

Tracts 34, R.O. Smith's Orchard Tracts Addition to Kent according to Plat recorded in Volume 12 of Plats, page 27, records of King County, Washington.

hereby certify that this survey map for HEATHER RIDGE, a condominium, is based upon an actual survey of the property described herein, and that the bearings and distances are shown correctly thereon.

Certificate No. 19303  
STATE OF WASHINGTON  
COUNTY OF KING

**ROBERT C. JOHNSON**, being first duly sworn upon oath deposes and says that: he is the above named registered professional land surveyor, has read the foregoing land surveyor's certificate, knows the contents thereof and believes the same to be true.

SUBSCRIBED AND SWORN to before me this 16<sup>th</sup> day of May 1900

Q. M. Fowles  
ATTORNEY PUBLIC IN and for the  
state of Washington, residing in  
King County.

Know all men by these presents that I, Melvin L. Kaufman, the undersigned, a single partner at MONTAGUE, KAUFMAN and AUTORA VILLA, Washington, D.C., a general partner in the partnership of the party of the first part, hereby planned and executed this last declaration for the purpose of dedicating the same for consolidation purposes. The above described property is located in the city of Washington, D.C., and is more particularly described as follows:

Lot 10 of Block 10 of the map and these parts, any portion thereof, shall be relinquished by the terms of the above described declaration filed under King County Department of Records and Elections file number 7A007060875. In witness whereof I have hereunto set my hand and seal.

MONTHEDGE ARMS,  
A Washington Limited Partnership

By HELVIG L. KAUFMAN  
General Partner

**AURORA VILLA**  
A Washington Limited Partnership

By \_\_\_\_\_  
HELVEN L KAUFMANN  
General Partner

STATE OF WASHINGTON  
COUNTY OF KING

This is to certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 1973, before me, the undersigned, a Notary Public, personally appeared before me MELVIN L. KAUFMAN, to be known to be the general partner of MCBRIDGE ARMS AND AMMUNITION COMPANY, INCORPORATED, a corporation having its principal place of business at MAHONRA VILLAS, 2000 Washington Limited Partnership, that executed the foregoing declaration, and that the facts stated therein are true and correct to the best of his knowledge and belief, and that he is duly authorized to execute said declaration.

FOR ANY PUBLIC in and for the State  
of Washington, residing at

APPROVAL: \_\_\_\_\_  
 EXAMINED AND APPROVED this 5 day of JULY, 1972.  
 DEPARTMENT OF ASSESSMENTS  
HARLEY H. HOFFE  
 DEPARTMENT COUNTY ASSESSOR

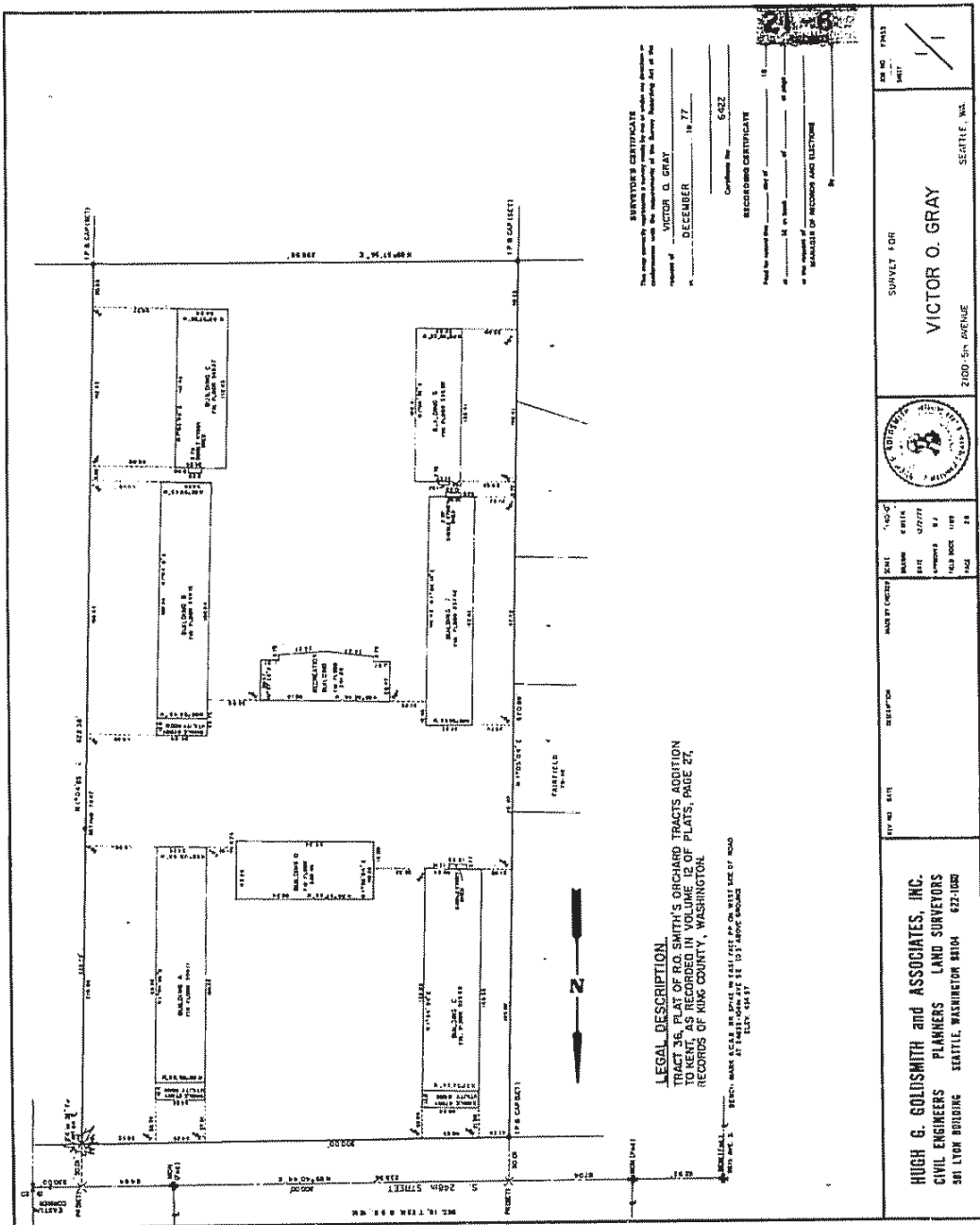
RECORDING CERTIFICATE 7807060874

Filed for record at request of 2. ANTHONY HOARE, his 5TH day of JULY, 1972, at 3:30 PM. and recorded in Volume 21 of Condominiums, pages 5 -- 8, records of King County.

DEPARTMENT OF RECORDS &amp; ELECTRONICS

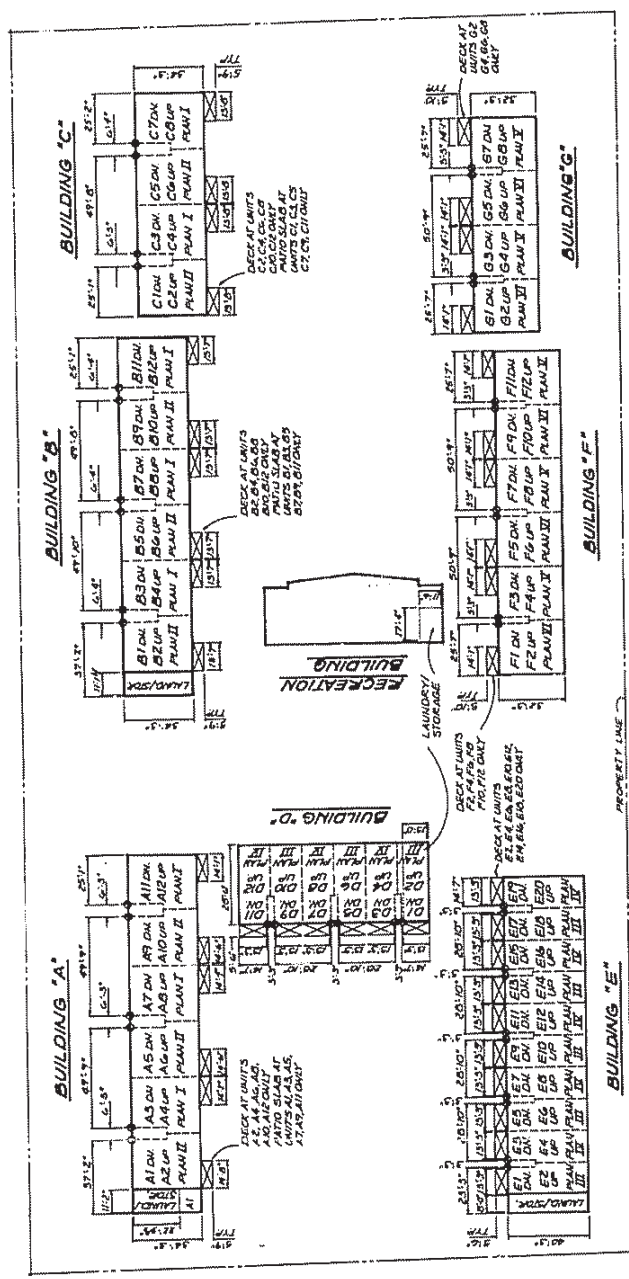
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Treasurer  
James S. Weeks  
President of Records

