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Document Title:	Amended and Restated Declaration of Condominium for Sammamish Landing
Reference Numbers of Related Documents:	8004140564 (Survey Map and Plans); 8004140565 (Declaration of Horizontal Property Regime of Sammamish Landing); 8006190077 (First Revision of Declaration of Horizontal Property Regime of Sammamish Landing); 9104041296 (Amendment to Declarations for Sammamish Landing Homeowners Association); 9107220231 (Amendment to Declaration for Sammamish Landing Homeowners Association); 9707100943 (Amendment to Declaration of Sammamish Landing); 9807291588 (Amendment to Declaration of Sammamish Landing); 20051227001881 (Amendment to Declaration of Sammamish Landing); 20100505000053 (Amendment to Declaration of Sammamish Landing)
Grantor(s):	Sammamish Landing Homeowners Association
Grantee(s):	Sammamish Landing Homeowners Association
Legal Description (abbreviated):	Sammamish Landing, a Condominium, as created by Declaration of Horizontal Property Regime of Sammamish Landing, King County Recorder No. 8004140565
Assessor's Tax Parcel Number:	7525500000

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM FOR SAMMAMISH LANDING**

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This Amended and Restated Condominium Declaration (this “Declaration”) is for Sammamish Landing, a Condominium (the “Condominium”).

The Condominium was originally established pursuant to the Declaration of Horizontal Property Regime of Sammamish Landing, recorded under King County Recording Number 8004140565 (“Original Declaration”), together with a Survey Map and Plans recorded under King County Recording Number 8004140564. The Condominium was originally established pursuant to the Washington Horizontal Property Regimes Act, Revised Code of Washington, Chapter 64.32.

The “Declarant” under the Original Declaration no longer owns any portion of the Condominium. All Declarant rights and/or development rights under the Original Declaration have lapsed or expired.

Pursuant to Section 11 of the Original Declaration, owners holding at least 75% of the total voting power in the condominium have voted to subject the Condominium to the Washington Condominium Act, Revised Code of Washington, Chapter 64.34, and to amend and restate the Original Declaration as provided herein. Effective immediately upon its recording in the Real Property Records of King County, Washington, this Declaration supersedes and replaces the Original Declaration in its entirety.

ARTICLE I INTERPRETATION

1.1 Liberal Construction. The provisions of this Declaration shall be liberally construed for the purpose of effective operation of this Condominium under the provisions of the relevant Washington statutes. The provisions of the Washington Condominium shall be liberally construed to affect the intent of this Declaration.

1.2 Terms Consistent With Condominium Act. The terms used in this Declaration are intended to have the same meaning as in the Washington Condominium Act unless the context clearly requires otherwise.

1.3 Covenants Running With Land. It is intended that this Declaration (unless terminated, or as provided in the Condominium Act) shall be covenants running with the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act, should the Act be inapplicable in any respect.

1.4 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

1.5 Unit and Building Boundaries. In interpreting the Survey Map and Plans, the existing physical boundaries of the building and each Condominium Unit, as constructed, shall be conclusively presumed to be the correct boundaries.

1.6 Captions and Exhibits. Captions given to the various Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive

provisions in the Declaration. Exhibits attached and/or referenced in this Declaration are incorporated by reference as though fully set forth where such reference is made.

1.7 Inconsistency with Bylaws. To the extent this Declaration is inconsistent with the Bylaws, the provisions of this Declaration control unless such provisions are contrary to the Act.

1.8 Insignificant Failure. The title to any Condominium Unit created by this Declaration shall not be affected by any insignificant failure of this Declaration or Survey Map and Plans to comply with the Act.

1.9 Definitions. The following definitions shall apply in this Declaration, unless the context requires otherwise:

1.9.1 "The Act" means the Washington Condominium Act (Revised Code of Washington, Chapter 64.34), as amended from time to time.

1.9.2 "Allocated Interests" means the undivided interest in the Common Elements allocated among the Units in accordance with the method stated in Section 4.4 and shown on Exhibit B under the column "Common Expense Liability."

1.9.3 "Association" or the "Condominium Association" means all of the Unit Owners as a non-profit corporation operating in accordance with the Bylaws and with this Declaration as it is recorded, or as either may be amended.

1.9.4 "Board of Directors" or "Board" means the individuals elected by the Association to manage and administer the Property in accordance with the Bylaws of the Association, this Declaration and the Act.

1.9.5 "Building" means the building or buildings containing the Condominium Units and related facilities comprising a part of the Property.

1.9.6 "Bylaws" means the Bylaws of the Association adopted by the Board of Directors and as amended from time to time, which with this Declaration provide for the organization of the Association and for the administration of the Property.

1.9.7 "Common Elements" or "CEs" mean all portions of the Condominium other than the Units. Each Unit Owner has an undivided interest in the Common Elements.

1.9.8 "Common Expenses" mean expenditures made by or financial liabilities of the Association which are related to the maintenance, repair, and replacement of the Common Elements, including allocations to reserves, or the general operation of the Association. The Common Expenses include management expenses applicable to all types of Units, including fees paid to any professional management company.

1.9.9 "Common Expense Liability" means the liability attributed to each Unit to pay Common Expenses. Each Unit's Common Expense Liability is the sum of any assessments levied specifically upon that Unit (Common Expenses specially allocated pursuant to Section 12.6),

and the remaining Common Expenses which are allocated in accordance with the Unit's Allocated Interest.

1.9.10 "Condominium" means the development including real property and improvements which is the subject of this Declaration.

1.9.11 "Damage" shall mean all kinds of damage, whether of slight degree or total destruction, but shall not include regular maintenance, repair or replacement of Common Elements or Limited Common Elements accounted for in the Association's reserve study or budgets.

1.9.12 "Declaration" means this instrument, as amended from time to time, by which the Property is submitted to provisions of the Act.

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

1.9.14 "Foreclosure" shall include a judicial and non-judicial Foreclosure, a real estate contract forfeiture, and a deed given in lieu of such Foreclosure or sale.

1.9.15 "Land" means the earth and the free or occupied space for an indefinite distance upward as well as downward, subject to any provisions or limitations contained in Section 2.1 of this Declaration, and subject to limitations upon the use of airspace imposed and rights in the use of the airspace granted, by the laws of the State of Washington or of the United States.

1.9.16 "Limited Common Elements" or "LCEs" means those portions of the Common Elements described in Section 4.

1.9.17 "Mortgage" shall mean a mortgage, deed of trust, or real estate contract.

1.9.18 "Mortgagee" shall include a deed of trust beneficiary, a vendor of a real estate contract, and may be a Mortgagee of the Condominium or a Mortgagee of a Unit.

1.9.19 "Mortgagee of a Unit" means the holder of a Mortgage on a Unit, which Mortgage was recorded simultaneously with or after the recordation of this Declaration. Unless the context requires otherwise, the term "Mortgagee of a Unit" shall also be deemed to include the Mortgagee of the Condominium.

1.9.20 "Person" includes an individual, corporation, partnership, limited partnership association, trust, governmental subdivision or agency, or other legal entity.

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

1.9.22 "Related Party" means a person who has been certified in a written document filed by Unit Owner with the Association to be the immediate family of the Owner, including the spouse, parent, sibling, parent-in-law, sibling-in-law, or lineal descendent or ancestor of the Owner or the officer or director of any Owner which is a corporation, the trustee or beneficiary of any Owner which is a trust, or the member of any Owner which is a limited liability corporation. Notwithstanding the foregoing to the contrary, a person who is the settler and trustee of a living trust that owns a Unit shall be deemed to be the Owner of the Unit for all purposes under the Declaration.

1.9.23 "Renting" or "Leasing" means and includes the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), whether or not in exchange for a payment of rent (that is, money, property, or other valuable consideration). "Renting" or "Leasing" also mean the occupancy of a Unit solely by a person or persons other than its Owner, whether or not rent is paid. "Renting" or "Leasing" do not mean or include joint ownership of a Unit by means of a joint tenancy, tenancy-in-common or other forms of co-ownership, and do not mean or include the occupancy of a Unit by any person who resides in a Unit with its Unit Owner.

1.9.24 "Special Allocations" means those expenditures or liabilities which are allocated to Units on a basis other than in accordance with Allocated Interests as required by Section 4.4 below.

1.9.25 "Survey Map and Plans" means the survey map and the set of plans, filed in King County under the recording number shown on the cover page of this Declaration, and any amendments thereto, showing the location, boundaries and other information relating to the land, the buildings and the Units.

1.9.26 "Tenant" means and includes a tenant, lessee, renter or other non-Owner Occupant of a Unit that is not occupied by its Owner.

1.9.27 "Unit" and "Condominium Unit" mean a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 3.4 below. "Unit" is synonymous with the term "Apartment" as used in the Original Declaration.

1.9.28 "Unit Owner" or "Owner" means any entity or person who owns a Unit, but does not include a person who has an interest in a Unit solely as security for an obligation. "Owner" means the vendee, not the vendor, of a Unit under a real estate contract.

1.9.29. "Use" shall be limited to mean Residential versus Commercial Use, and shall not be interpreted to extend to the leasing or renting of Units.

ARTICLE II NAME OF CONDOMINIUM

2.1 The name of the Condominium created is Sammamish Landing, a Condominium.

2.2 The Condominium may conduct business under any trade name, provided such a name is authorized by a meeting of the Owners Association and such a trade name is registered

with the Department of Licensing and associated with the legal entity's Uniform Business Identifier.

ARTICLE III DESCRIPTION OF LAND AND BUILDINGS

3.1 Land. The real property included in the Condominium and submitted to the Condominium Act is described in Schedule A and hereby incorporated by reference.

3.2 Building. The building consists of one separate residential building containing a total of thirty-five (35) condominium Units. The building is located, along with Common Elements, as shown on the Survey Map and Plans. The building is three stories, wood-framed construction on concrete foundation, no basement, wood and Hardiplank siding exterior finish with built-up roof.

3.3 Water/Sewer/Garbage. The cost of water and sewer services as well as garbage collection is included in each Unit Owner's monthly dues assessment. Electric utility services are the responsibility of the individual Unit Owners.

3.4 Parking. Parking consists of 68 spaces, two of which are owned by the Association, 31 & 48 and there is no 64. The locations and numbers of the parking areas are shown on the Survey Map and Plans, and assignment of these spaces is shown on Schedule B.

3.5 Storage. One storage area is assigned to each unit, as reflected in Schedule B.

3.6 Amenities. The condominium also includes a swimming pool, fuel storage lockers, and a dock constructed on the land described in Section 3.1, above.

ARTICLE IV DESCRIPTION OF UNITS; ALLOCATED INTERESTS

4.1 Number and Identification of Units. The Condominium has 35 Units. The Identifying Number of each Unit is set forth in Schedule B and shown on the Survey Map and Plans. The location of the Units is shown on the Survey Map and Plans.

4.2 Unit Boundaries. The walls, floors, or ceilings are the boundaries of a unit, and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit, and all other portions of the walls, floors, or ceilings are a part of the common elements. If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements; otherwise all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit. Any shutters, awnings, window boxes, doorsteps, patios, balconies, and all exterior doors and windows or other fixtures designed to serve a single unit, but which are located outside the unit's boundaries, are limited common elements allocated exclusively to that unit. Units shall not include those Common Elements specified in Article V.

