AMENDMENT AND DECLARATION OF ANNEXATION
LIBERTY LAKE ESTATES

This is the first amendment to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Liberty Lake Estates (the Declaration) which was recorded on June 7, 1990, under Spokane County Auditor’s No. 9006070364. This instrument also constitutes a declaration by which Phase II and a portion of Phase III, as referred to in Section 17.01 of the Declaration (except for Lots 3 and 4 in Block 3, Liberty Lake Estates Second Addition), are annexed to the Liberty Lake Estates planned unit development (the P.U.D.). Said Phase II and Phase III also constitute Liberty Lake Estates Second Addition per the final plat thereof recorded in Vol. 21 of Plats, Pages 28 and 29, records of Spokane County, Washington, Auditor’s File No. 9306080233.

Background: Fourteen residential units have been constructed in Phase II on Lots 1 through 7, Block 1, and Lots 1 through 7, Block 2, Liberty Lake Estates Second Addition. Of those units, three have been sold and 11 are presently owned by the Sponsors. Two units have been constructed in the Northeast portion of Phase III on Lots 1 and 2, Block 3, Liberty Lake Estates Second Addition, both of which have been sold. Lots 3 and 4, Block 3, Liberty Lake Estates Second Addition are presently owned by the Sponsors and have not been built on.

The conditions precedent to annexation as set forth in Article XVII of the said Declaration, have been met with respect to the property being annexed hereby.

Declaration of Annexation: There is hereby annexed to the P.U.D. all of Phase II, namely, Lots 1 through 9, Block 1, and Lots 1 through 9, Block 2, Liberty Lake Estates Second Addition and a portion of Phase III, namely, Lots 1, 2 and 5, Block 3, Liberty Lake Estates Second Addition.

The annexed property, from and after the recording of this instrument, shall be a part of, subject to, and entitled to the benefits of, the Declaration of Liberty Lake Estates, a P.U.D.,
the final plats of Liberty Lake Estates First Addition and Second Addition, and the declarations of covenants of Liberty Lake Estates First Addition and Second Addition recorded under Spokane County Auditor's Nos. 9006070363 and 9305200115, respectively. All Owners of units in the annexed property are henceforth Owners in the P.U.D. and, except for the Sponsors, are Class A Members of the Liberty Lake Estates Homeowners Association (the Association).

The Sponsors, as Owners of the 11 unsold units in Phase II, are recognized as being Class B Members in the Association. It is further recognized that as of July 18, 1997, which will be the seven-year anniversary of the first sale of a unit, the Sponsors, as Owners of units in Phase II, will become Class A Owners; provided that if, before that time, the number of units in the P.U.D. owned by the Sponsors is reduced below eight, the Sponsors will, four months thereafter, become Class A Members.

By joining in this amendment to the said Declaration, the Owners acknowledge that the conditions for annexation have been met.

Payment of Costs: The Sponsors and the Association agree that the reasonable proportionate share of per-unit costs is $45.00 per month. Accordingly, effective with the month of August, 1995, and without regard to when the Sponsors cease to be Class B Members, the Sponsors will pay to the Association $45.00 per unit, per month for each unit that, as of the end of each month, they own that they have never sold. The rate of $45.00 per month shall continue in effect with respect to unsold units in Phase II, through the month of October, 1996. If, at that time, there remain any unsold units, and if it reasonably appears that the cost of snow removal and lawn care has increased significantly from its present cost, then the amount of the monthly payment per unsold unit will be increased in proportion to the overall increase in the cost of snow removal and lawn care. This paragraph cannot be changed without the concurrence of the Sponsors.

Building Modification: Any unit Owner is authorized to construct a privacy fence in the vicinity of his back patio, provided that the same is of substantially the same design, and is of the same material and color as the privacy fence which has been constructed on 23006 E. Mocha Lane.

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The foregoing amendment was duly adopted at a Regular/Special Meeting of the Liberty Lake Estates Homeowners Association held on 4/22/1995, by an affirmative vote of not less than 75% of all Owners, in accordance with Section 19.05 of the Declaration.

DATED this 7 day of August, 1995.

Walter Worthy

Karen Worthy

LIBERTY LAKE ESTATES
HOMEOWNERS ASSOCIATION

By: Marc Cross
President

Altest: Ann
Secretary

STATE OF WASHINGTON
County of Spokane

On this day personally appeared before me WALTER WORTHY and KAREN WORTHY, to me known to be the individuals described in, and who executed, the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of July, 1995.

Judy Williams
Name Printed: Judy Williams
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
Appointment Expires: 6-15-98

STATE OF WASHINGTON
County of Spokane

On this day personally appeared before me R. Mancos Cooper and George D. Kittleson, and on oath stated that they were authorized to execute the instrument and acknowledged it as the President and Secretary of LIBERTY LAKE ESTATES

AMENDMENT AND DECLARATION OF ANNEXATION - 3
HOMEOWNERS ASSOCIATION to be the free and voluntary act of such party for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 2 day of Aug., 1995.

Name Printed: J.W. McCear
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
Appointment Expires: 12-15-38