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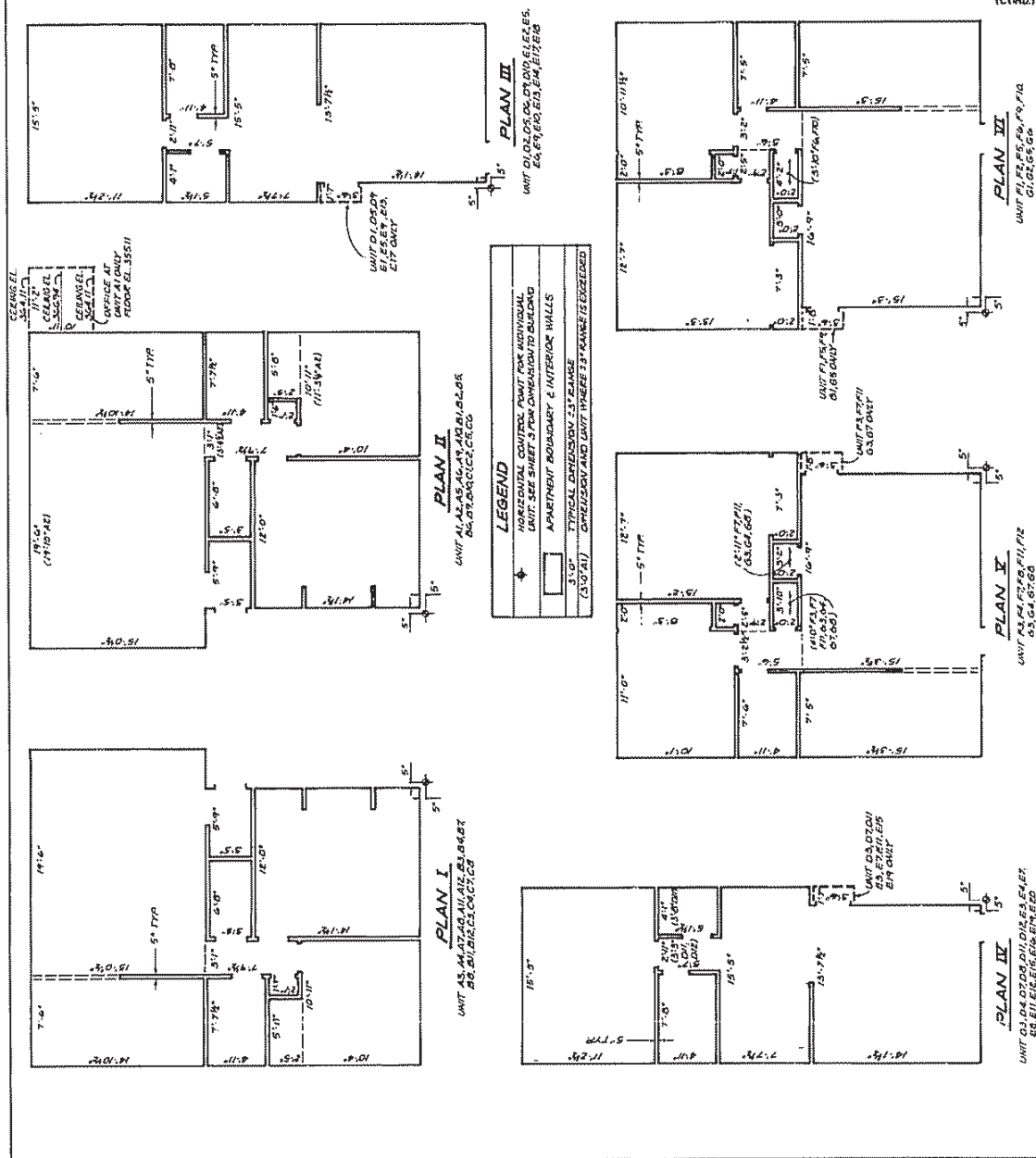


# HEATHER RIDGE A CONDOMINIUM SECTION 19, T.22N, R.4E, W.M. CITY OF KENT, KING COUNTY, WASHINGTON 3 OF 4 Sheet No.

Victor O. Gray Company



| ELEVATIONS |       |         |
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DECLARATION  
AND  
COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS  
FOR  
HEATHER RIDGE  
A Condominium

Pursuant to the laws of the State of Washington (RCW 64.32), Laws of 1963, Chapter 156, and the amendments thereto in Chapter 11, Laws of First Extraordinary Session of 1965, hereinafter referred to as "The Act," for the purpose of submitting the real property hereinafter described to the provisions of the Act, the undersigned, hereinafter referred to as "Declarant," being sole owner of said property, makes the following Declaration. It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the property or any apartment in the horizontal property regime created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial in all of the described apartments, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire property and upon each such apartment as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors, and assigns, through all successive transfers of all or part of the property or further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of apartments under security instruments.

ARTICLE 1. DESCRIPTION OF LAND

1.1 Description of Land

The land on which the building and improvements provided for in this Declaration are located is described in Schedule A attached hereto and by the reference incorporated herein.

ARTICLE 2. DESCRIPTION OF BUILDING AND IMPROVEMENTS

2.1 Apartment Building

2.1.1 There are seven apartment buildings containing a total of 84 apartments and a recreation building. All buildings are of similar design. The apartment buildings are two stories, with no elevators. Apartments are on the first floor and on the second floor. There are no two story apartments. All buildings, including the recreation building are of wood frame construction with wood siding and a built up roof.

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Each of buildings A, B, D and E, and the recreation building have laundry rooms and limited storage areas. Attached to building A is a room of approximately 122 square feet in area formerly used or which may continue to be used as an office and which is part of the common area. Its future use shall be determined by the board of directors of the owners' association.

The recreation building has a fireplace, a kitchen area with bar, a sauna and shower, and two rest rooms. Total inside area is approximately 2,700 square feet.

ARTICLE 3. DESCRIPTION OF APARTMENTS, LOCATION, AREA  
AND NUMBER OF ROOMS

3.1 Apartment Location

3.1.1 Each of the apartment buildings are identified by letters A through G.

Building A contains 12 apartments numbered A-1 through A-12. Apartments A-1, A-3, A-5, A-7 and A-11 are ground floor apartments, and apartments A-2, A-4, A-6, A-8, A-10, and A-12 are on the second floor.

Building B contains 12 apartments numbered A-1 through B-12. Apartments B-1, B-3, B-5, B-7, and B-11 are ground floor apartments, and apartments B-2, B-4, B-6, B-8, B-10, and B-12 are on the second floor.

Building C contains 8 apartments numbered C-1 through C-8. Apartments C-1, C-3, C-5, and C-7 are ground floor apartments, and apartments C-2, C-4, C-6, and C-8 are on the second floor.

Building D contains 12 apartments numbered D-1 through D-12. Apartments D-1, D-3, D-5, D-7, and D-11 are ground floor apartments, and apartments D-2, D-4, D-6, D-8, D-10, and D-12 are on the second floor.

Building E contains 20 apartments numbered E-1 through E-20. Apartments E-1, E-3, E-5, E-7, E-9, E-11, E-13, E-15, E-17, and E-19 are ground floor apartments, and apartments E-2, E-4, E-6, E-8, E-10, E-12, E-14, E-16, E-18 and E-20 are on the second floor.

Building F contains 12 apartments numbered F-1 through F-12. Apartments F-1, F-3, F-5, F-7, F-9, and F-11 are ground floor apartments, and apartments F-2, F-4, F-6, F-8, F-10, and F-12 are on the second floor.