4.3. Unit Data. Each Unit has six rooms, consisting of two bedrooms, kitchen, living and dining room, two baths, laundry area and entry hall, plus balcony or ground floor Unit patio adjoining living room. In addition, Schedule B sets forth the following data for each Unit:

Comment [TB1]: THIS HAS CHANGED. REMOVED DESCRIPTION OF APPLIANCES

The approximate square footage of the Unit;
The allocated interests of the Unit;
The parking areas allocated to the Unit;
The storage area allocated to the Unit;
The boat moorage slip allocated to the Unit, if any.

The location and configuration of each Unit are shown in the Survey Map and Plans.

4.4 Allocated Interests. Schedule B sets forth the Allocated Interests of each of the Units in the Condominium, for purposes of Common Expense Liability, interest in the Common Elements, and for all requirements for procedures of the Act. The percentages of undivided interest in the common areas and facilities pertaining to such Unit as set forth in Schedule B and made a part hereof by reference. Allocated Common Expense Liability, interest in the Common Elements and voting was determined by the declarant. Common Expense Liability is calculated based on a value set by the declarant in the Original Declaration for the Units, with minor variations for rounding to 100 percent. Voting rights are calculated based on one vote per Unit, as set forth in the original Articles of Incorporation filed by the declarant in 1980.

ARTICLE V COMMON ELEMENTS

5.1 Description. The Common Elements are all portions of the Property other than the Units, and such parts of the Property as are designated as such in the Survey Map and Plans. The Common Elements include but are not limited to:

5.1.1 All portions of the walls, floors, or ceilings that are not a part of or within the Unit boundaries provided in Section 4.2.

5.1.2 Any chute, duct, flue, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit that serves another Unit or any portion of a Common Element.

5.1.3 The roadways and common drives on the Property which provide access to and from public roads to the common areas for parking, storage and access to and from the Units. These particular Common Elements shall be used exclusively for normal transit and shall not be obstructed in any manner without the prior written consent of the Board.

5.1.4 The walks, hallways, stairways, drive and open areas which provide access to the limited common elements for parking, storage, and access to and from Units.

5.1.5 Any storage and maintenance areas devoted to the common benefit of the Property.

5.1.6 Any installations for utilities and services, or other apparatus existing for the common use and benefit of the Property.

5.1.7 Any area, if any, required for the passage of chimneys or flues through a lower Unit to an upper Unit or to the roof.

5.1.8 The swimming pool, spa and adjoining area as shown on the Survey Map and Plans, spine of dock area, unassigned parking spaces, unassigned moorage slips, landscaped areas, ramps, bicycle storage area, and all parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

5.2 Use. Each Owner shall have the right to use the Common Elements, with exception of unassigned parking areas or moorage slips, in common with all other Owners and a right of access from the Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each Owner, but also to the Owners' agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements, including the Limited Common Elements, shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the Rules.

5.3 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association of the Owners having at least 80% of the votes in the Association, but all of the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

ARTICLE VI LIMITED COMMON ELEMENTS

6.1 Description. The Limited Common Elements allocated to each Unit, as shown on the Survey Map and Plans are as follows:

6.1.1 Each Unit has set aside as a Limited Common Area the balcony or patio located immediately adjacent to the living room of the Unit.

6.1.2 Any exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

6.1.3 Each Unit has an assigned mailbox in a group of mailboxes near the building. Mailbox assignments shall be permanent and may not be severed from the Units.

6.1.4 Any storage area allocated to the exclusive use of an assigned Unit or Units, identified on Schedule B, and as shown on the Survey Map and Plans, are Limited Common Elements subject to restrictions in use and equal sharing of the maintenance, repair and replacement responsibilities as otherwise determined in this Declaration and the Act.

6.1.5 Any parking space allocated to each Unit, as shown on Schedule B.

6.1.6 Any boat moorage slip assigned to a Unit, as shown on Schedule B. Unassigned slips are Common Elements which may be assigned as follows:

- (a) Payment to the Association of a fee negotiated by the Board with the assignee member;
- (b) Payment to the Association of an administrative fee in an amount of \$200.00 or such other amount as may be fixed by the Board in the Rules and Regulations; and
- (c) Reimbursement of any and all attorney's fees and costs incurred by the Association to accomplish the assignment.

6.1.7 No boat slip or parking area may be sold, assigned or otherwise transferred to anyone other than an owner of a Unit at Sammamish Landing Condominiums. An owner may lease or rent his parking space or moorage to another owner or to a tenant residing at Sammamish Landing.

6.2 Reallocation. Limited Common Elements, including boat slips and parking areas, may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section within 30 days, or within such other period provided by the Declaration, unless the proposed reallocation does not comply with the Condominium Act or the Declaration. The failure of the Board to act upon a request within such period shall not be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Condominium. A Common Element may be reallocated as a Limited Common Element, or a Limited Common Element may be incorporated into an existing Unit with the approval of 80% of the Owners, which must include the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Survey Map and Plans. For any reallocation, the Unit owners requesting the reallocation will be responsible for reimbursement of all attorney's fees and other costs associated with the reallocation and recording of any documents.

6.3 Exclusive Use. Each Owner shall have the exclusive right to use the Limited Common Elements allocated to the Owner's Unit. The right to use the Limited Common Element extends to the Owner's agents, servants, tenant, family members, invitees, and licensees. Such use is subject to strict compliance with the Declaration, Bylaws and the Rules of the Homeowners Association, as amended from time to time.

ARTICLE VII PARKING

7.1 Parking Lot - Easements. Each Unit has as a Limited Common Element of at least one (1) and not to exceed two (2) parking spaces on the Property for the benefit of the Owner of said Unit and such reserved spaces shall be designated Limited Common Elements. The boundaries of the respective parking spaces are set forth in the Survey Map and Plans. The assignments of the exclusive use parking spaces are designated in Schedule B.

7.1.1 Unallocated Parking Spaces. Remaining unallocated parking spaces, if any, shall be part of the Common Elements.

7.1.2 The use of any parking space, if any, not assigned to a Unit shall be limited by the rules and approval of the Association.

7.2 Use of Parking Spaces. Parking spaces are for parking operable passenger motor vehicles and may not be used for parking trucks, recreational vehicles, boats, trailers, long term storage of a vehicle or for other purposes unless authorized by the Rules or by prior written approval by the Board. The Board may direct that any vehicle improperly parked or kept in a parking space, or anything prohibited by the Rules in a parking space, be removed, and if it is not removed, the Board may cause it to be removed at the risk and cost of the Owner thereof.

7.3 Rental of Parking Spaces. The Owner of a Unit may rent a parking space that is a Limited Common Element of that Unit to another Owner or tenant of a Unit, but such rental shall be subject to termination upon 30 days' notice. Rental of a parking space shall be terminated automatically and without notice upon the transfer of title of the Unit to which it is a Limited Common Element.

ARTICLE VIII PERMITTED USES; MAINTENANCE; CONVEYANCES

8.1 Residential Use; Timesharing Prohibited. The Units are intended primarily for and restricted to single family residential Use only, on an Ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally and reasonably incidental to such Use. Subject to the Declaration and any Rules, such Use as a single-family residence shall be deemed to include Use as a home office not involving use by nonresident employees or regular visits by customers or clients, and consistent with applicable zoning ordinances. Timesharing of Units, as defined in RCW 64.36, is prohibited.

8.2 Leases; Minimum Lease Term Required. Any lease or rental agreement of a Unit must provide that its terms shall be subject in all respects to the provisions of the Declaration, the Bylaws and Rules of the Association and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease or rental agreement. No lease shall be for an initial term of less than 6 months. Vacation Rentals By Owner, Air B&B's and other forms of short term occupancy are considered rentals and shall be subject to the provisions of this

Comment [TB2]: THIS IS A CHANGE. IT PREVIOUSLY READ LESS THAN ONE MONTH.

Article, including the 6-month minimum lease term. If any lease under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owner and the tenant by reason of there being stated in this Declaration. The Owner of the Unit shall notify the Board of any changes in occupancy of the Unit and the Board shall maintain a list of residents of the Units. All leases and rental agreements shall be in writing. **Before a lease of any Unit shall become effective or tenancy commence, a copy of the lease shall be delivered to the Board and acknowledged by the Board to be in compliance with this Section.**

Comment [TB3]: THIS IS A CHANGE. THIS IS NOT HAPPENING NOW.

8.3 **Maintenance of Units, Common Elements, and Limited Common Elements.** Except as provided herein, the Association is responsible for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements. Each Owner is responsible for maintenance, repair, and replacement of the Owner's Unit. Each Owner shall, at the Owner's sole expense, be responsible for the following:

8.3.1 Keeping the interior of the Unit, including its perimeter walls, floors and ceiling, and its equipment, appliances, and appurtenances in a secure, clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair necessary to maintain the good appearance and condition of the Unit. Units shall be kept in a condition that complies with all applicable health, safety and fire codes and ordinances.

8.3.2 **Replacement of any broken or damaged glass (including fogged glass or glass with broken seals) in the windows, window screens or exterior doors of the Unit.**

8.3.3 **Operation, maintenance, repair, or replacement of the exterior doors of the Unit; in compliance with architectural rules and with prior written approval of the Board.**

8.3.4 Routine maintenance and cleaning of the Limited Common Element balcony or patio allocated to the Owner's Unit. The Association shall be responsible for the repair and replacement of the patio or balcony. Owner shall be responsible for maintenance, repair or replacement of vinyl covering of balcony if damaged by owner or tenants or other occupants.

8.3.5 Operation, maintenance, cleaning, repair or replacement of any plumbing, plumbing fixtures, wiring, electrical fixtures, water heaters, hot water tanks, fans, fireplaces and flues, heating/cooling equipment and other equipment which serve only that Unit, whether or not located in the Unit, and for any damage caused by faulty or leaking plumbing fixtures or pipes, hot water tanks, sinks, bathtubs, toilets, dishwashers, washers, including any connecting hoses or drains.

8.3.6 The Association may, as a Common Expense, provide for the inspection of any portions of a Unit or Limited Common Element, the failure of which to maintain properly may cause damage to the Common Elements, Limited Common Elements, or another Unit or cause unnecessary Common Expenses, including, but not limited to bathtubs, sinks, toilets, hot water tank, plumbing fixtures and pipes and electrical fixtures and wiring. Unless in the case of an emergency, the Association shall provide at least seventy-two hours' written notice to the occupant of the Unit and shall specify in the notice which items are to be inspected and a time for the inspection. If the inspection discloses the need for repair or replacement, the Association

may either require the responsible Owner to make the repair or replacement, or make the repair or replacement itself and specially assess the cost thereof to the Owner.

8.3.7 Limited Common Elements, as defined in Article VI, shall be maintained by the respective Unit Owners to which they are appurtenant; provided, that decisions with respect to the standard of appearance and condition of Limited Common Elements, and with respect to the necessity for and manner of caring for maintenance, repairs, replacement, repainting or redecorating thereof may be regulated under provisions of the Bylaws, Rules or this Declaration.

