 "Property" or "Real Property" means any fee, leasehold or other estate or interest in, over, or under the land described in Exhibit "A", including, buildings, structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a Conveyance of land although not described in the contract of sale or instrument of conveyance. "Property" or "Real Property" includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water, and all personalty intended for use in connection therewith.

2.22 "Purchaser" means any person, other than Declarant, who by means of a Disposition acquires a legal or equitable interest in a Unit other than:

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2.22.1 a leasehold interest, including renewal options, of less than twenty (20) years at the time of creation of the Unit, or

2.22.2 as security for an obligation.

2.23 "Residential Purposes" means use for dwelling or recreational purposes, or both.

2.24 "Special Declarant Rights" means rights of Declarant, if expressly reserved in this Declaration for the benefit of Declarant, to:

2.24.1 complete improvements indicated on the Plat Map recorded with the Declaration;

2.24.2 maintain sales offices, management offices, signs advertising the development, and model units;

2.24.3 use easements through the Common Elements for the purpose of making improvements within the Property;

2.24.4 appoint or remove any officer of the Association or any member of the Board, or to veto or approve a proposed action of the Board or Association, during any period of Declarant Control.

2.25 "Plat Map" means the survey map of the subdivision recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.

2.26 "Blossomwood Farm Homeowner's Association" means the nonprofit corporation governing property owners, including but not limited to, the Unit Owners herein.

2.27 "Unit" means the physical lot as depicted on the Plat Map and all structures constructed thereon.

2.28 "Unit Owner" or "Owner" means Declarant or such other Person who owns a Unit, but does not include a Person who has an interest in a Unit solely as security for an obligation. "Unit Owner" or "Owner" means the vendee, not the vendor, of a Unit under a real estate contract.

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Article 3
ASSOCIATION OF UNIT OWNERS

3.1 Organization. Upon the recording of this Declaration, an association of Unit Owners shall be organized and established to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the subdivision. The name of this Association shall be "Blossomwood Farms Homeowner's Association." The Association shall be organized as a nonprofit corporation under the laws of the state of Washington.

3.2 Membership.

3.2.1 Qualification. Each Unit Owner (including Declarant) shall be a member of the Association and shall be entitled to one (1) membership for each Unit so owned; provided, that if a Unit is sold on contract, the contract purchaser/vendee shall exercise the rights of the Unit Owner for purposes of the Association, this Declaration, and the Bylaws of the Association, except as expressly limited herein, and shall be the voting representative unless otherwise specified. Membership in the Association shall at all times consist exclusively of Unit Owners (including, Declarant and contract purchasers/vendees).

3.2.2 Transfer of Membership. The Association membership of each Unit Owner (including Declarant) shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Unit, and then only to the transferee of title to such Unit. 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 appurtenant thereto to the new Unit Owner thereof.

3.3 Voting. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

3.3.1 Class "A". Class "A" Members shall be all Unit Owners with the exception of the Class "B" Member, if any. Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership; there shall be only one (1) vote per Unit. In any situation where a Member is entitled personally to exercise the vote for his or her Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to the meeting. In the absence of such advise, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.



3.3.2 Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in this Declaration and in the Bylaws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in the Bylaws. The Class "B" Membership shall terminate and become converted to Class "A" Membership upon the earlier of:

3.3.2.1 Expiration of the Class "B" Control Period pursuant to the Bylaws;

3.3.2.2 When seventy-five percent (75%) or more of the Units are owned by Persons other than the Declarant and builders or developers holding title for the purpose of development and resale; or

3.3.2.3 When, in its discretion, the Declarant so determines.

3.4 Adoption of Bylaws. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association. A copy of the proposed Bylaws of the Association is attached hereto as Exhibit "B".

Article 4
MANAGEMENT OF ASSOCIATION

4.1 Administration. The administration of the Association shall be in accordance with the provisions of this Declaration, the Articles of Incorporation, and the Bylaws of the Association which are incorporated herein by this reference.

4.2 Board of Directors. Upon recording of this Declaration, Declarant will appoint an interim Board of Directors and officers of the Association, which Directors and officers shall serve until their successors have been elected as provided in the Bylaws.

4.3 Limitation on Authority of Board of Directors.

4.3.1 In General. The Association, acting by and through the Board of Directors, or a Manager appointed by the Board, shall have the powers and authority permitted to the Association through the Act and the Bylaws, except as limited herein.



4.3.2 Capital Improvements. The Board of Directors shall have no authority to make capital additions or improvements, or to pay for the same out of Association funds (except for purposes of restoring, repairing or replacing portions of the Common Elements) having a total cost in excess of Five Hundred Dollars (\$500), unless the Unit Owners have authorized the expenditures by a vote of sixty-seven percent (67%) of the majority of the voting rights present, in person or by proxy, at a meeting of the members of the Association called for such purpose.

4.3.3 Employment of Legal Counsel. The Board of Directors shall have no authority to employ legal counsel, institute, defend or intervene in litigation or administrative proceedings in its own name in behalf of itself or Unit Owners on matters affecting the Property except upon a unanimous vote of the Board. The Board may not incur or commit the Association to incur legal fees in excess of One Thousand Dollars (\$1,000) for any specific matter unless the Unit Owners have authorized the expenditure by a vote of sixty-seven percent (67%) of the majority of the voting rights present, in person or by proxy, at a meeting of the members of the Association called for such purpose.

Article 5

RESTRICTIONS ON USE, OCCUPANCY, AND ALIENATION

5.1 Residential Purposes. Each Unit is to be used only in the following manner:

5.1.1 for Residential Purposes, including sleeping, eating, food preparation for on-site consumption by occupants and guests of occupants, entertaining by occupants of personal guests, and similar activities commonly conducted within a residential dwelling, without regard to whether the Unit Owner or occupant resides in the Unit as a primary or secondary personal residence, on an ownership, rental, lease or invitee basis;

5.1.2 for such other reasonable ancillary purposes commonly associated with residential dwellings and otherwise in compliance with this Declaration (as amended), the Bylaws, and applicable law; and

5.1.3 for purposes of operating and managing the Association. No commercial activities of any kind shall be carried on in any Unit without the consent of the Board, except activities relating to the rental or sale of Units; provided that the foregoing shall not be construed so as to prevent or prohibit a Unit Owner or occupant from maintaining his/her professional personal library, keeping his/her personal business or professional records or accounts, handling his/her personal business or professional telephone calls, or conferring with business or professional associates, clients or customers, in such Unit Owner's or occupant's Unit.