Building G contains 8 apartments numbered G-1 through G-8. Apartments G-1, G-3, G-5, and G-7 are ground floor apartments, and apartments G-2, G-4, G-6, and G-8 are on the second floor.

3.2 Apartment Description

On Schedule "B" attached hereto, each apartment is described by apartment number, floor, location, number of rooms, and approximate floor area.

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#### ARTICLE 4. ACCESS

##### 4.1 Access to Common Ways

Each second floor apartment has direct access by stairway and each ground floor apartment has direct access to common condominium walks, parking areas and driveways, recreation buildings, laundry rooms, and the swimming pool.

##### 4.2 Access to Public Streets

The common condominium areas have direct access to South 248th Street, Kent, Washington, a public street.

#### ARTICLE 5.

##### DESCRIPTION OF COMMON AREAS AND FACILITIES; CERTAIN ITEMS MAY BE MADE OWNER'S RESPONSIBILITY

5.1 Except as otherwise specifically reserved, assigned or limited by the provisions of Article 6 hereof, the common areas and facilities consist of the following:

5.1.1 The land above described.

5.1.2 The roofs, foundations, studding, joists, beams, supports, main walls (excluding only nonbearing interior partitions of apartment), and all other structural parts of the buildings, to the interior surfaces of the apartments' perimeter walls, floors, ceilings, windows, and doors; that is, to the boundaries of the apartments as the boundaries are defined in the Act, and any replacements thereto.

5.1.3 The pipes, wires, conduits, and other fixtures and equipment for utilities.

5.1.4 The entrance ways, porches, stairs, and stairways.

5.1.5 The driveways within the condominium area which provide access to the apartment buildings and to the parking areas.

5.1.6 The parking areas.

5.1.7 The yards, gardens, landscaped areas, and walkways which surround and provide access to the buildings or are used for recreation purposes.

5.1.8 Certain items which might ordinarily be considered common areas such as, but not limited to, air conditioning units, screen doors, window screens, awnings, planter boxes, and the like, may pursuant to specification in the Bylaws or administrative rules and regulations, be designated as items to be furnished and maintained by apartment owners at their individual expense, in good order, according to standards and requirements set forth in the Bylaws or by rule adopted by the Board.

#### ARTICLE 6.

##### DESCRIPTION OF LIMITED COMMON AREAS; EASEMENTS FOR EXCLUSIVE USE RESERVED FOR CERTAIN APARTMENTS

##### 6.1 Limited Common Areas

The limited common areas and facilities are reserved for the exclusive use of the apartment or apartments to which they are adjacent or assigned and consist of:

6.1.1 The owner of each apartment has the unqualified right to use at least one parking space in the condominium sufficient to accommodate an automobile.

6.2 Declarant reserves the right to make the initial assignment of parking stall to each apartment.

6.3 After Declarant's initial assignment, an apartment owner may rent or lease the parking stall assigned to that apartment to any other apartment owner, provided, that the rental or lease term shall automatically expire on the date the lessor/apartment owner disposes of its interest in the apartment (whether such disposition is by deed, contract or otherwise). In addition, any two apartment owners may, by jointly executed instrument in recordable form approved by the Board, exchange either on a permanent or temporary basis the parking stalls assigned to their respective apartments.

ARTICLE 7. VALUE AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS

The value of the entire property is established as Two Million, Two Hundred and Fourteen Thousand, Three Hundred and Twenty Dollars (\$2,214,320.00). Values and percentages of interest for each apartment are expressed in Schedule B attached hereto. Each apartment includes all the limited common areas appertaining thereto and the percentage of undivided interest in the common and limited common areas appertaining thereto. The values are schedules to establish the percentages required by the Act and do not reflect, necessarily, the amount for which an apartment will be sold, from time to time, by Declarant or others.

ARTICLE 8. OWNERS' ASSOCIATION

8.1 Form of Association

The term "Association" as used herein shall mean the Association of Owners as defined in the Act. Said Association will be incorporated as a non-profit corporation under the laws of the state of Washington.

8.2 Membership

8.2.1 Qualification. Each fee owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each apartment so owned; provided, that if an apartment has been sold on contract, the contract purchaser shall exercise the rights of the apartment owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting owner unless otherwise specified. Ownership of an apartment shall be the sole qualification for membership in the Association.

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8.2.2 Transfer of Membership. The Association membership of each owner (including Declarant) shall be appurtenant to the apartment giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said apartment and then only to the transferee of title to such apartment. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an apartment shall operate automatically to transfer the membership in the Association to the new owner.

8.3 Voting

8.3.1 Number of Votes

The total voting power of all owners shall be 100 votes and the total number of votes available to owners of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to such apartment.

8.3.2 Voting Owner or Representative

There shall be one (1) "voting representative" of each apartment. Declarant shall be the voting representative with respect to any apartment or apartments owned by Declarant. If a person owns more than one apartment, he shall have the votes for each apartment owned. The voting representative shall be designated by the owner or owners of each apartment by written notice to the Board, and need not be an owner. The designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in an apartment, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in the apartment. This power of designation and revocation may be exercised by the guardian of an apartment owner, and the administrators or executors of an owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each apartment shall be the group composed of all of its owners.

8.3.3 Joint Owner Disputes.

The vote for an apartment must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular apartment, none of said votes shall be counted and said votes shall be deemed void.

8.3.4 Pledged Votes

In the event the record owner or owners have pledged their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendor under a duly recorded real estate contract, only the vote of such mortgagee, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this subsection shall only be effective upon the written consent of all the voting owners and their respective mortgagees, deed of trust beneficiaries, and vendors, if any.

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### 8.3.5 Voting by Condominium Mortgagee

The mortgagee of the condominium, as defined in Section 18.1, shall be entitled to exercise the votes of the Declarant (a) arising from apartments owned by the Declarant and against which the mortgagee of the condominium holds a mortgage or deed of trust, and (b) with respect to amendments to this Declaration, subdivision or combining of apartments, abandonment of the condominium status of the property, or reconstruction; provided, however, that said mortgagee may, as to any specific matter on which it has a right to vote in place of the Declarant, waive said voting right in writing, in which event the Declarant shall be entitled to exercise its votes as to those matters specifically set forth in the written waiver.

### 8.4 Meetings, Audits, Notices of Meetings

#### 8.4.1 Annual Meetings, Audits

There shall be an annual meeting of the owners in the first quarter of each year at such reasonable place and time as may be designated by written notice of the Board delivered to the owners no less than ten (10) days prior to the date fixed for said meeting. At the annual meeting, there shall be presented an audit of the common expenses, itemizing receipts and disbursements for the preceding calendar year, and the allocation thereof to each owner, and the estimated common expenses for the coming calendar year. The Board at any time, or by written request of owners having at least thirty-five (35%) percent of the total votes, may require that an audit of the Association and management books be presented at any special meeting. An apartment owner, at his own expense, may at any reasonable time make an audit of the books of the Board and Association.

#### 8.4.2 Special Meetings

Special meetings of the owners may be called at any time for the purpose of considering matters which by the terms of the Act or of this Declaration require the approval of all or some of the owners, or for any other reasonable purpose. Such meetings shall be called by written notice of the president of the Association upon the decision of the president, or after request signed by a majority of the Board, or by written request by the owners having at least thirty-five (35%) percent of the total votes, which notice shall be delivered not less than ten (10) days prior to the date fixed for said meeting. The notice shall specify the date, time, and place of the meeting, and in general the matters to be considered.

### 8.5 Bylaws of Association

#### 8.5.1 Adoption of Bylaws

Bylaws for the administration of the Association and the property, and for other purposes not inconsistent with the Act or with the intent of this Declaration, shall be adopted by the Association by concurrence of those voting owners holding sixty (60%) percent of the voting power at a regular or special meeting. Notice of the time, place, and purpose of such meeting shall be delivered to each apartment owner at least ten (10) days prior to such meeting. Amendments to the Bylaws may be adopted by the same vote at a regular or special meeting similarly called. Declarant may adopt Initial Bylaws.

#### 8.5.2 Bylaws Provisions

The Bylaws shall contain provisions identical to those provided in this Article 8, and may contain supplementary, not inconsistent, provisions regarding the operation of the condominium and administration of the property. The Bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the property.