8.3.8 All portions of boat moorage slips assigned as Limited Common Elements cannot be modified without board approval. Any damage caused to the slip by the slip owner is a responsibility of the owner.

8.4 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the maintenance of the exterior of the buildings subject to the provisions of Section 8.3. No Owner may modify or decorate the exterior of a building, or screens, doors, awnings, or other portions of any Unit visible from outside the Unit without the prior written consent of the Association, or in accordance with the Rules. No solar panels or other appliances may be installed on the exterior of a building without the prior written consent of the Board. No Owner may modify or change the color or texture of the exterior of the building in which his Unit is located unless approved by the Board but such Owner may repaint or re-stain portions of said building at his sole cost and expense provided that such Owner shall utilize the same paint and/or stain as approved by the Association as above-described. The Owners shall not replace the glass or screens in the windows or doors of the Units except with materials of similar color and quality to those originally installed.

8.5 Agents. The Board may hire and delegate to any and all employees, agents, independent contractors, or other persons or firms it deems necessary in order to perform its duties and obligations hereunder provided, however, that such delegation shall not relieve the Association of its duties and responsibilities hereunder.

8.6 Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common Element that will result in the cancellation of insurance on any part of the Property, or that would be in violation of any laws. Any betterment or improvement increasing the value of a Unit by \$10,000 or more shall be reported in writing to the Board. If the increased value of the Unit due to the betterment or improvement increases the cost of the Association's insurance, the increased cost of insurance may be assessed against that Unit.

8.7 Use or Alteration of Common and Limited Common Elements. Use of the Common Elements and Limited Common Elements shall be subject to the provisions of this Declaration and the Rules. Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element without the written consent of the Board or pursuant to the Rules of the Association.

8.8 Signs. No sign of any kind shall be displayed to the public view on or from any Unit, Limited Common Element, or Common Element without the prior written consent of the Board. The Board of Directors may adopt reasonable rules relating to the display of “For Sale,” “For Rent,” and political signs during election periods. Advertising shall not be permitted from any Unit or on any Common Elements or Limited Common Element, including, but not limited to, balconies, patios, windows or doors; if the Board may erect, on the Common Elements, a master directory listing Units that are for sale or lease.

8.9 Pets. Pets may be kept in the Units subject to reasonable rules and regulations adopted by the Board. The Board may at any time require the removal of any Pet which it finds is disturbing other Unit Owners unreasonably, and may exercise this authority for specific Pets even though other Pets are permitted to remain. The Owner of any Pet shall be responsible for any damage to person or property caused by the Pet and shall indemnify and hold the Association and the Board harmless from any and all liability arising from or caused by the Pet.

8.10 Quiet Enjoyment. No Owner shall permit anything to be done or kept in the Owner’s Unit, Limited Common Elements, or Common Elements that would interfere with the right of quiet enjoyment of the other residents of the Condominium. In particular, sound system loudspeakers shall not be rigidly attached to the party wall with another Unit or the ceilings, walls, shelves, or cabinets in a Unit in a manner that will induce vibrations into the structure of the building. Reasonable noise transmitted due to normal day to day activities shall not be considered to be a violation of this provision.

8.11 Garbage Removal and Recycling. Owners shall be responsible for removing their trash or garbage from their Units and depositing it in the proper receptacles in accordance with the Rules concerning trash or garbage removal and recycling or removing it from the premises if it is not suitable for such receptacles or recycling. The Board may adopt rules governing garbage removal and recycling as it deems reasonably necessary.

8.12 Offensive Activity. No noxious or offensive activity shall be carried on in any Unit, Limited Common Element, or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners and the public, including but not limited to, noise and odors from any Unit. Owners shall not permit any condition to exist that will induce, breed, or harbor infectious plant diseases or noxious insects or vermin. The Board has authority to adopt Rules to specify what constitutes a noxious or offensive activity, noise or other offensive activity.

8.13 Hazardous Substances. The Owner of each Unit shall not permit any Hazardous Substance to be generated, processed, stored, transported, handled, or disposed of, on, under, in, or through the Owner’s Unit or the Property. Each Owner shall indemnify, defend, and hold harmless the other Owner or Owners and the Association from all fines, suits, procedures, claims, and actions of any kind arising out of or in any way connected with any spills or discharges of Hazardous Substances or wastes arising from the operation or use of the Unit or the Property by the Owner, tenants, or invitees of the Unit. As used herein, the term “Hazardous Substance” means any hazardous, toxic, or dangerous substance, waste, or material which is or becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law now or hereafter in effect pertaining to environmental protection, contamination,

or cleanup, including without limitation any substance, waste, or material which now or hereafter is designated as a "Hazardous Substance" under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), or under any local or state rule or regulation. Without limiting the foregoing, Hazardous Substance shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, and/or generic abnormalities.

8.14 Conveyance by Owners; Notice Required. The right of an Owner to convey or sell the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid and charges outstanding against the Unit, whether or not such information is requested.

ARTICLE IX ENTRY FOR REPAIRS OR MAINTENANCE

9.1 The Association and its agents or employers may enter any Unit and the Limited Common Elements allocated thereto to effect repairs, improvements, replacements, maintenance, or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in cases of emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard at least three days in advance of entry. Such entry shall be made with as little inconvenience to the Owners and occupants as practicable. The Board may levy a special Assessment against the Owner of the Unit for all or part of the cost of work that the Owner has failed to perform, which may be collected and foreclosed under Article XIII. The Board may require Owners and tenants to furnish duplicate keys to their Units to the Board or the Board's designated agent.

Comment [TB4]: CHANGED FROM REASONABLE NOTICE TO THREE DAYS.

ARTICLE X OWNERS ASSOCIATION

10.1 Form of Association. The Owners of the Units shall constitute an Owners association to be known as Sammamish Landing Homeowners Association. The Association is organized as a nonprofit corporation. The number of board members and qualifications and procedures for election to the Board shall be provided in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of the Condominium Act, the Declaration, and the Bylaws.

10.2 Bylaws. The Board shall adopt Bylaws of the Association to provide for the administration of the Condominium consistent with this Declaration and the Act. The Bylaws may be amended, in whole or in part, by the Board of Directors or by vote of Unit Owners having more

than fifty percent (50%) of the voting power allocated to all Units, at any annual meeting or special meeting called for that purpose, or by the written consent of Owners holding more than fifty percent (50%) of the voting power allocated to all Units. Provisions relating to the qualifications, terms, number, or manner of election of the Board members may only be amended by vote or written consent of the Owners.

10.3 Qualification and Transfer. Each Owner of a Unit shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit, provided that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

10.4 Powers of Association. In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to:

10.4.1 Adopt and amend Bylaws and Rules.

10.4.2 Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Assessments for Common Expenses and Specially Allocated Expenses from Owners.

10.4.3 Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors, provided that any decision to terminate professional property management services for the Condominium and assume self-management shall require the approval of Owners holding a majority of the votes in the Association.

10.4.4 Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium.

10.4.5 Make contracts and incur liabilities.

10.4.6 Regulate the use, maintenance, repair, replacement, and modification of Common Elements including architectural rules and procedures.

10.4.7 Cause additional improvements to be made as a part of the Common Elements or additional Units or Limited Common Elements to be added to the Condominium.

10.4.8 Acquire, hold, encumber, convey, and dispose of, in the Association's name, any right, title, or interest to real or tangible and intangible personal property, but common elements may be conveyed or subjected to a security interest only pursuant to RCW 64.34.348, and arrange for and supervise any addition or improvement to the Condominium; provided that:

10.4.8.1 If the estimated cost of any separate property acquisition, addition, or improvement to the Condominium exceeds \$10,000, the approval of the Owners holding a majority of the votes in the Association shall be required; and

10.4.8.2 The beneficial interest in any property acquired by the Association pursuant to this Section shall be owned by the Owners in the same proportion as their respective interests in the Common Elements and shall thereafter be held, sold, leased, mortgaged, or otherwise dealt with, as the Board shall determine.

10.4.8.3 Maintenance, repair and replacement of existing components of the condominium, regardless of whether the same materials are used, shall not be considered an addition or improvement.

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

10.4.10 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements described in RCW 64.34.204(2) and (4), and for services provided to Owners.

10.4.11 Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium.

10.4.12 Impose and collect charges for late payment of Assessments as further provided in Article XIII and RCW 64.34.364(13) and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or the Rules, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and the Rules.

10.4.13 Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by RCW 64.34.425, and statements of unpaid Assessments.

10.4.14 Adopt and impose repeat violation fines in the Rules from time to time.

10.4.15 Provide for the indemnification of its officers and Board, and maintain directors' and officers' liability insurance.

10.4.16 Assign its right to future income, including the right to receive Assessments.

10.4.17 Establish and administer a reserve account as described in RCW 64.34.380 and the Bylaws.

10.4.18 Provide or pay, as part of the Common Expense, for the cost of reserve study as described in RCW 64.34.380 in compliance with the provisions of the Condominium Act, the Declaration, and the Bylaws.

10.4.19 Provide or pay, as a Specially Allocated Expense, pursuant to Section 12.6, any utility services to all Units.

10.4.20 Exercise any other powers conferred by the Condominium Act, the Declaration or the Bylaws.

10.4.21 Exercise all other powers that may be exercised in this state by the same type of corporation as the Association.

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

10.5 Borrowing by the Association. In the discharge of its duties and the exercise of its powers as set forth in this Declaration, but subject to the limitations set forth in this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's pro rata share of said borrowed funds and the obligation to pay said pro rata share shall be a lien against said Unit and the undivided interest in the Common Elements appurtenant to such Unit. Provided, that the Owner of a Unit may remove said Unit and the Allocated Interest in the Common Elements appurtenant to such Unit from the lien of such assessment by payment of the Allocated Interest in Common Expense Liability attributable to such Unit. Subsequent to such payment, discharge, or satisfaction, the Unit and the Allocated Interest in the Common Elements appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce its rights against any Unit and the Allocated Interest in the Common Elements appurtenant thereto not so paid, satisfied, or discharged.

10.6 Financial Statements and Records. The Association shall keep financial records in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner; however, the audit may be waived annually by the vote or written consent of unit owners to which sixty percent of the votes in the Association are allocated. Any Mortgagee will, upon request, be entitled to receive the annual financial statement within 120 days following the end of the fiscal year. An Owner or Mortgagee, at the Owner's or Mortgagee's expense, may at any reasonable time conduct an audit of the books of the Board and Association.

Comment [TB5]: THIS IS A CHANGE. PREVIOUSLY WAS 75% OF THE UNIT OWNERS.

10.7 Inspection of Condominium Documents, Books, and Records. The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the Rules, and other books, records, and financial statements of the Association.

“Available” shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies and any other fees charged by the Managing Agent for their time incurred in assisting the requesting party.

ARTICLE XI BOARD OF DIRECTORS

11.1 Selection of the Board and Officers. At annual meetings, the Owners shall elect a Board, whom must be Unit Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service, shall be as provided in the Bylaws.

11.2 Powers of the Board. Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall always act on behalf of the Association. The Board may exercise all powers of the Association, except as provided in the Condominium Act, Declaration, or the Bylaws.

11.2.1 Emergency Circumstances: In the event of force majeure, the Board will have the powers to act as reasonably necessary without having to go to Unit Owners for vote.