5.2 Parking Restrictions. All items and equipment, including campers, boats, motorcycles, trailers, motorhomes, jet skis, wave runners, and other recreational vehicles or equipment shall be stored in the Unit owner's garage or off the Property. The Board may require removal of any vehicle (and any other item or equipment) improperly parked or stored; if same is not promptly removed upon request, the Board shall cause removal at the risk and expense of the owner thereof. Use of all Common Elements and Property may be regulated by rules and regulations promulgated by the Board from time to time.

5.3 Driveway Parking Restrictions. Driveways may be used for parking of automobiles (including light trucks) by the occupants of the Unit or Units to which the driveways are allocated, provided that such parking shall not block all or any part of any sidewalk which adjoins such driveway, or a common driveway area.

5.4 Animals. No animals of any sort shall be raised, kept or permitted within a Unit, except a total of two (2) domestic household pets, such as domestic dogs less than forty (40) pounds, or cats, to be kept within a Unit. No such dogs, cats or other domestic household pets shall be permitted to run at large nor shall be kept, bred or raised for commercial purposes or in unreasonable numbers. The keeping of such dogs, cats or other domestic household pets shall be subject to all applicable rules and regulations promulgated by the Board from time to time. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective owners thereof, and owners shall be responsible for removal of all pet debris of their animals. All dogs shall be carried or kept on a leash while outside a Unit. No pet shall be permitted to cause or create a nuisance or unreasonable disturbance or noise. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds disturbing other Unit Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain.

5.5 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on in any Unit or Common Element, nor shall anything be done or placed therein or thereupon which may be or become an interference with, or jeopardize the enjoyment of, other Units or the Common Elements, or which is a source of annoyance or nuisance to residents of the Association. All residents of the Association shall exercise extreme care not to make noises which may disturb other residents, including the use of musical instruments, radios, televisions, stereos and amplifiers. No refuse, garbage, trash, rubbish or other waste of any kind shall be thrown, placed or kept in any part of the Units except in sanitary containers within disposal facilities provided for such purpose. No garments, rugs or other similar items shall be hung from windows, doors, facades, porches, patios, decks, or otherwise displayed in public view. No unlawful use shall be made of the Units nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

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5.6 Exterior Lighting, Noisemaking Device, or Antenna. Except with the written consent of the Board, no exterior lighting, noisemaking device, antenna, transmitting tower, or like equipment and instruments shall be installed, affixed or otherwise maintained on or about any exterior portion of any Unit.

5.7 Exterior Appearance. In order to preserve a uniform and attractive appearance of the Units visible to the public, the Board shall require the painting and other decorative finish of the Units, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the Units undertaken or proposed by any Unit Owner. This authority of the Board extends to screens, doors, awnings, rails, windows, decks, patios, and any other portions of the Units visible to the public. All basketball hoops and backboards, clothes lines, air conditioning units, garbage cans, recycling bins and other similar items on Units shall be located or screened so as to be concealed from view of neighboring Units, streets and property located adjacent to the Unit.

5.8 Signs. Unless written approval is first obtained from the Board, no sign of any kind shall be displayed or otherwise be made visible to the public on or from any Unit; provided, that the Board shall, by and subject to appropriate rules and regulations, permit a Unit Owner to temporarily place a sign at the Unit, indicating that a Unit is for sale; and provided, that this Section 5.8 shall not apply to Declarant in exercising any Special Declarant Right reserved by Declarant under this Declaration or in placing signs on or about the Property to advertise Units for sale or lease.

5.9 Rental Units. For purposes of this Declaration, "leasing" is defined as regular, exclusive occupancy of a Unit by a person or persons other than the Unit Owner for which the Unit Owner receives any consideration or benefit, including, but not limited to a fee, service, or gratuity. All leases shall be in writing and shall be for an initial term of no less than one (1) year, except with prior written consent of the Board of Directors. The Unit Owner must make available to the lessee copies of this Declaration, the Bylaws and rules and regulations. All leases shall be deemed to provide that the tenant, by occupancy of the Unit, agrees to the applicability of this Declaration and agrees to abide by all terms and provisions located herein and in the rules and regulations promulgated by the Board, both as amended. The Unit Owner shall be responsible for the assessments, fines and charges accrued by their tenant.

5.10 Unoccupied Units. Owners of unoccupied Units shall maintain the Units in a clean, fire safe condition, including maintaining grass and trees in a condition equal to that which existed at the time of the Unit purchase. In the event a condition exists inconsistent with this or any other restriction herein, any person entitled to hereunder may use the legal powers as set forth in this Declaration to correct said inconsistent condition.



5.11 Sight Distance. All property located at street intersections shall be landscaped so as to permit a clear line of vision across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

5.12 Association Rules and Regulations. The Board may, from time to time, adopt, amend, or revoke rules and regulations governing the conduct of Persons and the operation and use of the Units and Common Elements, as it may deem necessary or appropriate in order to insure compliance with the general guidelines of this Article 5 and to assure the peaceful and orderly use and enjoyment of the Property. Such action may be modified or revoked by vote of not less than seventy-five percent (75%) of the voting rights present, in person or by proxy, at any meeting of Association members, the notice for which shall have stated that such modification or revocation of rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be promptly delivered by the Secretary of the Association to each Unit Owner and shall be binding upon all Unit Owners and occupants of all Units from the date of delivery.