ARTICLE 9. MANAGEMENT OF CONDOMINIUM

9.1 Management by Declarant

Until a date three (3) years from the date of recording this Declaration, the property shall be managed and the Association organized as follows, at the decision of Declarant:

9.1.1 Declarant may at such times as Declarant deems appropriate select as a temporary board three (3) to seven (7) persons who own, or are purchasers of, apartments or are officers of corporations owning or purchasing such apartments. This board shall have the full authority and all rights, responsibilities, privileges, and duties to manage the condominium under this Declaration and Bylaws, and shall be subject to all provisions of the Declaration, Articles of Incorporation and Bylaws of the Association.

9.1.2 Until such time as such temporary board is selected, Declarant or a managing agent selected by Declarant shall have the power and authority to exercise all the rights, duties and functions of the board, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance, and collecting and expending all assessments and association funds. Any such managing agent or the Declarant shall have the exclusive right to contract for all goods and services, payment for which is to be made from any common or maintenance funds.

9.1.3 These requirements and covenants are made in order to assure that the property and condominium will be adequately administered in the initial phases of development, and to assure an orderly transition of Association operations.

9.1.4 The Declarant shall surrender and relinquish to the Association and its managing board complete control and management of the condominium no later than 120 days after the first sale of 80% (based on percentage of interest) of the condominium apartments.

9.2 Management by Board

At the expiration of such three-year period, or earlier at the option of, or as required of Declarant, all administrative power and authority shall vest in a Board of five (5) directors elected from among the apartment owners. The Board may delegate all or any portion of such power to a manager, managing agent, or officer of the Association, or in such manner as may be provided by the Bylaws. All Board positions shall be open for election at the first annual meeting after the period of Declarant's authority under section 9.1 ends. The Board shall elect a president from among its members, who shall preside over meetings of the Board and the meetings of the Association.

9.3 Authority of the Board

9.3.1 The Board (or the Declarant or Declarant's managing agent as provided in section 9.1 hereof) for the benefit of the condominium and the owners shall enforce the provisions of this Declaration and of the Bylaws, shall have all powers and authority permitted to the Board under the Act and the Declaration, and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the condominium, including but not limited to the following:

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(a) Water, sewer, garbage collection, electrical, telephone, gas, and any other necessary utility service as required for the common areas. If one or more apartments or the common areas are not separately metered, the utility service may be paid as a common expense, and the Board may by reasonable formula allocate a portion of such expense to each such apartment involved as a portion of its common expense.

(b) Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, and for fidelity of Association officers and other employees, as the same are more fully required hereafter and in the Bylaws.

(c) The services of persons or firms as required to properly manage the affairs of the condominium to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the common area, and whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

(d) Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the common area, or the enforcement of this Declaration.

(e) Painting, maintenance, repair and all landscaping and gardening work for the common area, and such furnishings and equipment for the common area as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common area; provided, however, that the interior surfaces of each apartment shall be painted, maintained and repaired by the owners thereof, all such maintenance to be at the sole cost and expense of the particular owner as more particularly provided in Section 10.4.

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law or which in its opinion shall be necessary or proper for the operation of the common area or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular apartments or their owners, the cost thereof shall be specially assessed to the owner of such apartments.

(g) Maintenance and repair of any apartment, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the common area or preserve the appearance and value of the condominium development, and the owner or owners of said apartment have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the owner or owners; provided that the Board shall levy a special assessment against the apartment of such owner or owners for the cost of such maintenance or repair.

(h) The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the property or against the common areas, rather than merely against the interest therein of particular owners. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the owners and the apartment responsible to the extent of their responsibility.



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(i) The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund capital additions and improvements (other than for purposes of restoring, repairing, or replacing portions of the common areas) having a total cost in excess of Ten Thousand Dollars (\$10,000), without first obtaining the affirmative vote of the owners holding a majority of the voting power present or represented at a meeting called for such purpose, or if no such meeting is held, then the written consent of voting owners having a majority of the voting power; provided that any expenditure or contract for capital additions or improvements in excess of Twenty-five Thousand Dollars (\$25,000) must be approved by owners having not less than seventy-five (75%) percent of the voting power.

(j) Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the owners or any of them.

(k) The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the maintenance fund. The Board may delegate such powers subject to the terms hereof.

(l) The Board may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the owners in the same proportion as their respective interests in the common areas, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct.

(m) The Board and its agents or employees, may enter any apartment or limited common area when necessary in connection with any maintenance, landscaping, or construction for which the Board is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Board out of the common expense fund if the entry was due to an emergency (unless the emergency was caused by the owner of the apartment entered, in which case the cost shall be specifically assessed to the unit entered) or for the purpose of maintenance, or repairs, to common or limited common areas where the repairs were undertaken by or under the direction or authority of the Board. If the repairs or maintenance were necessitated by or for the apartment entered or its owners, or requested by its owners, the costs thereof shall be specially assessed to such apartment.

(n) Each owner, by the mere act of becoming an owner or contract purchaser of an apartment, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonable necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the property, to deal with the apartment upon damage or destruction, and to secure insurance proceeds.



ARTICLE 10. USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY;  
MAINTENANCE

10.1 Residential Use

The building and apartments shall be used for single family residential purposes only, on an ownership, rental or lease basis; and for the common social, recreational or other reasonable uses normally incident to such purposes, and also for such additional uses or purposes as are from time to time determined appropriate by the Board. Such use as a single family residence shall be deemed to include accessory use as a professional office to the extent permitted by applicable zoning ordinances and to the extent customarily incidental to primary use as a residence. Apartments of the building may be used for the purposes of operating the Association and for the management of the condominium if required.

10.2 Vehicle Parking

Parking spaces are restricted to use for parking of operative automobiles; other items and equipment may be parked or kept therein only subject to the rules or regulations of the Board. The Board may require removal of any inoperative vehicle, or any unsightly vehicle, and any other equipment or item improperly stored in parking spaces. If the same is not removed, the Board may cause removal at the risk and expense of the owner thereof. Use of all parking areas may be regulated and is subject to the provisions of Article 6 of this Declaration.

10.3 Common Drive and Walks

Common drives, walks, corridors and stairways shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

10.4 Interior Apartment Maintenance

10.4.1 Each apartment owner shall, at his sole expense, have the right and duty to keep the interior of his apartment and its equipment, appliances, and appurtenances in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his apartment. Each owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected with his apartment.

10.4.2 Without limiting the generality of the foregoing, each owner shall have the right and the duty, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile, and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, and the perimeter walls of the apartment and the surfaces of the bearing walls located within his apartment and shall not permit or commit waste of his apartment or the common areas. Each owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors, and walls. Each owner has the right to maintain, repair, finish, alter, substitute, add, or remove any fixtures attached to the ceilings, floors, and walls. This section shall not be construed as permitting an interference with or damage to the structural integrity of the building or interference with the use and enjoyment of the common areas or of the other apartments or any of them, nor shall it be construed to limit the powers or obligations of the Board hereunder.

10.4.3 Limited common areas, as defined in Article 6, although the use, condition, and appearance thereof may be regulated under provisions of this Declaration or the Bylaws or rules, are for the sole and exclusive use of the apartments for which they are reserved or assigned.

#### 10.5 Exterior Appearance

In order to preserve a uniform exterior appearance to the building, and the common and limited common areas visible to the public, the Board may require and provide for the painting and other decorative finish of the building, lanais or patio/yard areas, or other common or limited common areas, and prescribe the type and color of such decorative finishes, and may prohibit, require, or regulate any modification or decoration of the building, lanais, patio/yard areas or other common limited common areas undertaken or proposed by any owner. This power of the Board extends to screens, doors, awnings, rails or other visible portions of each apartment and apartment building. The Board may also require use of a uniform color of draperies, under draperies or drapery lining for all apartments.

#### 10.6 Affect on Insurance

Nothing shall be done or kept in any apartment or in the common area which will increase the rate of insurance on the common area or apartments without the prior written consent of the Board. No owner shall permit anything to be done or kept in his apartment or in the common or limited common areas which will result in the cancellation of insurance on any apartment or any part of the common or limited areas, or which would be in violation of any laws.

#### 10.7 Signs

No sign of any kind shall be displayed to the public view on or from any apartment or common area or limited common area without the prior consent of the Board; provided, that this section shall not apply to Declarant or Declarant's agents.