11.3 Standard of Care; Liability of Association and Board. In performance of its duties under this Declaration, the Bylaws, the Act or otherwise, the Board members and officers are required to exercise ordinary and reasonable care; provided, however, the Association and the Board shall not be liable for any failure of the Association or the Board to commence any litigation or an arbitration proceeding it has the authority to commence under this Declaration, the Bylaws, the Act or otherwise.

11.4 Managing Agent. The Board may contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein.

11.5 Limitations on Board Authority. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Article XXIII, to terminate the Condominium pursuant to Article XXIV, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

11.6 Notice and Opportunity to be Heard. Whenever this Declaration, the Bylaws or Rules and Regulations requires that an action of the Board be taken after “Notice and an Opportunity to Be Heard,” the following procedures shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be significantly affected by the proposed action. The affected Owners, tenants or occupants may, within 5 days of the date of the notice, request a hearing in writing. Within 30 days of the

request for the hearing, the Board shall schedule the hearing in front of a hearing board appointed by the Board and provide notice of the date, time and location to the requesting party. At the discretion of the Board of Directors, the Board may serve as the hearing board instead of appointing one. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the hearing board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the hearing board. The affected person shall be notified of the decision in the same manner as the notice was given.

ARTICLE XII BUDGET AND ASSESSMENTS

12.1 Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. Unless otherwise directed by Board resolution, the annual assessments provided herein shall be paid monthly and shall commence on the date (which shall be the first day of the month) fixed by the Board to be the date of commencement. Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year.

12.2 Preparation of Budget. In preparing its budget, the Board shall estimate the Common Expenses and Specially Allocated Expenses of the Association (except charges for utilities that are the sole responsibility of the Owner and or Occupant thereof which are billed separately to the Unit Owners based on actual usage) to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association.

12.3 Budget Approval. Within thirty days after adoption of any proposed budget for the condominium, 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 nor more than sixty 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 or any larger percentage specified in the Declaration 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 the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the board of directors.

12.3.1 Budget Summary Disclosure. As part of the summary of the budget provided to all unit owners, the Board of Directors shall disclose to the Unit Owners:

12.3.1.1 The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;

12.3.1.2 If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each unit per month or year, and the purpose of the assessments;

12.3.1.3 Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;

12.3.1.4 If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per unit per month or year;

12.3.1.5 The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

12.3.1.6 The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

12.3.1.7 If the funding plan approved by the Association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

12.4 Supplemental Budget. If during the year, the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessments, the Board may adopt a supplemental budget for the remainder of the year, subject to ratification by the Owners pursuant to Section 12.3.

12.5 Assessments for Common Expense. Assessments for Common Expense, and Specially Allocated Expenses, as reflected by the annual budget and any supplemental budgets, shall be divided into installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly Assessment for each Unit is the total of (a) the Common Expense Liability of that Unit times the total monthly installment for Common Expenses for all Units; and (b) any Specially Allocated Expenses for the Unit. Assessments may be rounded to the nearest dollar. To the extent that any Common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may assess the expense against that Unit.

12.6 Limited Common Assessments; Specially Allocated Expenses.

12.6.1 Liability for Damages and Misconduct. Notwithstanding any other provision of this Declaration, and except: (1) to the extent actually covered by insurance obtained

by the Association; (2) to the extent that a lack of insurance results from the negligence or breach of duty to insure of the Board; or (3) where damage is a result of natural disaster such as earthquake or flood, which shall in all cases be a Common Expense of the Association:

Each Owner is liable for, and shall be responsible for (i) any expenses resulting from damages done to a Unit, the Common Elements or the Limited Common Elements, by that Owner and/or any Tenant or Occupant using and/or occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant, or Tenant; (ii) any expenses resulting from damages done to a Unit, the Common Elements or the Limited Common Elements, as a result of the failure to maintain, repair or replace any fixture, equipment, appliance or appurtenance which the Owner is responsible to maintain under the terms of the Governing Documents, and/or (iii) any expenses resulting from any act and/or omission, negligence, or misconduct by that Owner, Occupant, and/or any Tenant using and/or occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant, or Tenant (including but not limited to any attorney's fees incurred by the Association, Board of Directors, or any member of Board of Directors in his/her capacity as such), as may be determined by the Board. After Notice and an Opportunity to be Heard, the sums due from any Owner pursuant to this Section shall be assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Limited Common Elements, and Common Elements, and shall be collectable as are other Assessments without the need for ratification. Such expenses shall include any administrative and/or legal fees incurred by the Association.

In the event of any visible signs of water intrusion, moisture or mold in one's Unit or Limited Common Elements, the Unit Owner and any person occupying said Unit or using said Limited Common Elements, shall have an affirmative duty to report said signs immediately to the Board. A failure to do so shall result in the imposition of liability upon the Unit or Owner for resulting damages. Knowledge of an issue by the Association shall not make the Association liable for any damage merely because the issue was reported.

12.6.2 Common Expenses Benefitting Less Than All Units. Any other Common Expense or portion thereof benefitting fewer than all of the Units may, in the discretion of the Board of Directors, be assessed exclusively against the Units benefitted.

12.6.3 Non-Metered Utility Expenses. If one or more Units or the Common Elements are not separately metered, the utility service shall be paid as a Common Expense, and the Board may either allocate, by reasonable formula, a portion of such expense to each such Unit involved as a Limited Common Expense, or reimburse any Unit Owner who pays in whole or in part for utilities serving the Common Elements, as appropriate.

12.6.4 Specially Allocated Expenses. The Board has authority to adopt rules and resolutions from time to time in order to regulate the appearance of the Property to promote a cohesive, clean, tidy, well-maintained appearance of the community. To the extent that the Association incurs such costs, the following costs of the Association shall be specially allocated to Units based on usage or benefit.

12.6.4.1 The cost of maintenance repair and replacement of balconies, patios, storage areas, carports, parking spaces, boat moorage slips or any

other Limited Common Element shall be specially allocated to the Owner(s) of the Unit(s) to which the Limited Common Element is appurtenant or who shares in the exclusive benefit of any such Limited Common Element.

12.6.4.2 The cost of repair or replacement of damaged or broken glass in the windows or doors of the Units shall be borne by or specially allocated to the Unit Owner.

12.7 Special Assessments. For those Common Expenses that cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Units, subject to ratification by the Owners pursuant to Section 12.3. To the extent that any Common Expense is caused by the misconduct, including failure to maintain or repair, by an Owner, Tenant, Occupant, Invitee or agent of any Unit, the Association may, after Notice and Opportunity to be Heard, levy a special Assessment for the expense against the Unit Owner and or Tenant.

12.8 Creation of Reserves; Assessments. The Board shall create reserve accounts for anticipated expenses for repairs, replacements, and improvements that will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.

12.9 Notice of Assessments. The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Unit, on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested. The Board shall furnish the same information to an Owner's Mortgagee of a Unit of any 60-day delinquency in the payment of Assessments or other charges owed by the Owner of that Unit.

12.10 Payment of Monthly Assessments: Delinquency. On or before the first (1st) day of each calendar month, each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Unit for the next month. Any Assessment not paid by the fifteenth (15th) day of the calendar month for which it is due (or by such other day as the Board may by resolution establish) shall be delinquent and subject to late charges of \$25.00 per month, interest charges of 12% of the total outstanding balance, and collection procedures as provided in Article XIII herein. The Board may revise the amounts and percentages by adopting Rules as needed from time to time.

Comment [TB6]: INCREASED FROM 10% TO 12%.

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

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

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

12.14 Recalculation of Assessments. If Common Expense Liabilities are reallocated, Common Expense Assessments, Special Assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

12.15 Reconciliation of Assessments to Actual Income and Expenses. The Association shall establish and maintain its accounts and records in such a manner that will enable it to credit Assessments for Common Expenses and Specially Allocated Expenses, including allocations to reserves, and income to the Association to the account of the appropriate Units and make its expenditures from the appropriate accounts. In order that the Unit Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association shall be reconciled at least annually, unless the Board determines that a reconciliation would not result in a material savings to any Unit Owner; and any surpluses (or deficits) in the accounts shall be credited to the benefit of or paid to (or charged to the account of or assessed against) the Owners of the Units who paid the surplus (or owe the deficit).

12.16 Reserve Studies. Unless doing so would impose an unreasonable hardship as determined by the Board of Directors, the Association shall have prepared and shall update a reserve study annually as required by RCW 64.34.380.

ARTICLE XIII LIEN AND COLLECTION OF ASSESSMENTS

13.1 Assessments Are a Lien; Priority.

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

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

Comment [TB7]: THIS IS A CHANGE. ADDED DETAIL TERMS. SEE ORIGINAL PAGE 8, ITEM 10 PARAGRAPH 3.

13.1.3 Exceptional Circumstances. Except as provided in this Section 13.1.3, the lien shall also be prior to the Mortgages described in section 13.1.2 to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association, which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a mortgagee, the date of a trustee's sale in a non-judicial foreclosure of a mortgage, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real

estate contract. Notwithstanding the foregoing, the priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee who has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such Mortgagee becomes an Eligible Mortgagee or has given such notice and before the Association gives such Mortgagee a written notice of the delinquency.

13.1.4 Recording Notice of Claim of Lien. Recording of this Declaration constitutes recorded notice and perfection of the lien for Assessments, however, the Association may record a notice of claim of lien for Assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a mortgagee referred to above.

13.2 Lien May Be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12. or non-judicially in the manner set forth in Section 13.3. 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 months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in Section 13.1.3, the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Unit. 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.

13.3 Non-Judicial Foreclosure. A lien arising under this Article may be foreclosed non-judicially in the manner set forth in RCW 61.24 for non-judicial foreclosure of deeds of trust. For the purpose of preserving the Association's non-judicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Pacific Northwest Title or its successors or assigns ("Trustee"), to secure the obligations of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien non-judicially pursuant to this Section, it shall not be entitled to the lien priority over mortgages provided in Section 13.1.3.

13.4 Receiver During Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by the Owner thereof the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof then to the cost of refurbishing

the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

13.5 Assessments Are Personal Obligations. In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges in this Article, shall be the personal obligation of the Owner of the Unit when the Assessments are made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

13.6 Extinguishment of Lien and Personal Liability. 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 years after the amount of the Assessments sought to be recovered becomes due.

13.7 Joint and Several 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 any unpaid Assessments against the grantor 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 therefore. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

13.8 Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

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

13.10 Security Deposit. An Owner who has been chronically delinquent in paying his monthly Assessments may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying Assessments. If the owner remains current on Assessments for a calendar year, the security deposit shall be returned.

13.11 Collections from Tenants. The Association may collect directly from any Tenant of a Unit the Owner of which is delinquent on the payment of assessments all or any portion of the rent due for such Unit until such Unit Owner's delinquency has been satisfied including any applicable late charges, interest, and security deposit requirements. The Association shall not exercise this right unless the Unit Owner fails to pay any delinquency within thirty (30) days after notice of the delinquency has been given to the Unit Owner. The Tenant of any such Unit shall receive full credit against his or her rental obligations to the Unit Owner for all amounts paid to the Association in response to the Association's demand. Provided, however, the payment of rents by any such tenant shall not act as a waiver of any requirements stated in this Declaration with regard to the lease and approval of the same by the Association, and shall not discharge any liability of the Unit Owner hereunder except that such delinquency shall be reduced by the amounts actually received, and shall not release the Association's lien against the Unit for any remaining delinquency.