Article 6
COMMON EXPENSES AND ASSESSMENTS

6.1 Estimated Expenses. Within sixty (60) days prior to the beginning of each fiscal year of the Association, the Board: shall estimate the charges including Common Expenses, and any special charges for particular Units to be paid during such year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as the maintenance, repair and replacement of Common Elements; and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular monthly Assessments a reserve fund for replacement of those Common Elements which can reasonably be expected to require replacement or a 'major' repair. The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace, or perform such major repair, to each Common Element covered by the fund at the end of the estimated useful life of each such Common Element. The initial Board, whether appointed by Declarant or elected by Unit Owners, may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any Owner's Assessment), the Board may at any time levy a further Assessment, which shall be assessed to the Owners according to Sections 6.4 and 6.5. Similarly, if the sum estimated and budgeted, and being collected and/or already collected, at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in

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excess of current needs and required reserves) against future Assessments and/or refund such excess funds.

6.2 Payment by Owners. Each Owner shall be obligated to pay his/her/its share of Common Expenses and special charges made pursuant to this Article to the Treasurer of the Association in equal monthly installments on or before the first day of each month during the Association's fiscal year, or in such other reasonable manner as the Board shall designate. No Owner may exempt himself/herself from liability for payment of Assessments for any reason, including waiver of use or enjoyment of any of the Common Elements or abandonment of the Owner's Unit.

6.3 Commencement of Assessments. Declarant, in the exercise of its reasonable discretion, shall determine when the Association shall commence making Assessments; provided, that in all events Assessments shall commence on a date within sixty (60) days after the earlier of:

6.3.1 the date six (6) months after the date of first Conveyance of a Unit to an Owner (other than Declarant or an affiliate of Declarant); or

6.3.2 the date on which seventy-five percent (75%) of the Units which may be created have been Conveyed to Owners (other than Declarant or an affiliate of Declarant).

Until the Association makes an Assessment, Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Units, based on a budget adopted by the Association; provided, for a period not to exceed twelve (12) months following the date of first Conveyance of a Unit to an Owner other than Declarant or an affiliate of Declarant, the Board (whether appointed by Declarant or elected by Unit Owners) may elect not to collect monthly Assessments estimated as provided in Section 6.1 and instead elect to collect and expend monthly Assessments based on the actual costs of maintaining, repairing, operating and insuring the Common Elements.

6.4 Allocated Liability. Except as provided below, all Common Expenses will be assessed equally against all owners. Any past due Assessment or installment thereof bears interest at the rate established by the Association pursuant to Section 6.7.8.

6.5 Owner Misconduct. To the extent that any Common Expense is caused by the misconduct of any Unit Owner, or the Unit Owner's failure to comply with the provisions of this Declaration, the Association shall assess that expense against the Owner's Unit.

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6.6 Reallocation. If Common Expense Liabilities are reallocated, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

6.7 Lien for Assessments.

6.7.1 Lien. The Association has a lien on a Unit for any unpaid Assessments levied against such Unit from the time the Assessment is due.

6.7.2 Priority. A lien under this Article shall be prior to all other liens or encumbrances on a Unit except:

6.7.2.1 liens for real property taxes and other governmental assessments or charges against the Unit;

6.7.2.2 a Mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent; and

6.7.2.3 liens and encumbrances recorded before the recording of the Declaration.

6.7.3 Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Washington law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

6.7.4 Limitation on Action. A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three (3) years after the unpaid Assessments sought to be recovered becomes due.

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6.7.5 Foreclosure. The lien arising under this Article 6 may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW Chapter 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.

6.7.6 Owner Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary Conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums. 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 Article 6.

6.7.7 Late Charges. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all 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 Assessment becomes delinquent.

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

6.7.9 Assessment Certificate. The Association, upon written request, shall furnish to a Unit 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 Unit Owner, unless and to the extent known by the recipient to be false.

6.8 Acceleration of Assessments. In the event any monthly Assessment or special charge attributable to a particular Unit remains delinquent for more than sixty (60) days, the



Board may, upon fifteen (15) days' written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly Assessments and special charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.

Article 7

MAINTENANCE, REPAIR, REPLACEMENTS AND ALTERATIONS

7.1 Responsibility for Maintenance. The necessary work to maintain, repair or replace the Common Elements shall be the responsibility of the Association and shall be carried out as and in the manner provided for in the Bylaws. The Association shall also be responsible to maintain Tract "E" as a landscape buffer as depicted on the Plat Map. Clark County shall own and be responsible to maintain Tract "A". The owners of Units 19, 20 and 21 shall be responsible for maintenance and repair of Tract "C". The Owner of Unit 13 is allowed an easement for ingress and egress over the flag portion of Unit 14, as depicted on the Plat Map and both parties shall share in the maintenance and repair of said driveway. The necessary work to maintain, repair or replace any portion of a Unit, or any desired alterations, improvements or modifications to any portion of a Unit shall be the responsibility of the Unit Owner, and shall be carried out as and in the manner provided for in the Bylaws.

7.2 Party Walls and Party Fences. Each wall or fence built which shall serve and separate any two (2) adjoining Units shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

7.3 Mortgagee's Rights upon Failure to Maintain. If the Mortgagee of any Unit determines that the Board is not providing an adequate maintenance, repair and replacement program for the Common Elements, such Mortgagee, at its option, may give notice to the Board by delivering same to the Secretary of the Association, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within ninety (90) days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the Secretary of the Association that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.



Article 8
INSURANCE

8.1 In General. Commencing not later than the time of the first Conveyance of a Unit to a person other than Declarant, the Association shall maintain, to the extent reasonably available:

8.1.1 Property Insurance. A blanket all-risk casualty insurance, if reasonably available, for all insurable improvements in the Common Elements.

8.1.2 Liability Insurance. A public liability policy covering the Common Elements, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members, Agents or any other person who has a right to occupy a Unit. The public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Two Million Dollar (\$2,000,000.00) limit per occurrence, if reasonably available.

8.1.3 Other. Such other insurance (including Directors and officers liability) as the Board deems advisable, or as is required by Federal lending policies.

8.2 Premium. Premiums for all insurance on the Common Elements shall be Common Expenses of the Association and shall be included in the Common Assessment. The policies may contain a reasonable deductible. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

8.3 Coverage Not Available. If the insurance described in Section 8.1 is not reasonably available, or is modified, canceled, or not renewed, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by first class United States mail to all Unit Owners, to each Eligible Mortgagee, and to each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. The Association in any event may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.

8.4 Required Provisions. Insurance policies carried pursuant to this Article 8 shall:

8.4.1 provide that each Unit Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or, membership in the Association.