#### 10.8 Pets

No animals, which term includes livestock, domestic animals, poultry, reptiles, or living creatures of any kind, shall be raised, bred, or kept in any apartment or in the common or limited common areas, whether as pets or otherwise, except subject to rules and regulations adopted by the Board, or Bylaws adopted by the Association. Until otherwise established by the Board, domestic household pets not exceeding twenty five pounds in weight may be kept by the occupant of an apartment. The Board may at any time require the removal of any animal which it finds is disturbing other owners unreasonably, in the Board's determination, and may exercise this authority for specific animals even though other animals are permitted to remain.

#### 10.9 Offensive Activity

No noxious or offensive activity shall be carried on in any apartment or common area, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

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#### 10.10 Common Area Alterations

Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Board and after procedures required herein or by law.

#### 10.11 House Rules

The Board or the Association membership is empowered to pass, amend, and revoke detailed administrative rules and regulations, or "House Rules," necessary or convenient from time to time to insure compliance with the general guidelines of this Article and the other provisions of this Declaration.

### ARTICLE 11. COMMON EXPENSES AND ASSESSMENTS

#### 11.1 Estimated Expenses

Prior to the beginning of each calendar year, the Board: shall estimate the charges (including common expenses, and any special assessments for particular apartments) to be paid during such year; shall make provision for creating, funding, and maintaining reasonable reserves for contingencies, operations, and repair, replacement and acquisition of common areas and facilities; and shall take into account any expected income and any surplus available from the prior year's operating fund. The Declarant or Initial Board may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any owner's assessment), the Board may at any time levy a further assessment, which shall be assessed to the owners in like proportions.

#### 11.2 Payment by Owners

Each owner shall be obligated to pay assessments made pursuant to this article to the treasurer for the Association in equal monthly installments on or before the first day of each month during the year, or in such other reasonable manner as the Board shall designate, and any unpaid assessments shall bear interest at the rate of ten (10%) percent per annum from due date until paid. The budget may be reviewed and revised by the membership at any annual meeting, or any special meeting called for that purpose, but if not so reviewed or if no change is made shall be deemed approved.

#### 11.3 Purpose

All funds collected hereunder shall be expended for the purposes designated in this Declaration.

#### 11.4 Separate Accounts

The Board shall require that the Association maintain separate accounts for current operations, reserves, and a special separate reserve account for payment of insurance. Each month the Board shall first deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided regarding the condominium and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance.

premiums. Thereafter the remainder of the assessments collected may be utilized for payment of other expenses or deposited or credited to other accounts. All such assessments shall be collected and held in trust for, and administered and expended for the benefit of, the apartment owners.

#### 11.5 Based on Percentage

Except for certain special assessments which may be levied against particular apartments under the provisions of this Declaration, all assessments for common expenses shall be assessed to apartments and the owners thereof on the basis of the percentages set forth in Schedule B hereof and any amendments thereto.

#### 11.6 Omission of Assessment

The omission by the Board or the Association before the expiration of any year to fix the estimate and assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

#### 11.7 Records

The Board shall cause to be kept detailed, accurate records in the form established by the Association's accountant of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner at convenient times.

#### 11.8 Declarant Liability

The Declarant shall not be liable for the portion or portions of any common expense assessment other than for the insurance reserve fund for any apartment owned by the Declarant which is vacant and has not been sold, rented or leased until 30 days after the first apartment sale, at which time the Declarant shall be liable for common expense assessments accruing after such date.

#### 11.9 Lien Indebtedness

Each monthly assessment and each special assessment shall be joint and several personal debts and obligations of the owner or owners and contract purchasers of apartments for which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special, assessed to any apartment and the owner and/or purchaser of any apartment, plus interest at the rate of ten (10%) percent per annum, and costs, including reasonable attorney's fees, shall be a lien upon such apartment, the appurtenant limited common area and the exclusive use thereof. The lien for payment of such assessments shall have priority over all other liens and encumbrances, recorded or unrecorded, except that such priority shall be limited as provided in RCW 64.32.200 (2). Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same.

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#### 11.10 Certificate of Assessment

A certificate executed and acknowledged by the treasurer or the president of the Board or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments or lack thereof secured by the assessment lien upon any apartment shall be conclusive upon the Board and the owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished to any owner or any encumbrancer of an apartment within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on an apartment may pay any unpaid common expenses payable with respect to such apartment unit and upon such payment such encumbrancer shall have a lien on such apartment for the amounts paid of the same rank as the lien of his encumbrance.

#### 11.11 Security Deposit

An apartment owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly assessments, which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such owner, and resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his monthly or other assessments.

#### 11.12 Foreclosure of Assessment Lien; Attorney's Fees and Costs

The Declarant, manager, or Board on behalf of the Association may initiate action to foreclose a lien against any apartment for nonpayment of delinquent assessments, any judgment rendered against the owners of such apartment in favor of the Association shall include a reasonable sum for attorney's fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.

#### 11.13 Rental Value

From the time of commencement of any action to foreclose a lien against an apartment for nonpayment of delinquent assessments, the owner or purchaser of such apartment shall pay to the Association the reasonable rental value of the apartment to be fixed by the Board, and the plaintiff in any such foreclosure shall be entitled to the appointment of a receiver to collect the same, who may, if said rental is not paid, obtain possession of the apartment, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the apartment or permit its rental to others, and apply rents first to costs of the receivership and attorney's fees thereof, then to costs of refurbishing the apartment, then to costs, fees, and charges of the foreclosure action, then to the payment of the delinquent assessment charges.

#### 11.14 Rental Apartments

If an apartment is rented by its owner, the Board may collect and the tenant or lessee shall pay over to the Board so much of the rent for such apartment as is required to pay any amounts due the Board hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter



or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the owner or purchaser and the apartment under this Declaration for assessments, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed.

#### 11.15 Termination of Utility Service

In addition to and not by way of limitation upon other methods of collecting any assessments, the Board shall have the right, after having given ten (10) days' notice to any apartment owner who is delinquent in paying his assessments, to cut off any or all utility services to the delinquent owner's apartment until such assessments are paid.

#### 11.16 Remedies Cumulative

The remedies provided are cumulative and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

### ARTICLE 12. INSURANCE

#### 12.1 Coverage

As a common expense a policy or policies of insurance and bonds shall be maintained at all times to provide:

(a) Insurance against loss or damage by fire with extended coverage endorsement for the full insurable replacement value of the property. Such other fire and casualty insurance may be provided which, in the Directors' determination, gives substantially equal or greater protection. All such insurance shall provide for separate insurance protection for each apartment owner to the full insurable replacement value of the apartment with separate loss payable endorsements in favor of the mortgagee or mortgagees, if any, of the apartment.

(b) Insurance against liability incident to the ownership and use of the common areas and apartments with limits of not less than \$1,000,000 for each occurrence for personal injury and property damage to third parties which policy or policies shall insure the Association, its members and the owners.

(c) Workmen's compensation insurance to the extent required by applicable laws.

(d) Insurance against loss of personal property of the Association by fire, theft, and other losses with deductible provisions as the Directors deem advisable.

(e) Fidelity bonding for the Board or the Association's agents or employees who may have occasion to collect or deposit or disburse Association funds, in an amount not less than 150% of the annual operating Association budget.

(f) Such other insurance as the Directors deem advisable. No insurance against property loss or liability shall be required of the Association to insure the contents of an apartment or event occurring within an apartment. Such excluded coverage shall be the responsibility of each apartment owner with respect to the owner's respective apartment.

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#### 12.2 Proceeds

Insurance proceeds for damage or destruction to any part of the property shall be paid to the Directors as trustees who shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 16. The Directors shall have the authority to settle and compromise any claim under insurance obtained for the Association and the insurer may accept a release and discharge of liability made by the Directors on behalf of the named insureds including owners under the policy, except for mortgagees who are named insureds under the policy.

#### 12.3 Insured

Insurance coverage for loss or damage to property shall be written in the name of the Directors as trustees for each of the apartment owners in the percentages established in this Declaration.

### ARTICLE 13. DAMAGE OR DESTRUCTION; RECONSTRUCTION

#### 13.1 Initial Board Determinations

In the event of damage or destruction to any part of the property, the Board 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 deems advisable:

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

13.1.2 A reasonably reliable estimate of the cost to repair and restore the damage and destruction.

13.1.3 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.

13.1.4 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds therefor and the amount of assessment to each apartment if such excess was paid as a maintenance expense and specially assessed against all the apartments in proportion to their percentage of interest in the common areas.