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

ARTICLE XIV ENFORCEMENT OF GOVERNING DOCUMENTS

14.1 Enforcement. Each owner shall comply strictly with the provisions of this Declaration, the Bylaws, and the administrative Rules and Regulations made pursuant thereto as they may be lawfully amended from time to time. Failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Directors on behalf of the owners, or in a proper case, by any aggrieved owner. Failure to comply shall also entitle the Board of Directors to recover any costs and reasonable attorneys' fees incurred by reason of such failure whether or not such activities result in suit being commenced or prosecuted to judgment. In addition, the Board of Directors shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

14.2 Enforcement Against Tenants. If a Tenant or a Related Party occupying a Unit fails to comply with a provision of the Governing Documents, a Board Decision or a decision of the Hearing Board, then, in addition to all other remedies which it may have, the Board shall notify the Unit Owner of the violation (s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after the notice. If the violation(s) is (are) not remedied within the thirty (30) day period, the Unit Owner shall immediately, at his or her own cost, institute and diligently prosecute an unlawful detainer action under the Washington Residential Landlord Tenant Act or any successor statute on account of the violation(s). The action shall not be compromised or settled without the prior written approval of the Board. If the Unit Owner fails to fulfill the foregoing obligation, the Board shall have the right, but not the duty, to institute and prosecute the action as attorney-in-fact for the Unit Owner and at the Unit owner's sole cost, including all attorney's fees incurred. The costs and expenses of the action, including attorney's fees, shall be deemed to constitute Assessments secured by a lien on the Unit involved as well as the personal obligation of the Unit Owner, and collection of those costs may be enforced by the Board in the manner prescribed in this Declaration. Each and every Unit Owner does hereby

automatically irrevocably name, constitute, appoint and confirm the Association as his or her attorney-in-fact for the purposes described in this Section.

14.3 No Waiver of Strict Performance. The failure of the Board of Directors in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of Directors of any sum from an owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of Directors of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors.

14.4. Dispute Resolution. Except for actions for delinquent assessments or other charges, if a dispute should arise between the parties governed by these Declarations that cannot be resolved between the parties, then the dispute shall be resolved in accordance with the following provisions:

14.4.1 Mediation. Unresolved disputes may be submitted to mediation upon the agreement of both parties. Mediation shall occur in King County, Washington utilizing a mediator or mediation service to be agreed to by both parties. Cost for the mediator or mediation service shall be borne equally by both parties. If the parties cannot agree as to a mediator or service, then the mediator shall be selected by the American Arbitration Association in accordance with its rules for mediation.

14.4.2 Superior Court. If the parties are unable to resolve their dispute through mediation set forth in 14.4.1, any party may seek relief, including seeking injunctive relief, money damages, or both, in the courts. Venue shall be in King County, Washington. If a party files an action without first attempting mediation as set forth in Section 14.4.1, that party waives its right to seek attorney's fees and costs.

ARTICLE XV TORT AND CONTRACT LIABILITY

15.1 Association Liability. An action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association.

15.2 Limitation of Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board nor the Managing Agent shall be liable for the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand that might leak or flow from outside or from any parts of the building, or from any of the pipes, drains, conduits, appliances, or equipment, or from any place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

15.3 No Personal Liability. So long as a Board member, Association committee member, Association officer, or the Managing Agent have acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person, provided that this Section shall not apply when the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

ARTICLE XVI INDEMNIFICATION

16.1 Indemnification. Each Board member, Association committee member, Association officer, and the Managing Agent shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties, provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE XVII INSURANCE

17.1 Insurance Coverage. Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance, (b) commercial general liability insurance, (c) fidelity insurance, (d) worker's compensation insurance to the extent required by applicable laws, (e) directors and officers liability insurance, and (f) such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, authorized to do business in the state of Washington, and meet the specific requirements of FNMA, FHLMC, HUD and VA, so long as any of them is a Mortgagee or Owner of a Unit, regarding the qualifications of insurance carriers. Notwithstanding any other provision here, the Association shall continuously maintain in effect property, liability and fidelity insurance that meets the insurance requirements for condominium projects established by FNMA, FHLMC, HUD and VA, so long as any of them is a Mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice (10 days for cancellation for nonpayment of premium) to any and all insureds named therein, including Owners, Mortgagees, and designated servicers of Mortgagees.

Comment [TB8]: THIS IS NEW. THIS SENTENCE WAS NOT IN THE PREVIOUS VERSION.

17.2 Property Insurance. The property insurance shall, at a minimum, provide special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements, the Limited Common Elements, the Units, personal property of the Association, and betterments and improvements including permanently-installed wall and floor coverings, equipment, fixtures (such as cabinets) and appliances, and replacements or upgrades of the same, in or serving the Units, whether installed by the Declarant, Owners, or their tenants, with an "Agreed Amount" or equivalent endorsement. Each Owner shall promptly inform the Board in writing of any betterment or improvement intended as a permanent part of its Unit which cost in excess of \$10,000. The Association's policy must provide for the recognition of any insurance trust agreement. The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy in accordance with the Allocated Interest allocated to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. The policy may also be issued in the name of an insurance trustee who has entered into an insurance trust agreement pursuant to Section 18.4.3 below, or any successor trustee, as insured, for the use and benefit of the Owners. A loss payable shall be in favor of the Association or such insurance trustee, as a trustee, for each Owner and each Mortgagee of a Unit. The Association or such trustee shall hold any proceeds of insurance in trust for Owners and Mortgagees of a Unit, as their interests may appear. Each Owner and each Mortgagee of a Unit, if any, shall be beneficiaries of the policy in accordance with their Allocated Interests. Such policy shall contain a standard mortgagee clause or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in King County, Washington, which appropriately names FNMA and FHLMC if such corporations are Mortgagees of a Unit.

17.3 Commercial General Liability Insurance. The liability insurance policy shall insure the Board, Association and Owners. The policy will cover all of the Common Elements in the Condominium with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to condominium projects of similar construction, location and use. The liability policy shall also cover any commercial space owned and leased by the Association, and any public ways of the Condominium. Coverage shall also include legal liability arising out of lawsuits related to employment contracts of the Association. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

Comment [TB9]: THIS IS A CHANGE. ADDED HOST LIQUOR LIABILITY AND REMOVED WATER DAMAGE.

Comment [TB10]: THIS IS A CHANGE. ADDED \$2M AGGREGATE.

17.4 Fidelity Insurance. The required fidelity insurance shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, employees of the Association and Manager and all other persons who handle or are responsible for handling funds of or administered by, the Association. All such fidelity insurance shall name the Association as obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate Assessments including reserve funds. The policy

shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

17.5 Insurance against loss of personal property of the Association by fire, theft and other losses, with deductible provisions as the Board of Directors deems advisable.

17.6 Flood Insurance. Where the Condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), such insurance shall be obtained by the Association, as a Common Expense, under a "master" or "blanket" policy of flood insurance on the buildings and any other property covered by the required form of policy (herein "insurable property"), in an amount deemed appropriate by the Association, but not less than the following:

17.6.1 The lesser of: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the Condominium to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) 100% of current replacement costs of all such buildings and other insurable property within such area.

17.6.2 Such policy shall be in a form which meets the criteria set forth in the most recent guidelines on the subject issued by the Federal Insurance Administrator.

17.7 Owner's Additional Insurance. Each Owner of a Unit shall, at his or her own expense, obtain additional insurance ("Owner's Individual Insurance") respecting his or her Unit as contemplated under RCW 64.34.352, as amended, and shall designate the Association as an "Additional Insured" under the Owner's policy. A Unit Owner's Individual Insurance coverage shall be written on a condominium owner's policy form, and individually or together with an umbrella policy, shall include personal liability coverage, coverage for the potential reimbursement of the Association's property deductible amount, and other insurance sufficient to protect the Unit Owner's assets. A Tenant who is renting or leasing a Unit shall provide general liability renter's insurance in the same amounts and with the same terms as that required for Unit Owner's Individual Insurance, if the Owner does not have such coverage. The Board may, from time to time, adopt rules which set additional or greater requirements for Unit Owner's Individual Insurance coverage, including the minimum amount of property and liability coverage to be included and the maximum amount of the permissible deductible.

Comment [TB11]: THIS IS A CHANGE. ADDED THIS REQUIREMENT.

17.7.1 Responsibility for Administering Owner Policies. The Association shall not be responsible for administering individual owner policies. The Association shall have the right, but not the obligation, to monitor the maintenance of such insurance by Unit Owners and shall have the right, but not the obligation, to obtain such insurance for the Unit Owner, at the Unit Owner's sole cost and expense, if the Owner fails to obtain or maintain the same. Each owner shall provide proof of insurance designating the Association as an Additional Insured annually, or upon any change of the Owner's insurance policy.

17.7.2 Owner v. Association Coverage. No Owner shall maintain insurance coverage in any manner which would decrease the amount that the Association or any trustee for the Association (on behalf of all Owners) will realize under any insurance policy which the Board may have in force on the Condominium at any particular time. The sums due from any Owner

pursuant to this Section shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Limited Common Elements and Common Elements, and shall be collectable as are other Assessments without the need for ratification.

17.8 Insurance Proceeds. Insurance proceeds for damage or destruction to any part of the Property shall be paid to the Board of Directors on behalf of the Association which shall hold such proceeds in trust for each Unit Owner and their first Mortgage holders, as their interests may appear, and shall segregate such proceeds from other funds of the Association for use and payment as provided for in Section 13. The Association acting through its Board of Directors shall have the authority to settle and compromise any claim under insurance obtained by the Association, and the insurer may accept a release and discharge of liability made by the Board of Directors on behalf of the named insureds under the policy.

17.9 Additional Provisions. The Board of Directors shall, to the extent they are reasonably available, obtain insurance policies containing or omitting (as indicated below), the following provisions:

17.9.1 Contribution. A provision that the liability of the insurer thereunder is primary and shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, pro ration, or contribution by reason of, any other insurance obtained by or for any Unit Owner or any Mortgagee.

17.9.2 Matters Association Cannot Control. No provision relieving the insurer from liability for loss because of any act or neglect of Unit Owners which is not within the scope of a Unit Owner's authority to act on behalf of the Association or because of any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

17.9.3 Subrogation. A waiver of subrogation by the insurer for any and all claims against the Association, the Owner of any Unit and/or their respective household members, agents, employees or Tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

17.9.4 Restoration Limited. A provision prohibiting the insurer from electing to restore damage in lieu of making a cash settlement, without first obtaining the written approval of the Association, or, if the Association is a party to an insurance agreement, the written approval of the trustee.

17.9.5 Cancellation. A provision that 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 Chapter 48.18 RCW pertaining to the cancellation or non-renewal of contracts of insurance.

17.9.6 Inflation Endorsement. An "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement," which increases coverage and policy limits to the same extent inflation causes the value of the dollar to decrease.