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

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

8.4.4 provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, that policy shall be brought into contribution with the Association's policy;

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

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

8.4.7 contain, if available, an agreed amount and Inflation Guard Endorsement.

8.5 Claims Adjustment. Any loss covered by the property insurance under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of the Bylaws, 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 damaged property has been completely repaired or restored.

8.6 Owner's Additional Insurance. Unit Owners are strongly encouraged to maintain liability and "all-risk" insurance on their Units and personal property.

8.7 Certificate. An insurer that has issued an insurance policy under this Article 8 shall issue certificates or memoranda of insurance to the Association and, upon written

request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of RCW Chapter 48.18 pertaining to the cancellation or nonrenewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of the Act.

8.8 Notification of Sale of Unit. Promptly upon the Conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the Conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under Article 8 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

Article 9 EASEMENTS

9.1 In General. There is hereby reserved unto Declarant, so long as Declarant owns any Property, the Association, and the designees of each (which may include, without limitation, Clark County, Washington and any utility) blanket easements upon, across, over and under all the Property for ingress, egress, installation, replacing, repairing and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, entry features, and all other portions of the Common Elements, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Unit Owner or occupant thereof. Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units and the Common Elements for ingress, egress, installation, reading, replacing, repairing and maintaining water meter boxes. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Property without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Property.

9.2 Plat Easements. The easements shown on the Plat shall be permanent and shall benefit and burden the Property as indicated on the Plat. Such easements shall run under, over, and across the Property as shown on the Plat, for the purposes indicated upon the Plat. The public and private utility easements shown on the Plat shall be for the purpose of

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erecting, installing, constructing, maintaining, and operating sewers and drainage and irrigating systems, and pipe, wires, cables and conduits for lighting, heating, power, telephone, and any other method of conducting and performing any public or quasi-public utility service or function beneath, upon, or above the surface of such Property. Within these easements, no structure, fence, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of such utilities or facilities, or which may change the direction of flow of water through a drainage channel or facilities in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. However, with prior written approval by the Board, an Owner may place removable structures or place surface coverings such as asphalt or concrete on this easement area or install fencing, plant shrubbery in this area or otherwise landscape this area, if the Owner agrees to remove same at Owner's expense whenever it is necessary to have access to the surface or sub-surface property(s) within the easement for the purpose specified herein. The Owner shall be responsible for maintaining and repairing any permitted items the Owner places in the easement area on the Owner's Unit. Any utility facilities shall be maintained, repaired and replaced solely by the benefited party who placed them in the easement area except to the extent they are damaged through the fault of an Owner.

9.3 Encroachments. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and such portion or portions of the Common Elements as are adjacent thereto and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of these Declarations) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Elements or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of a Unit Owner, occupant or the Association.

9.4 Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement in, through, over, under, across and upon the Common Elements as may be reasonably necessary for the purpose of constructing and completing or making repairs to existing structures, for the purpose of carrying out sales and rental activities necessary or convenient for the sale or rental of Units, including, without limitation, the right to use the Units owned by Declarant as model units and the right to use a Unit as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any Special Declarant Rights.

Article 10
MORTGAGEE PROTECTION

10.1 FHMLC Provisions. The Association shall not take the following actions unless at least sixty-seven percent (67%) of the first Mortgagees or Members representing at least sixty-seven percent (67%) of the total Association vote entitled to be cast thereon consent:

10.1.1 Combine, partition or subdivide any Unit or abandon, partition, subdivide, encumber or sell any Common Elements

10.1.2 Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Unit;

10.1.3 Fail to maintain insurance as required by this Declaration; and

10.1.4 Use hazard insurance proceeds for any Common Element losses for other than the repair, replacement, or reconstruction of such property.

10.2 Payment of Charges. First Mortgagees may pay taxes or other charges which are in default and which may or have become a charge against the Common Elements and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association's policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

10.3 Copies of Notices. A Mortgagee of a Unit (and any insurer or guarantor of such Mortgage) shall be entitled to receive timely written notice:

10.3.1 that the Unit Owner/Mortgagor of the Unit has for more than sixty (60) days failed to meet any obligation under this Declaration, the Bylaws, and the rules and regulations promulgated by the Board, as all of the same may be amended from time to time;

10.3.2 of all meetings of the Association and be permitted to designate a representative to attend all such meetings;

10.3.3 of any condemnation loss or casualty loss affecting a material portion of the Property or the Unit on which it holds a Mortgage;

10.3.4 of any lapse, cancellation or material modification of insurance policies or fidelity bonds maintained by the Association; and

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10.3.5 of any proposed action that requires the consent of a specific percentage of Mortgagees.

To be entitled to receive notices under this Section 10.3, the Mortgagee (or Mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the address of the Unit on which it has (or insures or guarantees) the Mortgage.

10.4 Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Declaration conferring rights upon Mortgagees which is inconsistent with any other provision of this Declaration or the Bylaws shall control over such other inconsistent provisions.

10.5 Inspection of Books. Unit Owners, Mortgagees, insurers and guarantors of any Mortgage on any Unit shall be entitled: to inspect at all reasonable hours of weekdays (or under other reasonable circumstances) all of the books and records of the Association including current copies of the Declaration, Bylaws and other rules and regulations governing the Association, and other books, records and financial statements of the Association (within a reasonable time following request); and, upon written request of any holder, insurer or guarantor of a first Mortgage, at their expense, and to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

10.6 HUD/VA Provisions. Anything to the contrary in this Declaration notwithstanding, the following requirements of HUD and/or VA (collectively "HUD/VA") shall control:

10.6.1 The lien of any assessment is subordinate to the lien of any first Mortgage, as more particularly set forth in Section 6.7.3.

10.6.2 Mortgagees are not required to collect assessments.

10.6.3 Failure to pay assessments shall not constitute a default under any insured Mortgage.

10.6.4 Approval by members representing at least sixty-seven percent (67%) of the total Class "A" votes is required to amend this Declaration as more particularly set forth in Article 13. Amendment of this Declaration also requires prior approval by HUD/VA as long as there is a Class "B" Membership.