13.1.5 The Board's recommendation as to whether such damage or destruction should be repaired or restored.

#### 13.2 Notice of Damage or Destruction

The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, provide each owner, and each mortgagee who has theretofore requested special notice, with a written notice summarizing the initial Board determination made under Section 13.1. If the Board fails to do so within said sixty (60) days, then any owner or mortgagee may make the determinations required under Section 13.1 and give the notice required under this Section 13.2.

#### 13.3 Definitions; Restoration; Emergency Work

13.3.1 As used in this Article 13, 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 apartment and the common and limited common areas 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.

13.3.2 As used in this Article 13, the term "emergency work" shall mean that work which the Board 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.

#### 13.4 Restoration by Board

13.4.1 Unless prior to the commencement of repair and restoration work (other than emergency work referred to in subsection 13.3.2) the owners shall have decided not to repair and reconstruct in accordance with the provisions of either subsection 13.5.2 or 13.6.3, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense which shall be specially assessed against all apartments in proportion to their percentages of interest in the common areas.

13.4.2 The Board 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, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with repair and restoration upon satisfaction of the Board that such work will be appropriately carried out.

13.4.3 The Board 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 adjust and settle any claim for such loss in excess of \$50,000, or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

#### 13.5 Limited Damage; Assessment Under \$1,500

If the amount of the estimated assessment determined under subsection 13.1.4 does not exceed \$1,500 for any one apartment, then the provisions of this section 13.5 shall apply:

13.5.1 Either the Board or a requisite number of owners, within fifteen (15) days after the notice required under Section 13.2 has been given, may, but shall not be required to, call a special owners' meeting in accordance with subsection 8.4.2 to consider such repair and restoration work.

13.5.2 Except for emergency work, no repair and restoration work shall be commenced until after the fifteen (15) day period and until after the conclusion of the special meeting if such meeting is called within the fifteen (15) days.

13.5.3 A unanimous decision of the apartment owners will be required to avoid the provisions of subsection 13.4.1 and to determine not to repair and restore the damage and destruction; provided that the failure of the Board or the owners within the fifteen (15) day period to call for the special meeting shall be deemed a unanimous decision to undertake such work.

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### 13.6 Major Damage; Assessment Over \$1,500

If the amount of the estimated assessment determined under subsection 13.1.4 exceeds \$1,500 for any one apartment, then the provisions of this Section 13.6 shall apply:

13.6.1 The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, call a special owners' meeting to consider repair and restoration of such damage or destruction. If the Board fails to do so within said sixty (60) day period, then notwithstanding the provisions of subsection 8.4.2 any owner or mortgagee may convene and conduct the meeting required under this subsection 13.6.1.

13.6.2 Except for emergency work, no repair and restoration work shall be commenced until the conclusion of the special owners' meeting required under subsection 13.6.1.

13.6.3 A concurring vote of more than two-thirds (2/3) of the total voting power will be required to avoid the provision of subsection 13.4.1 and to determine not to repair and restore the damage and destruction; provided, however, that failure of the Board, or owners, or mortgagee to convene the special meeting required under subsection 13.6.1 within ninety (90) days after the date of damage or destruction shall be deemed a unanimous decision not to undertake such repair and restoration work.

### 13.7 Decision Not to Restore; Disposition

In the event of a decision under either subsections 13.5.2 or 13.6.3 not to repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged or destroyed buildings and clearing, filling and grading the real property), and the remaining funds, if any, and property shall thereafter be held and distributed as follows:

13.7.1 The property shall be owned in common by the apartment owners and shall no longer be subject to this Declaration or to condominium ownership;

13.7.2 The undivided interest in the property owned in common which appertains to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

13.7.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with the existing priorities to the percentage of the undivided interest of the apartment owner in the property as provided herein; and

13.7.4 The property shall be subject to an action for partition at the suit of any apartment owner in which event the net proceeds of sale, together with the net proceeds of sale, together with the net proceeds of the insurance of the property, if any, shall be considered as one fund; such fund shall be divided into separate shares one for each apartment owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property; then, after first paying out of the respective share of each apartment owner, to the extent sufficient for the purpose, all mortgages and liens on the undivided interest in the property owned by such apartment owner, the balance remaining in each share shall then be distributed to each apartment owner respectively.



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### 13.8 Miscellaneous

The provisions of this Article 13 shall constitute the procedure by which a determination is made by the apartment owners to repair, restore, reconstruct or rebuild as provided in the Act. By the act of accepting an interest in the property, each apartment owner and party claiming by, through or under such owner hereby consents and agrees to the provisions hereof. In the event that any provision of this Article 13 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not effect the validity of any other provision of this Declaration. The purpose of this Article 13 shall be to provide a fair and equitable method of allocating the costs of repair and restoration and making a determination for repair and restoration if all or a portion of the improvements are damaged or destroyed. The provisions of this Article 13 shall be liberally construed to accomplish such purpose. The dollar amounts specified in this Article 13 may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for all items prepared by the United States Department of Labor for the year preceding the damage over the year 1977 to adjust for any inflation in the value of the dollar. By unanimous vote the apartment owners, which vote shall be taken within ninety (90) days after the damage or destruction the owners may determine to do otherwise than provided in this Article 13.

## ARTICLE 14. CONDEMNATION

### 14.1 Consequences of Condemnation

If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Article 14 shall apply.

### 14.2 Proceeds

All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

### 14.3 Complete Taking

In the event that the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the owners in proportion to the respective undivided interest in the common area; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principal, the Board shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. After first paying out of the respective share of each owner, to the extent sufficient for the purpose, all mortgages and liens on the interest of such owner, the balance remaining in each share shall then be distributed to each owner respectively.

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#### 14.4 Partial Taking

In the event that less than the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:

14.4.1 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds.

14.4.2 The Board shall apportion the amounts so allocated to taking of or injury to the common areas which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas.

14.4.3 The total amount allocated to severance damages shall be apportioned to those apartments which were not taken or condemned.

14.4.4 The respective amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within his own apartment shall be apportioned to the particular apartment involved.

14.4.5 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.

14.4.6 If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Board shall employ such allocation to the extent it is relevant and applicable.

14.4.7 Distribution of apportioned proceeds shall be made to the respective owners and their respective mortgagees in the manner provided in Section 14.3.

#### 14.5 Reconstruction and Repair

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 13 above, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge said owner's liability for any special assessment arising from the operation of said Article 13.

### ARTICLE 15. COMPLIANCE WITH DECLARATION

#### 15.1 Enforcement

Each owner shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration and the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board acting through its officers on behalf of the owners, or by the aggrieved owner on his own.

#### 15.2 No Waiver of Strict Performance

The failure of the Board 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 shall remain in full force and effect. The receipt by the Board of any assessment from an owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed for the Board. This section also extends to the Declarant or Declarant's managing agent, exercising the powers of the Board during the initial period of operation of the Association and the condominium development.

#### ARTICLE 16. LIMITATION OF LIABILITY

##### 16.1 Liability for Utility Failure, etc.

Except to the extent covered by insurance obtained by the Board pursuant to Article 12, neither the Association nor the Board (or the Declarant or Declarant's managing agent exercising the powers of the Board) shall be liable for: any 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 which may lead or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other 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 common expense 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.

##### 16.2 No Personal Liability

So long as a Board member, or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person, provided, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 12.

##### 16.3 Indemnification of Board Members

Each Board member or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, shall be indemnified by the owners against all expenses and liabilities including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position, or any

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settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his 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. This section shall extend to and apply also for the indemnification of the Declarant, or for the indemnification of the manager, if any.

#### ARTICLE 17. MORTGAGEE PROTECTION

##### 17.1 Priority of Mortgages

Notwithstanding all other provisions hereof and as provided in the Act, the liens created under this Declaration upon any apartment for assessments shall be subject to the rights of the secured party in the case of any indebtedness secured by mortgages or deeds of trust which were made in good faith and for value upon the apartment. Where such mortgagee of the apartment as defined in Section 18.1, or other purchaser of an apartment, obtains possession of an apartment as a result of mortgage foreclosure or deed of trust sale, 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 apartment 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 of the apartment owners including such possessor, his successor and assigns.

##### 17.2 Change in Manager

In the event that professional management is employed by the Association, at least thirty (30) days' notice of any contemplated change in the professional manager shall be given to any institutional first mortgagee or institutional deed of trust beneficiary which has requested to be notified, and the agreement with such professional manager shall permit cancellation on ninety (90) days written notice and shall have a term not in excess of one (1) year. No change shall be made in professional management without the approval of the Federal National Mortgage Association if it is a mortgagee of any apartment.