17.9.7 Appointment of Attorney-in-Fact. Each Unit Owner appoints the Association or any insurance trustee appointed pursuant to Section 18.4.3 below, as attorney-in-fact for the purpose of purchasing and maintaining the insurance provided for under this Article XVII, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

17.10 Liability for Uninsured Amounts. Notwithstanding any other provision of this Declaration, and except: (1) to the extent that a lack of insurance results from the negligence or breach of duty to insure of the Board; or (2) where damage is a result of natural disaster such as earthquake or flood, which shall in all cases be a common expense of the Association.

17.10.1 Damage Liability Responsibility. Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Owner where the damage results from misconduct, or from a negligent or intentional act or omission by an Owner, or that Owner's Tenant, or the family, servants, employees, agents, guests or licensees of that Owner or Tenant, or from the failure of or the failure to maintain any portion of the Condominium, including any appliance, equipment or fixture in an apartment, which that Owner is responsible to maintain.

17.10.2 Damage Liability Allocation. Except as set forth in 17.10.1, liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Elements assigned to that Unit. Where the damage involves both the Common Elements and one or more Units, then liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be pro-rated between the involved Owners and the Association in proportion to the relative amounts of damage to the affected Units and their assigned Limited Common Element (Owner's share) and the damage to the other Common Elements (Association's share).

ARTICLE XVIII DAMAGE AND REPAIR OR DAMAGE TO PROPERTY

18.1 Initial Board of Directors' Determinations. In the event of damage or destruction to any part of the Property, the Board of Directors shall promptly, and in all events **within sixty (60) days after the date of damage or destruction**, make the following determinations with respect thereto employing such advice as the **Board of Directors** deems advisable.

Comment [TB12]: THIS IS A CHANGE. IT USED TO SAY OWNER.

18.1.1 Extent of Damages. The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.

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

18.1.3 Insurance Proceeds. The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

18.1.4 Deductible. The amount of the deductible to be paid by an Owner with respect to damage or loss within the Owner's Unit.

18.1.5 Reserves. The amount of available reserves or other Association funds, although the Board is not required to use any reserves or other Association funds.

18.1.6 Excess Cost. The amount, if any, by which the estimated cost of repair and restoration exceeds the portion of the deductible to be paid by an Owner, anticipated insurance proceeds and available reserves or other Association funds, and the amount of the Assessment to each Unit if such excess is paid as a Common Expense and specially assessed against all the Units in proportion to their Allocated Interests.

18.1.7 Recommendation. The Board of Directors' recommendation whether or not such damage or destruction should be repaired or restored.

18.2 Notice of Damage or Destruction. The Board of Directors shall promptly, and in all events within sixty (60) days after the date of damage or destruction, file a proof of loss statement with the insurance company if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the Association to file a proof of loss. The Board shall then provide each Owner and each Mortgagee who has theretofore requested special notice, with a written notice summarizing the initial Board of Directors' determinations made under Section 18.1. If the Board of Directors fails to do so within said sixty (60) days, then any Owner or Mortgagee may make the determinations required under Section 18.1 and give the notice required under this Section 18.2.

18.3 Definitions:

18.3.1 Restoration. As used in this Section 18, the words "repair," "reconstruct," "rebuild" or "restore" shall mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

18.3.2 Emergency Work. As used in this Section 18, the term "emergency work" shall mean that work which the Board of Directors deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the Owners from liability from the condition of the site.

18.3.3 "Damage" shall mean all kinds of damage, whether of slight degree or total destruction, but shall not include regular maintenance, repair or replacement of Common Elements or Limited Common Elements accounted for in the Association's reserve study or budgets.

18.4 Restoration by Board of Directors.

18.4.1 Board of Directors Shall Restore. Unless prior to the commencement of repair and restoration work (other than emergency work referred to in Section 18.3.2) (1) the Owners shall have decided not to repair and reconstruct in accordance with the provisions of either

Section 18.5.3 or 18.6.3, (2) such repair or restoration work would be illegal under any state or local health or safety statute or ordinance, or (3) the Condominium is terminated pursuant to RCW 64.34, as amended, the Board of Directors shall promptly repair and restore the damage or destruction. The Board of Directors shall use the available insurance proceeds to pay for the actual cost of repair and restoration. Any excess cost determined as provided in Section 18.1.6 shall be a Common Expense collected from the Unit Owners as a special assessment.

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

18.4.3 Insurance Trustee. The Board of Directors may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to collect the insurance proceeds and carry out the provisions of this Section 18. Any such insurance trustee shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance.

18.5 Limited Damage; Assessment under \$25,000. If the amount of the estimated assessment determined under Section 18.1.6 does not exceed Twenty-Five Thousand Dollars (\$25,000) for any one Unit then the provisions of this Section 18.5 shall apply:

Comment [TB13]: THIS WAS CHANGED FROM \$3,500.

18.5.1 Special Meeting of Association. The Board of Directors may, but shall not be required to, call a special Owners' meeting to consider such repair and restoration work, which notice shall be given simultaneously with the notice required to be given by the Board of Directors under Section 18.2 above. If the Board of Directors shall fail to call such meeting, then the requisite number of Owners, within fifteen (15) days of receipt of the notice given by the Board under Section 18.2 above, or the expiration of the sixty (60) day period for notice described in Section 18.2, whichever is less, may call a special Owners' meeting to consider such repair and restoration work. Any meeting held pursuant to this Section 18.5.1 shall be called by written notice and shall be convened not less than ten (10) nor more than twenty (20) days after the date of the notice of meeting.

18.5.2 No Restoration Work Prior to Meeting. Except for emergency work, no repair and restoration work shall be commenced until after the expiration of the notice period set forth in Section 18.5.1 and until after the conclusion of said special meeting if such meeting is called within said notice period.

18.5.3 Vote Required Not to Rebuild. A unanimous decision of all the Unit Owners with Units or exclusively assigned Limited Common Elements which will not be rebuilt, and the affirmative vote of at least eighty percent (80%) of all Unit Owners will be required to avoid the provisions of Section 18.4.1 and to determine not to repair and restore the damage and destruction; provided, that the failure of the Board of Directors or the requisite number of Owners to call for a special meeting at the time or in the manner set forth in Section 18.5 shall be deemed a unanimous decision to undertake such work.

18.6 Major Damage; Assessment over \$25,000. If the amount of the estimated assessment determined under Section 18.1.6 exceeds Twenty-Five Thousand Dollars (\$25,000) for any one Unit, then the provisions of this Section 18.6 shall apply.

Comment [TB14]: THIS WAS CHANGED FROM \$3500 TO \$25000.

18.6.1 Special Meeting of Association. The Board of Directors shall promptly, and in all events within sixty (60) days after the date of damage or destruction, provide written notice of a special Owners' meeting to consider repair and restoration of such damage or destruction, which notice shall be delivered with the notice required to be provided under Section 18.2 above. If the Board of Directors fails to do so within said sixty (60) day period, then notwithstanding the provisions of this Declaration or the Bylaws with respect to calling special meetings, any Owner (the provisions of Section 6.6, notwithstanding) may within fifteen (15) days after the expiration of said sixty (60) day period, call a special meeting of the Owners to consider repair and restoration of such damage or destruction by providing written notice of such meeting to all Owners and Mortgagees. Any meeting held pursuant to this Section 18.6 shall be called by written notice and shall be convened not less than ten (10) nor more than fifteen (15) days from the date of the notice of meeting.

Comment [TB15]: THIS IS A CHANGE. ADDED 60 DAYS.

18.6.2 No Restoration Work Prior to Meeting. Except for emergency work, no repair and restoration work shall be commenced until the conclusion of the special Owners' meeting required under Section 18.6.1.

18.6.3 Vote Required Not to Rebuild. The affirmative vote of Owners having at least eighty percent (80%) of the votes and all votes of any Unit Owner exclusively assigned a Limited Common Element that will not be rebuilt will be required to avoid the provisions of Section 18.4 and to determine not to repair and restore the damage and destruction; provided, however, that the failure to obtain said affirmative vote shall be deemed a decision to rebuild and restore the damage and destruction; provided, further that the failure of the Board of Directors, or Owners to convene the special meeting required under Section 18.6.1 within ninety (90) days after the date of damage or destruction shall be deemed a unanimous decision to undertake such repair and restoration work.

18.7 Decision Not to Restore; Disposition. In the event of a decision under either Sections 18.5.3 or 18.6.3 not to repair and restore the damage and destruction, or if such repair would be illegal, and provided the Condominium has not been terminated pursuant to RCW 64.34.268, as it may be amended, the Board of Directors may nevertheless expend such of the insurance proceeds and common funds as the Board of Directors deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged or destroyed building and clearing, filling and grading the real property). The remaining funds, if any, and property shall thereafter be held and distributed as follows:

18.7.1 Repair of Common Elements. The insurance proceeds attributable to the damaged Common Elements (except for Limited Common Elements) shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium.

18.7.2 Distribution to Owners of Damaged Units. The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders of such Units, as their interests may appear.

18.7.3 Remaining Proceeds. The remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to such Owner's allocated interest in the Common Elements.

18.7.4 Reallocation of Interests; Amendment. The allocated interests of any Unit which the Unit Owners vote not to rebuild are automatically reallocated upon the vote not to rebuild as if the Unit had been condemned pursuant to Article XIX. The Board of Directors shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

18.8 Allocation of Costs Not Covered by Insurance. Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Elements assigned to that Unit. Where the damage involves both the Common Elements and one or more Units, then liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be pro-rated between the involved Owners and the Association in proportion to the relative amounts of damage to the affected Units and their assigned Limited Common Element (Owner's share) and the damage to the other Common Elements (Association's share).

ARTICLE XIX CONDEMNATION

19.1 Consequences of Condemnation Notices. If any Unit or portion thereof or the Common Elements or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and Mortgagee and the provisions of this Article shall apply.

Comment [TB16]: PREVIOUS DECLARATION SAID WRITTEN APPROVAL. PAGE 7, ITEM 9C.

19.2 Power of Attorney. Each Owner appoints the Association as attorney-in- fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements, and agreements with the condemning authority. The Board may appoint a trustee to act on behalf of the Owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to this Section, the affected Owners may individually or jointly act on their own behalf.

19.3 Condemnation of a Unit. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit, which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owners' Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation of a Unit shall be paid to the Owner or lienholder of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

Comment [TB17]: THIS IS A CHANGE. USED TO SAY ASSOCIATION AND MORTGAGEE. PAGE 37, ITEM 23B.

19.4 Condemnation of Part of a Unit. Except as provided in Section 19.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are required. The proceeds from the condemnation awarded to the Unit Owner shall be paid to the Owner or lienholders of the Unit, as their interest may appear. Upon acquisition, unless the decree otherwise provides, (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

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

19.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XVIII.

Comment [TB18]: THIS IS A CHANGE. EXISTING DEC. SAYS THE ASSOCIATION HAS "RIGHT TO RETAIN AWARD".

**ARTICLE XX
EASEMENTS, PROPERTY RIGHTS IN COMMON AREAS
AND PRIVATE ROADS**

20.1 In General. Each Unit has an easement in and through each other Unit and the Common and Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium.