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10.6.5 The Common Elements cannot be mortgaged or conveyed without the approval of members representing at least sixty-seven (67%) percent of the total Class "A" vote (excluding the Declarant). The dedication of Common Elements also requires prior approval by HUD/VA as long as there is a Class "B" Membership.

10.6.6 If ingress or egress to any Unit is through Common Elements, any conveyance or encumbrance of such area is subject to the easement of the Owner of the Unit.

10.6.7 The Common Area shall be conveyed to the Association free and clear of all encumbrances (except easements, conditions and restrictions of record) before HUD insures the first Mortgage on the Properties, and any provision in this Declaration conflicting with the foregoing HUD requirement shall have no force or effect.

10.6.8 Absolute liability is not imposed on Owners of Units for damage to Common Area or to Units.

10.6.9 Annexation of any other real property to this Association shall require prior approval by HUD/VA approval as long as there is a Class "B" Membership.

10.7 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

10.8 Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

10.9 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.



Article 11
SPECIAL DECLARANT RIGHTS

11.1 Special Declarant Rights. As more particularly provided in this Article, Declarant, for itself and its successors and assigns, reserves the following Special Declarant Rights:

11.1.1 Completion of Improvements. Declarant, its agents, employees and contractors shall have the right to complete improvements and otherwise perform work: authorized or directed by this Declaration and any amendments thereto; authorized or directed by the Bylaws; indicated on the Plat Map and any amendments thereto; authorized or directed by any building permits; provided for under any purchase and sale agreement between Declarant and a Purchaser of a Unit; necessary to satisfy any express or implied warranty under which Declarant is obligated; or otherwise authorized or required by law.

11.1.2 Sales and Management Offices. Declarant, its agents, employees and contractors shall be permitted to establish and maintain in any one (1) or more Units still owned by Declarant and in any Common Elements (other than Limited Common Elements assigned or reserved to Units not owned by Declarant), such facilities as in the sole opinion of Declarant may be required, convenient or incidental to the construction, sale or rental of Units and appurtenant interests, including but not limited to: business offices; management offices; sales and rental offices; construction offices; storage areas; signs; model units; and parking areas for all agents, employees, contractors, prospective tenants or Purchasers of Declarant. The number, size, location, and relocation of all such facilities shall be determined from time to time by and in the sole discretion of Declarant; provided, that the maintenance and use of such facilities shall not unreasonably interfere with a Unit Owner's use and enjoyment of his/her Unit. Declarant may maintain signs on the Common Element, advertising the Property and/or the sale or rental of Units owned by Declarant.

11.1.3 Use of Easements. Declarant, its agents, employees and contractors shall have the right to make use of the easements through the Common Elements as provided for in this Declaration for the purpose of making improvements on the Property, including but not limited to completing or making repairs to existing structures on the Property.

11.1.4 Declarant Control of Association. During the period of Declarant Control of the Association, Declarant shall have the right and authority to appoint and remove officers of the Association and members of the Board, and to veto or approve any proposed action of the Board or Association. The period of Declarant Control of the Association shall commence upon the filing of the Articles of Incorporation of the Association with the State of Washington Secretary of State and shall terminate no later than the earlier of:

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11.1.4.1 ninety (90) days after Conveyance of 75% of the Units which may be created, to Unit Owners other than Declarant;

11.1.4.2 two (2) years after the last Conveyance or transfer of record of a Unit except as security for a debt;

11.1.4.3 two (2) years after any Development Right to add new Units was last exercised; or

11.1.4.4 the date on which Declarant records an amendment to the Declaration pursuant to which Declarant voluntarily surrenders the right to further appoint and remove officers of the Association and members of the Board.

Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarant Control, but in that event Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

11.2 Amendments. This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty (20) years from the date of this Declaration is recorded, (b) the termination of the Class "B" Membership, or (c) upon recording by Declarant of a written statement that all sales activities has ceased.

11.3 Termination of Special Declarant Rights. Except as otherwise provided in this Declaration or any amendments thereto, the Special Declarant Rights reserved herein shall continue in effect so long as: Declarant is completing improvements on the Property; and Declarant owns one (1) or more Units. Notwithstanding the foregoing, Declarant may voluntarily terminate any or all Special Declarant Right at any time by recording an amendment to this Declaration specifying which Special Declarant Rights are thereby terminated.

11.4 Limitation of Liability: Neither Declarant nor any officer or employee thereof shall be liable to any Owner on account of any action or failure to act in performing its duties or rights hereunder, provided that Declarant has, in accord with actual knowledge possessed by it, acted in good faith.



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Article 12

COMPLIANCE WITH DECLARATION

Each Unit Owner shall strictly comply with all of the provisions of this Declaration, the Bylaws, and the rules and regulations promulgated by the Board, as all of the same may be amended from time to time. Failure to so comply shall be grounds for an action, brought by the Board (acting through its officers on behalf of the Unit Owners) or by the aggrieved Unit Owner(s) on his/her/their own behalf against the Person (including a Unit Owner or the Association) failing to comply, to recover sums due for damages, or for injunctive relief, or both.

Article 13

AMENDMENT OF DECLARATION

13.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years.

13.2 Required Vote. Except in cases of amendments that may be executed by Declarant, the Association, or certain Owners, and except as limited herein, the Declaration may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the total Class "A" votes and the consent of the Class "B" Member, so long as such membership exists. Notwithstanding the foregoing, Section 5.9 of this Declaration referencing the Unit Owner's right to lease its Unit may only be amended to disallow said right by vote or agreement of ninety percent (90%) of the Class "A" Membership and the consent of the Class "B" Member, so long as such membership exists.

13.3 Challenge to Validity. 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.

13.4 Recording. Every amendment to the Declaration must be recorded in every county in which any portion of the Property is located, and is effective only upon recording. An amendment shall be indexed in the name of the Association and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto.

13.5 Execution. Amendments to the Declaration shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or by the president of the Association.

DECLARATION AND COVENANTS FOR
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13.6 Special Declarant/Development Rights. No amendment may restrict, eliminate, or otherwise modify any Special Declarant right provided in the Declaration without the consent of Declarant and any Mortgagee of record with a security interest in the Special Declarant Right or in any Real Property subject thereto, excluding Mortgagees of Units owned by persons other than Declarant.