##### 17.3 Abandonment of Condominium Status

Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not, without consent of all institutional first mortgagees and institutional first deed of trust beneficiaries of any apartment, seek to abandon the condominium status of the project.

##### 17.4 Partitions and Subdivision

The Association shall not partition or subdivide any apartment or the appurtenant common and limited common elements, or accept any proposal so to do, without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of the apartment being subdivided or partitioned.



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#### 17.5 Changes In Percentages

The Association shall not change the percentages of interest in the common areas without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of the apartments, for which the percentages would be changed.

#### 17.6 Copies of Notices

In the event the Association gives to any owner of an apartment any notice that such owner has for more than thirty (30) days failed to meet any obligation under the condominium documents, it shall also give a copy of such notice to any institutional first mortgagee or institutional first deed of trust beneficiary which has requested to be so notified.

#### 17.7 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.

#### 17.8 Insurance

Where the mortgagee of an apartment as defined in Section 18.1 has filed a written request with the Board, or where the mortgagee of the condominium has filed a written request with the Board or is known to the Board, the Board shall:

17.8.1 Furnish the mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the apartment on which such mortgagee has a lien;

17.8.2 Require any insurance carrier to give such mortgagee at least ten (10) days written notice before cancelling any insurance with respect to such property on which mortgagee has a lien;

17.8.3 Not make any settlement of any insurance claims for loss or damage to any such apartment exceeding \$2,500.00 without the approval of such mortgagee; provided, that the withholding of such approval shall not be unreasonable or in conflict with the provisions of Article 13.

17.8.4 Give the mortgagee written notice of any loss or taking affecting common areas, if such loss or taking exceeds \$10,000.00.

#### 17.9 Inspection of Books

Institutional first mortgagees and institutional first deed of trust beneficiaries shall be entitled to inspect at all reasonable hours of week days all of the books and records of the Association.

### ARTICLE 18. MORTGAGEE'S RIGHTS AFTER FORECLOSURE

#### 18.1 Apartment and Condominium Mortgagee

Mortgagee of the apartment refers to the holder of the mortgage or deed of trust on an apartment which was recorded simultaneous with or after the recordation of this Declaration. Mortgagee of the condominium refers to the holder of the deed of trust or mortgage on the real property which this Declaration affects and which was executed and recorded prior to the recordation of this Declaration.

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#### 18.2 Obtaining Declarant's Powers

In the event the mortgagee of the condominium becomes bound by this Declaration by granting one or more partial releases or otherwise, and forecloses its mortgage or deed of trust and obtains possessory rights, legal title, or certificates of sale to the unsold apartment or apartments and appurtenant common areas covered by the respective deed of trust or mortgage liens, then the mortgagee of the condominium may succeed to and assume, to the exclusion of the Declarant, the powers of the Declarant as set forth in this Declaration.

#### 18.3 Extension of Declarant's Powers

In the event the mortgagee of the condominium commences a foreclosure or accepts title to the unsold units by deed in lieu of foreclosure, during the time the Declarant may perform all Board functions pursuant to Section 9.1, then said powers conferred upon Declarant by said Section, and to which the mortgagee of the condominium may succeed, shall be extended for an additional two (2) years. The mortgagee of the condominium shall be entitled to appoint a receiver during the pendency of any foreclosure and said receiver shall immediately, upon appointment, succeed to and assume the rights and powers of the Declarant as set forth in this Declaration, and the receiver shall be entitled to sell unsold condominium units during the pendency of said foreclosure, and said sales shall be subject to confirmation by court order.

#### 18.4 Liability of Mortgagee

In the event the mortgagee of the condominium is conveyed the unsold apartment units in lieu of foreclosure, or obtains possessory rights, legal title, or purchaser's certificate to said unsold apartments as a result of the foreclosure of the mortgage or deed of trust covering the condominium then said mortgagee will be liable for only that portion of any assessment against any completed apartment unit so owned by mortgagee (or to which mortgagee has a certificate of purchase) for which Declarant would be liable under Section 11.3; provided, that in no event will the mortgagee be liable for any past due assessments which accrued or became due prior to the time the mortgagee obtained possession by foreclosure or by deed in lieu of foreclosure; and provided further, that after initial sale if the mortgagee reacquires any apartment, unit, or if at any time the mortgagee retains any apartment and grants, rents, or leases the same, the mortgagee shall be liable for the normal assessments for such apartment unit.

### ARTICLE 19. EASEMENTS

#### 19.1 In General

It is intended that in addition to rights under the statute, each apartment has an easement in and through each other apartment and the common and limited common areas 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 this condominium plan. Each apartment and all the common and limited common area is specifically subject to easements as required for the electrical entry system, for the electrical

7807060875

wiring and plumbing, for the air conditioning lines and equipment, if any, for each apartment, and for the master antenna cable system, if any. Finally, each apartment as it is constructed is granted an easement to which each other apartment and all common and limited common area is subject for the location and maintenance of all the original equipment and facilities and utilities for such apartment. 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.

#### 19.2 Association Functions

There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligation of the Association as are set forth in the Declaration, or in the Bylaws, and the Association Rules.

#### 19.3 Encroachments

Each apartment and all common and limited common area is hereby declared to have an easement over all adjoining apartments and common and limited common area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful act or acts with full knowledge of said owner or owners. In the event an apartment area or common or limited common area is partially or totally destroyed, and then repaired or rebuilt, the owners agree that minor encroachments over adjoining apartments and common and limited common areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any apartment.

### ARTICLE 20. INTERPRETATION

#### 20.1 Liberal Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Horizontal Property Regime under the provisions of Washington law. It is intended and covenanted also that, insofar as it affects this Declaration and condominium, the provisions of the Act referenced herein under which this Declaration is operative, shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

#### 20.2 Consistent with Act

The terms such as, but not limited to, "apartment," "apartment owner," "association of apartment owners," "building," "common areas, and facilities," "common expenses," "land," "limited common areas" and "property,"

used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

20.3 Covenant Running with Land

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

20.4 Apartment and Building Boundary

In interpreting the Survey Map and Plans, the existing physical boundaries of the building and each apartment as constructed shall be conclusively presumed to be its boundaries.

20.5 "Person," etc.

When interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The term "mortgage" may be read to include deeds of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

20.6 Declarant is Original Owner

Declarant is the original owner of all apartments and property and will continue to be deemed the owner thereof except as conveyances or documents changing such ownership regarding specifically described apartments are filed of record.

20.7 Captions and Schedules

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

ARTICLE 21. PROCEDURES FOR SUBDIVIDING OR COMBINING

21.1 Procedure

Subdivision and/or combining of any apartment or apartments, common areas and facilities, or limited common areas and facilities are authorized only as follows:

21.1.1 Any owner of any apartment or apartments may propose any subdividing or combining of an apartment or apartments, and appurtenant common areas or limited common areas in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration, Survey Map and Plans covering such subdividing or combining, to the Board, which shall then notify all other apartment owners of the requested subdivision or combination.



21.1.2 Upon written approval of such proposal by sixty percent (60%) of the owners, the owner making the proposal may proceed according to such plans and specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that provisions for the protection of other apartments or common areas or reasonable deadlines for completion of the work be inserted in the contracts for the work.

21.1.3 The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of Section 22.1.

## ARTICLE 22. AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

### 22.1 Declaration Amendment

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the owners if sixty (60%) percent of the owners vote for such amendment, or without any meeting if all owners have been duly notified and sixty (60%) percent of the owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. Any decision changing the values and percentage of interest expressed herein, except as provided herein, shall require the unanimous consent of the apartment owners and their mortgagees. It is specifically covenanted 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. If the Federal National Mortgage Association is a mortgagee of any apartments, its specific written approval shall be required of any amendment to the Declaration.

### 22.2 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 also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

### 22.3 Amendments by Declarant

The Declarant may at any time record an amendment to the Declaration showing, correcting, or revising the assignment of parking spaces or storage lockers to apartments and during the initial three (3) years changing the

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person who is to receive service of process, and such amendment need be acknowledged only by the Declarant and need not otherwise comply with the requirements of this Article 22.