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

with full knowledge of the Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

20.3 Easements Specifically Reserved by the Association.

20.3.1 Access Easement. The Association, for itself and its successors and assigns, reserves an access easement over, across, and through the Common Elements of the Condominium for the maintenance, repair or replacement of Common Elements and/or Units.

20.3.2 Annexation Easement. The Association for itself and its successors and assigns, retains a right of easement for roadway and utilities, and other uses in and over the Common Elements, Limited Common Elements and Private Roads and a right and easement of ingress and egress upon and across the Common Elements, Limited Common Elements and Private Roads for the benefit of any other property or properties which Association may annex hereto in accordance with its authority under Section 10.4.

20.4 Utility Easements Granted by the Original Declarant. The Original Declarant reserved grants to each company or municipality providing utility services to the Condominium or to the Units in the Condominium an easement for the installation, construction, maintenance, repair, and reconstruction of all utilities serving the Condominium or the Owners, including, without limitation, such utility services as water, sanitary sewer, storm sewer, electricity, cable television, and telephone, and an easement for access over and under the Common Elements of the Condominium to the utility service facilities.

20.5 Merger, Consolidation or Annexation.

20.5.1 Merger. Any merger or consolidation of the project with another condominium shall require the written concurrence or vote of 100% of Owners, 51% of First Mortgagees and comply with the provisions of RCW 64.34.280.

20.5.2 Annexation. Any subsequent additions to the project shall require written concurrence of 100% of Owners and 51% of First Mortgagees and complies with the provisions of RCW 64.34.

20.6 Property Rights in Common Area and on Private Roads

20.6.1 Easements of Use, Enjoyment, Ingress and Egress. It is intended that in addition to rights under the Condominium Act, each Unit shall have an easement in and through each other Unit and the Common and Limited Common Elements for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto as may be reasonably or necessarily be required to effectuate this Declaration. Without limiting the generality of the foregoing, each Unit and all Common and Limited Common Elements are specifically subject to an easement for the benefit of each of the other Units in the building for all duct work for the several Units for fireplaces and associated flues or chimneys, the intercom and electrical entry system, if any the electrical wiring and plumbing, the air conditioning lines and equipment, in any, for each Unit, and the master antenna cable system, if any, and the location and maintenance of all of the original equipment and facilities and utilities in each such Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement

for common facilities reserved by law. Every Owner shall have, in conjunction with all other Owners, a right and easement of enjoyment in and to the Common Elements and a right and easement of ingress and egress upon and across the Common Elements and Private Roads for the purpose of getting to and from such Owner's Unit from the public way, which rights and easements shall be appurtenant to and pass with the conveyance of title to the Owner's Unit, provided, however, that such rights and easements shall be subject to the following:

20.6.2 Restrictive Documents. The covenants, conditions, restrictions, easements, reservations and other provisions contained in this Declaration or contained in the Survey Map and Plans of the Property as amended from time to time and as recorded in the office of the County Auditor of King County.

20.6.3 Granting Public Easements. The right of the Association to grant easements to any public agency, public authority, or utility company for such purposes and subject to such conditions as may be agreed to in the instrument or instruments evidencing such dedication or transfer, conveyance, or assignment. No such dedication or transfer shall be effective unless as instrument agreeing to such dedication or transfer signed by 67% of the Owners and 51% of the first mortgage holders.

20.6.4 Pedestrian/Vehicular Traffic. The right of the Association to adopt, from time to time, Rules concerning pedestrians and vehicular traffic and travel upon, in, under, and across the Common Elements, Limited Common Elements and Private Roads.

20.6.5 Use Rules. The right of the Association to adopt, from time to time, reasonable Rules concerning use of the Common Elements as the Association may determine as necessary or prudent.

20.6.6 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and Rules, the Owner's right of enjoyment to the Common Area and facilities to the members of the Owner's family, and his tenants who reside on the property.

20.6.7 Easements of Record. The Property shall be subject to the easements as shown on the Survey Map and Plans for the Property as amended from time to time, and as recorded in the office of the King County Auditor of King County, Washington.

20.7 Burdens and Benefits of this Declaration

20.7.1 Covenants Running with the Property. The benefits, burdens, and other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

20.7.2 Binding Upon; Inure to Successors. The benefits, burdens, and other provisions contained in this Declaration shall be binding upon, and inure to the benefit of the Declarant, the Association, and all Owners and upon and to their respective heirs, executors, administrators, successors and assigns.

ARTICLE XXI

PROCEDURES FOR SUBDIVIDING, COMBINING OR ALTERING UNITS

21.1 Submission of Proposal to Subdivide or Combine Units. No Unit or Units shall be subdivided or combined either by agreement or legal proceedings, except for as provided in this Article. An Owner may propose subdividing a Unit or combining Units by submitting the proposal in writing to the Board and to all other Owners and Mortgagees of the Unit to be subdivided or Units to be combined. A proposal to subdivide a Unit must also be given to each Eligible Mortgagee. The proposal must include complete plans and specifications for accomplishing the subdivision or combination and proposed amendments of this Declaration and the Survey Map and Plans, which amendments shall be executed by the Owner of the Unit to be subdivided or Units to be combined upon approval pursuant to this Section, and which amendments assign an identifying number to each Unit created, and reallocate the Allocated Interests formerly allocated to the subdivided Unit or Units to be combined to the new Units or Unit, as the case may be, in accordance with the formula or formulas provided in Section 5.4. The Owner of the Unit to be subdivided or Units to be combined shall bear all costs of the subdivision or combination. A proposal that contemplates subdivision of a Unit or combination of Units will be accepted only if approved in writing by all Owners and First Mortgagees of the Unit to be subdivided or Units to be combined, the Board and 75% of Eligible Mortgagees.

21.2 Minor Alterations. No Unit may be altered in any way except in accordance with this Article. An Owner may make improvements or alterations to the Owner's Unit; provided that an Owner may not, without the prior written approval of the Board (which it may withhold in its sole discretion), affect the structural integrity or mechanical or electrical systems, lessen the support of any portion of the Condominium or change sound transmission between Units. An Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of Section 21.4. An Owner may not penetrate the perimeter walls, floors or ceiling of the Owner's Unit without the prior written approval of the Board, which may be withheld in its sole discretion or conditioned upon an inspection by a third party selected by the Board at the Owner's cost and expense. Alterations that penetrate the boundaries of a Unit include, but are not limited to, the installation of recessed cabinets, recessed lighting, and recessed speakers. The Board may adopt additional rules and regulations regarding Unit alterations, including without limitation establishing minimum standards sound transmission and/or requiring the approval of adjacent Unit Owners for any alteration affecting sound transmission, including installation or replacement of hard surface flooring.

21.3 Adjoining Units. After acquiring an adjoining Unit or an adjoining part of any adjoining Unit, an Owner may, with approval of the Board pursuant to Section 24.4, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this subsection is not a relocation of boundaries. The Owner's proposal to act under this Section shall be submitted to the Board and shall include the plans and specifications for the proposed removal or alteration.

21.4 Substantial Alteration. A proposal that contemplates substantial alteration of one or more Units is subject to approval by the Board. The Board shall approve an Owner's request

under this Section within 60 days unless the Board reasonably determines that proposed alteration would impair the structural integrity, sound transmission characteristics or mechanical or electrical systems in the Condominium or adversely affect another Unit or the Common Elements. The failure of the Board to act upon a request within such period shall be deemed approval thereof.

21.5 Procedure After Approval. Upon approval of a proposal under this Article, the Owner making it may proceed according to the proposed plans and specifications, provided that the Board may in its discretion require that the Board administer the work or provide for the protection of other Units or Common Elements or provide that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map Plans and Declaration shall be placed of record as amendments thereto. The costs of an amendment to the Survey Map Plans and Declaration shall be specially assessed to the requesting Unit Owner.

21.6 Relocation of Boundaries—Adjoining Units. The boundaries between adjoining Units may only be relocated by an amendment to the Declaration, pursuant to Article XXIII, upon application to the Board by the Owners of those Units. If the Owners of the adjoining Units have specified a reallocation between their Units of their allocated interests, the application must state the proposed reallocations. Unless the Board determines within 30 days that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations, is executed by the Unit Owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. The Association shall obtain and record survey maps or plans complying with the requirements of RCW 64.34.232(4) necessary to show the altered boundaries between adjoining Units and their dimensions and identifying numbers. The Owner or Owners benefited by a reallocation of Unit boundaries shall bear all costs associated therewith in proportion to the relative benefits to each such Unit as determined by the Board.

ARTICLE XXII MORTGAGEE PROTECTION

22.1 Priority of Mortgages. Notwithstanding all other provisions hereof and as provided in the Act, the liens created under this Declaration upon any Unit for assessments shall be subject to tax liens on the Unit in favor of any assessing authority and/or special use district and be subject to the rights of the secured party in the case of any indebtedness secured by Mortgages which were made in good faith and for value upon the Unit. Where such Mortgagee of the Unit, or other purchaser of a Unit, obtains possession of a Unit thereof, such possessor and his successors and assigns, shall not be liable for the share of the Common Expenses or Assessments by the Association chargeable to such Unit which become due prior to such possession, but will be liable for the Common Expenses and Assessments accruing after such possession. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all the Owners including such possessor, his successor and assigns.

22.2 Abandonment of Condominium Status. Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be approved by Mortgagees who represent at least fifty-one percent (51%) of the votes of the Units that are subject to Mortgages. With regard to any Unit which has been declared as a Sub-

Condominium, the vote of at least fifty-one percent (51%) of the Mortgagees of the Sub-Units shall also be required for such termination.

22.3 Material Amendments to Declaration and Bylaws. The Association shall not make any amendments to the Declaration or Bylaws of a material adverse nature to Mortgagees without the prior approval of fifty-one percent (51%) of all Mortgagees, and without unanimous approval of the First Mortgagees of the Units for which the Allocated Interests would be changed.

22.4 Implied Approval. A Mortgagee shall be deemed to have approved of an amendment to the Declaration or Bylaws, including an amendment which would result in the abandonment of Condominium status or of a material adverse nature to Mortgagee, when the Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "Return Receipt" requested. In addition, with respect to any action requiring the consent of a specified number or percentage of Mortgagees, the consent of only eligible Mortgagees holding a first lien mortgage need be obtained and the percentage shall be based upon the votes attributable to Units with respect to which Eligible Mortgagees have an interest. Eligible Mortgagee means the holder of a Mortgage on a Unit that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

22.5 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 Declaration or the Bylaws shall control over such other inconsistent provisions.

22.6 Written Notice. Where a Mortgagee of a Unit (or any insurer or guarantor of such Mortgage) has filed a written request with the Board of Directors, for each such entity requesting notice, the Board of Directors shall:

22.6.1 Notice of Cancellation and Material Change. Provide written notice of any lapse, cancellation, failure to renew, reduction in coverage or limits, or other material modification of any insurance policy maintained by the Association.

22.6.2 Notice of Taking. Provide written notice of any condemnation or casualty loss affecting a material portion of the Condominium or the Unit securing such Mortgage.

22.6.3 Notice of Owner's Default. Provide written notice that an Owner/mortgagor of a Unit has for more than sixty (60) days failed to meet any obligation under the Declaration.