Article 14
SEVERABILITY

Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

Article 15
MISCELLANEOUS

15.1 Notices for All Purposes.

15.1.1 Delivery of Notice. Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered when deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the Unit Owner(s) of any Unit shall be sufficient if mailed to the Unit of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Board has been constituted and thereafter shall be given to the President or Secretary of the Association.

15.1.2 Mortgagee Notice. Upon written request thereof, and for a period specified in such notice, the Mortgagee of any Unit shall be entitled to be sent a copy of any notice respecting the Unit covered by the security instrument until the request is withdrawn or the security instrument discharged. Such written request may be renewed an unlimited number of times.

15.2 Transfer of Declarant's Powers. It is understood that Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's

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rights, powers, privileges and authorities arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges and authority are in addition to those arising from Declarant's ownership of any one (1) or more Units) and include Special Declarant Rights reserved to Declarant herein.

15.3 Effective Date. This Declaration shall be effective immediately upon recordation of this Declaration.

TALBITZER CONSTRUCTION, LLC

February 3, 2005
Date

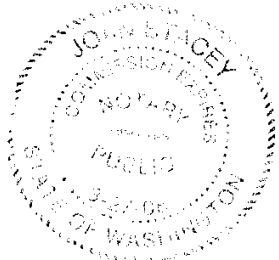
By: Anthony Glavin
Its: member

STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Anthony Glavin signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the Manager of Talbitzer Construction, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 2-3-05, 2005.

Joan Stacey
NOTARY PUBLIC for the State of Washington,
Residing in the County of Clark
My Commission Expires: 3-27-08



DECLARATION AND COVENANTS FOR
BLOSSOMWOOD FARM - 27

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LAW OFFICES OF
LANDERHOLM, MEMOVICH,
LANSVERK & WHITESIDES, P.S.
805 Broadway Street, Suite 1000
PO Box 1086
Vancouver, Washington 98666
(360) 696-3312



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Page: 28 of 40
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Clark County, WA

TALBITZER CONST

MULTI

77.00

EXHIBIT "A"
ATTACH LEGAL DESCRIPTION

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

Parcel I

The South 1 and 3/4 acres of the North 3 and 3/4 acres of Lot 4, A'HERN'S SUBDIVISION, according to the plat thereof, recorded in Book "A" of Plats, at Page 69, records of Clark County, Washington.

EXCEPT the West 1 rod for road conveyed to B. H. Nelson by deed recorded in Book "133", at page 548, records of said County.

Parcel II

That portion of Lot 3, A'HERN'S SUBDIVISION, as recorded in Volume "A" of Plats, Page 69, records of Clark County, described as follows:

Beginning at the Northwest corner of said Lot 3; thence South along the West line thereof 628 feet; thence due East to the West line of N.E. 58th Avenue; thence North along the West line of said N.E. 58th Avenue 628 feet, more or less, to the North line of said Lot 3; thence West along said North line to the point of beginning.

APN: 106330-000

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

That portion of Lot 3, A'HERN'S SUBDIVISION, as recorded in Volume "A" of Plats, Page 69, records of Clark County, described as follows:

Beginning at the Northwest corner of said Lot 3; thence South along the West line thereof 628 feet; thence due East to the West line of N.E. 58th Avenue; thence North along the West line of said N.E. 58th Avenue 628 feet, more or less, to the North line of said Lot 3; thence West along said North line to the point of beginning.

APN: 106300-000



**BYLAWS OF
BLOSSOMWOOD FARM HOMEOWNERS ASSOCIATION**

Article 1

PLACE OF BUSINESS

The corporate office shall be located at 3400 SE 196th Avenue, Suite 100, Camas, Washington.

Article 2

OVERVIEW

2.1 Purpose. This Association is formed for the purpose of governing the Ownership and use of the Property subject to that certain instrument entitled "Declaration and Covenants, Conditions, Restrictions, Reservations and Easements for Blossomwood Farm" and all amendments thereto recorded from time to time (collectively, "Declaration").

2.2 Definitions. Unless otherwise specified, all terms in these Bylaws shall have the same meaning as such terms have in the Declaration.

2.3 Assents. All present and future Owners, tenants, occupants, or any other persons occupying and/or using in any manner the facilities or any part of the Property are subject to and shall comply with the terms, conditions and provisions set forth in these Bylaws and in the Declaration. The mere acquisition or rental on any of the Units or the mere act of occupancy of any of the Units shall constitute ratification of these Bylaws.

Article 3

MEETINGS AND VOTING

3.1 Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference. Meetings shall be of the Members or their alternates.

3.2 Place of Meetings. Meetings of the Association shall be held at the principal office of

the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Property or as convenient thereto as possible and practical.

3.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

3.4 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a Majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten (10%) percent of the total Class "A" votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

3.5 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

3.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or alternate shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

3.7 Adjournment of Meetings. If any meeting of the Residential Association cannot be held because a quorum is not present, a Majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the

meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members or their alternates representing at least twenty-five percent (25%) of the total Class "A" votes of the Association remain in attendance, and provided further that any action taken is approved by at least a Majority of the Members required to constitute a quorum.

3.8 Voting. The voting rights of Members shall be as set forth in the Declaration and such voting rights provisions are specifically incorporated herein.

3.9 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. The Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated and purports to be revocable without notice. Unless state otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

3.10 Majority. As used in these Bylaws, the term "Majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

3.11 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by alternate of the Members representing a Majority of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

3.13 Landlords and Contract Vendors. All voting rights allocated to a Unit shall be exercised by the Unit Owner/landlord of a rental agreement or lease. Unless otherwise stated in the contract, all voting rights allocated to a Unit shall be exercised by the vendee on any recorded land sale contract on the Unit.