22.6.4 Notice of Meetings. Provide written notice of any proposed action which requires the consent of a specified percentage of Mortgagees.

22.7 Insurance Policy Terms. The insurance policy required under Section 12 shall contain a standard Mortgagee clause which shall, if reasonably obtainable, provide:

22.7.1 Reference to All Holders of Mortgages. Provide that any reference to a Mortgagee in such policy shall mean and include all holders of Mortgages of any Unit or Unit lease or sublease of the project, in their respective order and preference, whether or not named therein;

22.7.2 Mortgagee's Interest not to be Invalidated. Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board of Directors or Unit Owners or any persons under any of them; and

22.7.3 Waiver of Certain Provisions. Waive any provision invalidating such Mortgage clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the Mortgagee pay any premium thereon, and any contribution clause.

22.8 Inspection of Books; Audited Financial Statements. Unit Owners, potential purchasers, and holders, insurers, and guarantors of first Mortgages on any Unit and, until the period for bringing any claims has expired, Declarant ("Interested Parties") shall be entitled to inspect current copies of the Declaration, Bylaws, and any other rules concerning the Condominium and the books, records, and financial statements of the Association during normal business hours and under other reasonable circumstances.

22.8.1 Upon the written request of the Interested Parties, the Association shall provide such parties with an audited financial statement for the preceding fiscal year if an audited statement is available. The audited financial statement shall be available within one hundred twenty (120) days of the Association's fiscal year-end. The Interested Parties shall be allowed to have an audited financial statement prepared for the preceding fiscal year at their expense if the Condominium contains fewer than fifty (50) Units and such audited statement is not available.

Comment [TB19]: CHANGED FROM INSTITUTIONAL HOLDER OF FIRST MORTGAGE TO INTERESTED PARTIES.

22.9 Right of Board of Directors to Cure Defaults. Nothing herein contained shall limit or restrict the right of the Board of Directors on behalf of all the Owners to cure defaults under Mortgages to which the liens created hereunder are subordinated under this Section. The Board of Directors is expressly authorized to cure any and all such defaults by payments to the Mortgagee or Mortgagees of any defaulting Owner from the Common Expense fund. Any such payments shall be specially assessed against the Unit of the defaulting Owner and said special assessment shall be secured by the lien created under Article XIII; provided, however, that the Board of Directors shall not be able to assign their lien rights under Article XIII or otherwise transfer the Unit or any interest therein except when such transfer occurs pursuant to a lien foreclosure proceeding.

**ARTICLE XXIII
AMENDMENTS OF DECLARATION, SURVEY MAP AND PLANS,
ARTICLES OR BYLAWS**

23.1 Declaration Amendment. Except for those amendments that may be executed by the Board as provided in this Declaration regarding condemnation, reallocation of Limited Common Elements, relocation of Unit boundaries, subdivision of Units, and termination of the condominium, amendments must: (i) conform to the Mortgagee protection provisions set forth in Section 12; (ii) be made by an instrument in writing substantially entitled "Amendment to Declaration" which sets forth the entire amendment; (iii) be approved by a majority of the Board of Directors prior to its adoption by the owners; and (iv) **be adopted at a meeting of the owners by owners holding at least sixty-seven percent (67%) of the total voting power in the condominium or without any meeting if all owners have been duly notified and owners holding at least sixty-seven percent (67%) of the total voting power in the condominium consent in writing to such amendment.** In all events, the amendment when adopted shall bear the signature of the president of the Association attesting that the amendment was properly adopted. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. Notwithstanding the foregoing, no amendment may create or increase special declarant rights (as defined in the Act), increase the number of Units, change the boundaries of any Unit, the allocated interests of a Unit, or the uses to which any Unit is restricted, unless the requirements of the Act for adopting such amendments are satisfied. It is specifically consented and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the Section being amended or the amendment itself.

Comment [TB20]: THIS IS A MAJOR CHANGE. THE CURRENT REQUIREMENT IS 75% OF TOTAL VOTING POWER.

23.2 Map and Plans Amendment. Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to the Declaration adopted as provided for herein. Copies of any such proposed amendment to the Survey Map and Plans shall be made available for the examination of every owner. Such amendment to the Survey Map and Plans shall be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

23.3 Bylaws Amendment. The Bylaws may be amended pursuant to Section 10.2.

23.4 Mortgagee Approval. The consent of 51% of Eligible Mortgagees shall be required for any amendment to the Declaration, Articles or Bylaws, which is of a material adverse nature to Mortgagees.

23.4.1 Consent Definition. An Eligible Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

**ARTICLE XXIV
TERMINATION OF CONDOMINIUM**

24.1 Action Required. Except as provided in Article XVIII and Article XIX, the Condominium may be terminated only by agreement of Owners of Units to which at least 100% of the votes in the Association are allocated and with the consent of First Mortgagees of Units to which at least 100% of the votes in the Association are allocated and in accordance with the Condominium Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within 60 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

24.2 Condominium Act Governs. The provisions of the Condominium Act relating to termination of a condominium contained in RCW 64.34.268, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of that real property.

**ARTICLE XXV
NOTICES**

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

**ARTICLE XXVI
SEVERABILITY**

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

**ARTICLE XXVII
EFFECTIVE DATE**

27.1 This Declaration shall take effect upon recording.

**ARTICLE XXVIII
REFERENCE TO SURVEY MAP AND PLANS**

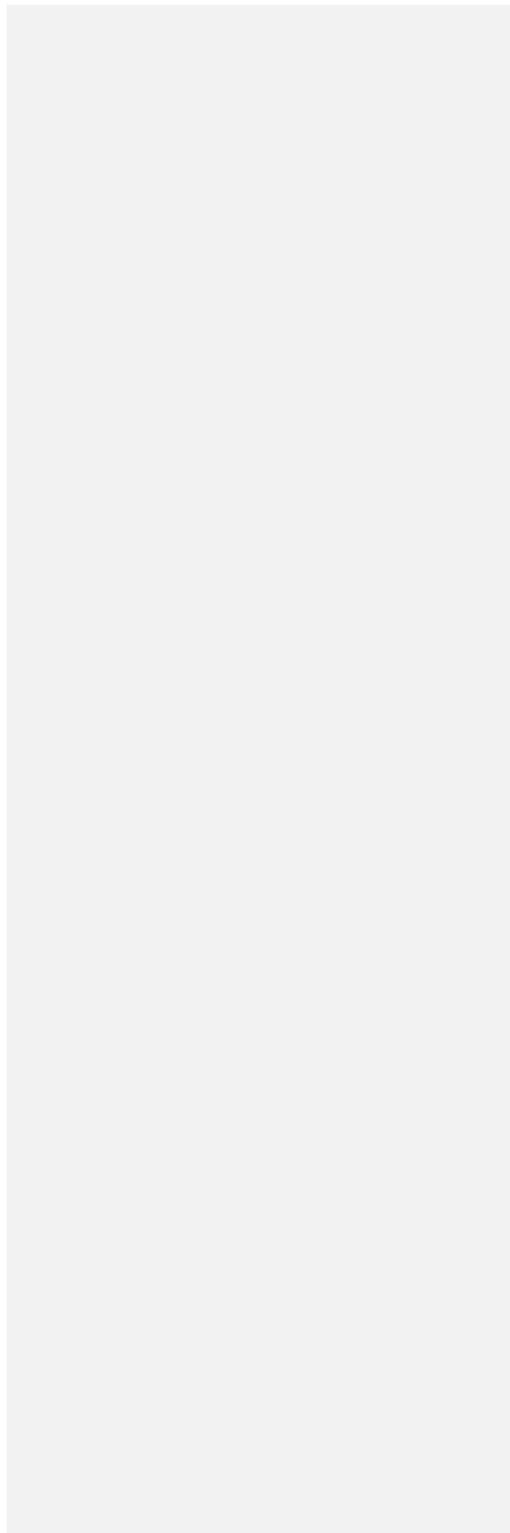
28.1 The Survey Map and Plans recorded April 14, 1980 and recorded under King County Recording Number 8004140564 and any amendments thereto are hereby cross referenced with the filing of this Amended and Restated Declaration of Condominium.

Dated this _____ day of _____, 2017

By: _____
President

ATTEST: The above amendment was properly adopted.

By: _____
Secretary



SCHEDULE A

Legal Description of Property

The Southeasterly 150 feet of the Northwesterly 600 feet of that portion of Government Lot 9, Section 13, Township 25 North, Range 5 East, W.M., in King County, Washington, lying Easterly of the, Robert Cotterill Road No. 818 conveyed to King County by Deed recorded under King County Recording Number 371854 and Southerly of a line which begins on the Northeasterly margin of said road at a point which is 150 feet Southeasterly measured along said road from the West line of said Government Lot 9 and runs Northeasterly to a point on the low water line of Lake Sammamish which is 25 feet Southerly from the North line of said Government Lot 9.

Except that portion thereof conveyed to King County for road by deed recorded under King County Recording Number 2291139.

Together with second class shore lands adjoining.

SCHEDULE B

**Unit Data, Assignment of Limited Common Element Parking and Storage, Boat Slips¹,
Common Expense Liability and Voting**

Unit No.	Approximate Square Footage	Parking Area(s)		Storage Area	Slip No.	Common Expense Liability	Votes
102	1118	49	--	1	25	2.858	1
103	1101	50	51	2	6	2.857	1
104	1101	27	67	3	--	2.857	1
105	1101	24	61	4	--	2.857	1
106	1101	44	--	5	--	2.857	1
107	1101	32	63	6	22	2.857	1
108	1101	5	37	7	4	2.857	1
109	1101	21	--	8	--	2.857	1
110	1101	18	54	9	10	2.857	1
111	1112	4	36	10	17	2.857	1
112	1112	17	53	11	16	2.857	1
201	1118	56	57	12	24	2.858	1
202	1118	13	46	13	8	2.858	1
203	1101	11	35	14	1	2.857	1
204	1101	28	68	15	--	2.857	1
205	1101	25	66	16	18	2.857	1
206	1101	12	45	17	--	2.857	1
207	1101	9	42	18	7	2.857	1
208	1101	6	39	19	--	2.857	1
209	1101	22	58	20	21	2.857	1
210	1101	19	55	21	23	2.857	1
211	1112	3	38	22	3	2.857	1
212	1112	16	52	23	15	2.857	1

¹ Slips 13 and 26 are Common Elements assigned to the Association
Parking Spaces 31 & 48 are Common Elements assigned to the Association. There is no space 64.

301	1118	15	47	24	19	2.858	1
302	1118	14	--	25	20	2.858	1
303	1101	30	41	26	12	2.857	1
304	1101	29	65	27	--	2.857	1
305	1101	26	62	28	--	2.857	1
306	1101	8	69	29	9	2.857	1
307	1101	10	43	30	--	2.857	1
308	1101	7	40	31	--	2.857	1
309	1101	23	59	32	14	2.857	1
310	1101	20	60	33	5	2.857	1
311	1112	2	33	34	11	2.857	1
312	1112	1	34	35	2	2.857	1
TOTAL 35 Units	38,686 Square Feet	66 Parking Areas	35 Storage Areas	26 Slips		100.000	35

1 Slips 13 and 26 are Common Elements assigned to the Association
Fuel Lockers covered in rules