3.14 Meeting by Written Ballot. Any action which may be taken at any annual, regular, or special meeting of members may be taken without a meeting, subject to compliance with the following terms and conditions:

3.14.1 The Association shall deliver a written ballot to every member entitled to vote on the matter;

3.14.2 The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action;

3.14.3 Approval by written ballot pursuant to this Section 3.4 shall be valid only when the number of votes cast by ballot equals or exceeds any quorum to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast is the same as the number of votes cast by ballot;

3.14.4 All solicitations for a vote by written ballot shall:

3.14.4.1 specify the number of responses needed to meet the quorum requirements;

3.14.4.2 specify the percentage of approvals necessary to approve each matter other than election of Directors; and

3.14.4.3 specify a reasonable time by which a ballot must be received by the Association in order to be counted; and

3.14.5 Except as otherwise provided by an amendment to the Articles of Incorporation or Bylaws, a written ballot may not be revoked.

Article 4

BOARD OF DIRECTORS

4.1 In General. The affairs of the Association shall be governed by a Board of Directors composed of three (3) members.

4.2 Directors during Class "B" Control Period. Subject to the provisions of Section 4.6 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

4.2.1 When seventy-five percent (75%) of the maximum proposed number of Units allowed by the Plat Map for the property described on Exhibit "A" to the Declaration have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;

BYLAWS – EXHIBIT "B"

4.2.2 December 31, 2025; or

4.2.3 When, in its discretion, the Class "B" Member so determines.

4.3 Right to Disapprove Actions. This Section 4.3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists. So long as the Class "B" membership exists, the Class "B" Member shall have the right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows. No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

4.3.1 The Class "B" Member shall have been given written notice of all meetings and proposed action approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings and which notice shall, except in the case of regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

4.3.2 The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board of the Association. The Class "B" member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

4.4 Election and Term of Office. Notwithstanding any other provision contained herein:

4.4.1 Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own twenty-five



percent (25%) of the maximum proposed number of Units in the Plat Map, or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Members representing the Class "A" Members shall elect one (1) of three (3) directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in Section 4.4.2 below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection 4.4.2 below, a successor shall be elected for a like term.

4.4.2 Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purpose of development and sale, own fifty percent (50%) of the Units shown in the Plat Map, or whenever the Class B Member earlier determines, the Board shall be increased to five (5) directors and the Association shall call a special meeting at which Members representing the Class A Members shall elect two (2) of the five (5) directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in Section 4.4.3 below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in Subsection 4.4.3 below, successors shall be elected for a like term.

4.4.3 At the first annual meeting (or special meeting called for the purpose of electing directors) of the membership after the termination of the Class "B" membership, all five (5) directors shall be elected by the Members. Three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. Each Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled. The directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

4.5 Vacancies. Vacancies in the Board caused by any reason other than the removal of a member of the Board by a vote of the members of the Association shall be filled by a vote of the majority of the remaining members of the Board, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next annual meeting of the Association. Vacancies in interim Directors shall be filled by Declarant.

4.6 Removal. At any regular or special meeting of the members of the Association duly called and at which a quorum is constituted, any one or more of the Directors, other than interim Directors, may be removed with or without cause by a majority vote of the Unit Owners present at the meeting in person or by proxy, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at that

meeting.

4.7 Meetings. An annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members of the Association each year. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Special meetings of the Board may be called by the president and must be called by the Secretary at the written request of at least two (2) Directors. Notice of any special meetings shall be given to each director, personally or by mail, telephone, or telegraph at least seven (7) days prior to the date set for such meeting.

4.8 Open Meetings. All meetings of the Board shall be open to Unit Owners. Notice of each Board meeting shall be posted at a place or places on the Real Property at least three (3) days prior to the meeting or notice shall be provided by method otherwise reasonably calculated to inform the Unit Owners of such meeting. Only emergency meetings of the Board may be conducted by telephonic communication, and Unit Owners will not be entitled to notice of or to be present at emergency meetings of the Board.

4.9 Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast fifty percent (50%) of the votes on the Board of Directors are present at the beginning of the meeting.

4.10 Powers and Duties. The Association acting by and through the Board, or a Manager appointed by the Board, shall have all of the powers and duties necessary for the administration of the affairs of the Association, and all powers and authority permitted to the Association under the Act, including without limitation, the power to:

4.10.1 Adopt and amend Bylaws, rules and regulations;

4.10.2 Adopt and amend budgets for revenues, expenditures and reserves, and impose and collect Assessments for Common Expenses from Unit Owners;

4.10.3 Hire and discharge contracts with managing agents, and other employees, agents and independent contractors;

4.10.5 Make contracts and incur liabilities;

4.10.6 Regulate the use, maintenance, repair, replacement and modification of Common Elements;

4.10.7 Cause additional improvements to be made a part of the Common Elements;

4.10.8 Acquire, hold, encumber and convey in its own name any right, title, or



interest to real or personal property.

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

4.10.10 Impose and collect any payments, fees or charges for the maintenance, rental, or operation of the Common Elements, and for services provided to Unit Owners;

4.10.12 Impose and collect charges for late payment of Assessments and, after notice and an opportunity to be heard by the Board or such representatives designed by the Board and in accordance with such procedures as provided in the Declaration or Bylaws or Rules and Regulation adopted by the Board levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

4.10.13 Impose and collect for the preparation and recording of amendments to the Declaration, and statements of unpaid Assessments;

4.10.14 Provide for the indemnification of its officers and Board of Directors and maintain Directors' and officers' liability insurance;

4.10.15 Assign its right to future income, including the right to receive Common Expense Assessments, but only to the extent the Declaration provides;

4.10.16 Exercise any other powers conferred by the Declaration or Bylaws;

4.10.17 Exercise all other powers that may be exercised in this state by a nonprofit corporation; and

4.10.18 Exercise any other powers necessary and proper for the governance and operation of the Association.

4.10.19 Designate one or more committees which, to the extent provided in the resolution designating the committee, shall have the powers of the Board in the management of the affairs of the Association. At least one (1) member of each committee shall be a member of the Board.

4.10.20 Enforce by any legal means the provisions of the Declaration, these Bylaws and any rules and regulations adopted hereunder.

4.11 Budget Approval. Within thirty (30) days after the adoption of any proposed budget for the Common Elements, the Board of Directors shall provide a summary of the budget to all the



Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners of Units to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board of Directors.

4.12 Managing Agent or Manager. On behalf of the Association, the Board may employ or contract for a managing agent or a manager at a compensation to be established by the Board. Any such management agreement shall be terminable by the Association for cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one (1) year periods. The Board may delegate to the managing agent or manager such duties and powers as the Board may authorize. In the absence of such appointment, the Board shall act as manager; provided, however, that the Board may not terminate professional management and assume self-management unless the Unit Owners have enacted a resolution authorizing the termination by a vote of at least sixty-seven percent (67%) of the voting rights of the Unit Owners and fifty-one percent (51%) of the voting rights of all Eligible Mortgagees at a special meeting of the members of the Association.

4.14 Compensation. No director shall receive any compensation from the Association for acting in such capacity.

4.15 Liability and Indemnification of Directors and Officers. A member of the Board or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or willful misconduct. In the event any member of the Board or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Article 5

OFFICERS

5.1 Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board. Directors may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. The President shall be a member of the Board, but the other officers need not be Directors or Unit Owners.



5.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary. The offices of Vice President, Assistant Treasurer and Assistant Secretary need not be filled.

5.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed either with or without cause, and a successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.4 President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the members of the Association and of the Board. The President shall have all the general powers and duties which are usually vested in a chief executive officer of a corporation, including but not limited to the power to appoint committees from among the Unit Owners from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association. He or she shall attend to the giving and serving of all notices to the Unit Owners and Directors and other notices required by law. The Secretary shall keep the records of the Association, except for those to be kept by the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation and as may be required by the Directors or the President. The Secretary shall compile and keep up to date at the corporate office of the Association a complete list of the members and their registered mailing address. This list shall also show opposite each member's name the Identifying Number, address or other appropriate designation of the Unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. In addition, the Secretary shall act as Vice President, taking the place of the President and performing the President's duties whenever the President is absent or unable to act, unless the Directors have appointed another Vice President.

5.6 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation or required financial statements. He or she shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Board, and shall disburse funds of the Association upon properly authorized vouchers. The Treasurer shall perform all other duties incident to the office of Treasurer of a corporation and such other duties as may be assigned to him or her by the Board or the President.

5.7 Execution of Instruments. All agreements, contracts, deeds, leases, and other

instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the President. All checks shall be signed by the Treasurer and another duly elected officer.

5.8 Compensation of Officers. No officer who is a member of the Board shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Unit Owners. The Board may affix any reasonable compensation to be paid to any officers who are not also Directors.

Article 6

RECORDS AND AUDITS

6.1 General Records. The Board and the managing agent or manager, if any, shall keep detailed records of the actions taken by the Board and the managing agent or manager, minutes of the meetings of the Board, and minutes of the meetings of the members of the Association.

6.2 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

6.3 Financial Records. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, are the property of the Association, but shall be made reasonably available for examination and copying by the manager of the Association, any Unit Owner, or the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement (consisting of a balance sheet and income and expense statement) of the Association for the preceding fiscal year in accordance with generally accepted accounting principles.

Article 9

AMENDMENTS TO BYLAWS

These Bylaws may only be amended by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total Class "A" votes of the Association, including sixty-seven percent (67%) of the Class "A" votes held by members other than Declarant, and the consent of the Class "B" Member, so long as such membership exists. As long as a Class "B" Membership exists, HUD/VA has the right to veto amendments to these

Bylaws. Any amendment to be effective must be recorded in the Auditor's Office of Clark County, Washington.

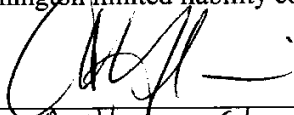
Article 10

FISCAL YEAR

The fiscal year of the Association shall begin on January 1 and end on December 31.

The above Bylaws are adopted by Declarant on behalf of The Blossomwood Farm Homeowner's Association this 3 day of February, 2005.

TALBITZER CONSTRUCTION, L.L.C.
a Washington limited liability company,


By: Anthony Glavin
Its: member

After recording, return to:

Zachary H. Stoumbos
P.O. Box 1086
Vancouver, WA 98666

Real Estate Excise Tax
Ch. 11 Rev. Laws 1951
Affd. # EXEMPT Date 3-24-05
For Details of tax paid see
Affd. # 0
By Doug Lasher
Clark County Treasurer
Ru
Deputy

Tax Lot 106300-000 F 106330-000 Space Above for Recording Information Only
Section 7, T2N, R2E W.M.
Grantor/Grantee: Talbitzer Construction, LLC

**FIRST AMENDEMENT TO DECLARATION AND COVENANTS,
CONDITIONS, RESTRICTIONS, RESERVATIONS AND
EASEMENTS FOR BLOSSOMWOOD FARM**

THIS FIRST AMENDMENT is made and executed this 23rd day of March, 2005, by Talbitzer Construction, L.L.C., a Washington limited liability company, the Declarant for that certain Declaration and Covenants, Conditions, Restrictions, Reservations and Easements for Blossomwood Farm, recorded under Auditor's File No. 3942180, records of Clark County, Washington (the "Declaration"), and amends the Declaration to provide that Clark County, Washington must approve any alterations to the Unit Owner's obligation to maintain Common Element tracts owned by the Blossomwood Farm Homeowner's Association. Except to the extent otherwise specified in this Amendment, all capitalized terms used in this Amendment shall have the meanings defined in the Declaration.

1. The following language shall be added as the last sentence of Article 13.2 "Amendment of Declaration": "The obligation to assess sufficient funds for maintenance and the obligation to maintain the tracts owned by the Association may not be amended without the prior formal approval of Clark County, Washington."
2. Except as described above, all of the terms, covenants and conditions of the Declaration shall continue in full force and effect.

FIRST AMENDMENT TO DECLARATION AND
COVENANTS FOR BLOSSOMWOOD FARM - 1

C:\Documents and Settings\Tony1\Local Settings\Temporary Internet Files\Content.IE5\S26M5L45\first amd declaration.ct...
P.O. Box 1086
Vancouver, Washington 98666
(360) 696-3312

LAW OFFICES OF
LANDERHOLM, MEMOVICH,
LANSVERK & WHITESIDES, P.S.
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(360) 696-3312