#### 22.4 Amendments to Conform to Construction

In addition, Declarant, upon Declarant's sole signature, may file an amendment to the Declaration and to the Survey Map and Plans, from time to time, to conform them to the actual location of any of the constructed improvements and to establish, vacate and relocate utility easements, access road easements and parking areas.

#### 22.5 Discontinuance of Condominium

It is further specifically covenanted that any decision or failure to act by the owners under this Declaration or any applicable provision of law which intends or requires discontinuance of this condominium or removal of the property from the provisions of the Act, shall, if such decision or failure to act is sufficient as respect Horizontal Property Regimes under the Act, also terminate and discontinue the effect of any and all of the covenants, conditions, and restrictions set forth herein, and all provisions of the Survey Map and Plans, unless other specific provision is made by recorded amendments to the Declaration, and, if required, to the Survey Map and Plans.

### ARTICLE 23. MISCELLANEOUS

#### 23.1 Service of Process

Melvin L. Kaufmann, whose address is 1301 Columbia Street, Seattle, Washington, is the person upon whom process may be served as provided for in the Act. After organization of the Association, service of process for the purposes provided in the Act may also be made upon the president of the Association. The Board may at any time designate a new or different person or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then president of the Association. The Declarant may, at any time before the Board is organized, change such designation by amendment to the Declaration signed and acknowledged only by Declarant.

#### 23.2 Notices for All Purposes

##### 23.2.1 Delivery of Notice

Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered twenty-four (24) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the owner or owners of any apartment shall be sufficient if mailed to the apartment of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to

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Declarant until the Association and Board have been constituted and thereafter shall be given to the president or secretary of the Board.

23.2.2 Mortgagee Notice

Upon written request therefor, and for a period of three years (or such longer time as the Board may set) after such request, a vendor, mortgagee, or deed of trust beneficiary of any apartment shall be entitled to be sent a copy of any notices respecting the apartment covered by his security instrument until the request is withdrawn or the security right discharges. Such written request may be renewed an unlimited number of times.

23.3 Mortgagee's Acceptance

23.3.1 Priority of Mortgage

A bank or other lender holds a mortgage covering all of the property described in Schedule A and heretofore filed with the King County Recorder under Receiving No. \_\_\_\_\_. Said mortgagee shall not have executed this Declaration at the time it is initially filed. This Declaration shall not initially be binding upon said mortgagee but rather shall be subject and subordinate to said mortgage.

23.3.2 Acceptance Upon First Conveyance

Declarant shall not consummate the conveyance of title of any apartment until said mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements, in accordance with the Act, for partial release of apartments with their appurtenant limited common areas and percentages of interest in common areas from the lien of said mortgage. The issuance and recording of the first such partial release by said mortgagee shall constitute its acceptance of the provisions of this Declaration and the condominium status of the apartments remaining subject to its mortgage as well as its acknowledgment that such appropriate arrangements for partial release of apartments have been made; provided, that, except as to apartments so released, said mortgage shall remain in full effect as to the entire property.

23.4 Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act or as covenants effect the common plan.

23.5 Effective Date

This Declaration shall take effect upon recording.

23.6 Reference to Survey Map and Plans

The Survey Map and Plans of the building referred to herein were filed with the Recorder of King County, Washington, simultaneously with the

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recording of this Declaration under File No. 7807060874- in  
Volume 21 of Condominiums, pages 5-8.

DATED this 3rd day of July, 1978.

DECLARANT:

MONTRIDGE ARMS,  
A Washington Limited Partnership

AURORA VILLA  
A Washington Limited Partnership

By Melvin L. Kaufmann Its General Partner By Melvin L. Kaufmann  
Its General Partner

STATE OF WASHINGTON )

COUNTY OF KING )

ss.

On this day personally appeared before me MELVIN L. KAUFMANN  
to me known to be the individual described in and who executed the within and  
foregoing instrument, and acknowledged that he signed the same as his free and  
voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 3rd day of  
July, 1978.

J. Anthony Sware  
NOTARY PUBLIC in and for the State  
of Washington, residing at Medina.



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EXHIBIT A

Tract 36, R. O. Smith's Orchard Tracts Addition to Kent according to Plat  
recorded in Volume 12 of Plats, page 27, records of King County, Washington.

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| Apartment<br>Number<br>(The<br>Letter<br>Indicates<br>the<br>Building in<br>which the<br>Apartment<br>is Located) | Floor<br>Location | Number<br>Of | Approximate<br>Floor Area<br>(In square<br>feet) | Relative<br>Value<br>(Each<br>Apartment) | Percentage<br>of Interest<br>(Each<br>Apartment) |
|-------------------------------------------------------------------------------------------------------------------|-------------------|--------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------|
| A3, A7, A11<br>B3, B7, B11<br>C3, C7                                                                              | 1st Floor         | 5            | 860                                              | \$29,450                                 | 1.33                                             |
| A4, A8, A12<br>B4, B8, B12<br>C4, C8                                                                              | 2nd Floor         | 5            | 860                                              | \$29,450                                 | 1.33                                             |
| A1, A5, A9<br>B1, B5, B9<br>C1, C5                                                                                | 1st Floor         | 5            | 860                                              | \$29,450                                 | 1.33                                             |
| A2, A6, A10<br>B2, B6, B10<br>C2, C6                                                                              | 2nd Floor         | 5            | 860                                              | \$29,450                                 | 1.33                                             |
| D1, D5, D9<br>E1, E5, E9<br>E13, E17                                                                              | 1st Floor         | 4            | 585                                              | \$22,585                                 | 1.02                                             |
| D2, D6, D10<br>E2, E6, E10<br>E14, E18                                                                            | 2nd Floor         | 4            | 578                                              | \$22,585                                 | 1.02                                             |
| D3, D7, D11<br>E3, E7, E11<br>E15, E19                                                                            | 1st Floor         | 4            | 585                                              | \$22,585                                 | 1.02                                             |
| D4, D8, D12<br>E4, E8, E12<br>E16, E20                                                                            | 2nd Floor         | 4            | 578                                              | \$22,585                                 | 1.02                                             |
| F3, F7, F11<br>G3, G7                                                                                             | 1st Floor         | 5            | 806                                              | \$27,460                                 | 1.24                                             |
| F4, F8, F12<br>G4, G8                                                                                             | 2nd Floor         | 5            | 799                                              | \$27,460                                 | 1.24                                             |
| F1, F5, F9<br>G1, G5                                                                                              | 1st Floor         | 5            | 806                                              | \$27,460                                 | 1.24                                             |
| F2, F6, F10<br>G2, G6                                                                                             | 2nd Floor         | 5            | 799                                              | \$27,460                                 | 1.24                                             |

FILED FOR RECORD AT REQUEST OF  
SAFECO TITLE INSURANCE COMPANY  
2615 4th AVENUE SEATTLE, WA 98121

404488 LK

AMENDMENT OF  
DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND  
RESERVATIONS FOR HEATHER RIDGE  
A Condominium

Pursuant to the laws of the State of Washington (RCW 64-32) and Amendments thereto, the Declaration and Covenants, Conditions, Restrictions and Reservations for Heather Ridge, a condominium filed with the Recorder of King County on July 6, 1978 under file number 7807060875 is hereby amended as follows:

The area designated as "office" on page 4 of the survey map and plans (page 4 is recorded in Volume 21 of Condominiums, page 8 under file number 780706074 records of King County, Washington) shall be and is hereby declared to be a part of apartment A-1.

That part of the north end of building E designated as "single story utility room" on the plat survey and as Laundry/Storage on plans (recorded on pages 5 and 6 respectively in Volume 21 of Condominiums, under file number 7807060874 records of King County, Washington), shall be and hereby is designated as a limited common area for the exclusive use of apartment E-1 which is immediately adjacent to such space.

By virtue of this Amendment that reference to apartment A-1 on Exhibit B of the Declaration of Condominium shall be changed to read as follows:

|                        |           |
|------------------------|-----------|
| Apartment number:      | A-1       |
| Floor Location:        | 1st Floor |
| Number of Rooms:       | 6         |
| Approximate Floor      |           |
| Area (in square feet)  | 982       |
| Relative Value         | \$29,450  |
| Percentage of Interest | 1.33      |

The reference in Article 2, paragraph 2.1.1, to an office is hereby deleted, said "office," by virtue of the amendment, becoming a part of apartment A-1.

The undersigned at the time of executing and recording this amendment is sole owner of Heather Ridge, a condominium. No apartments have been conveyed by declarant prior to executing and recording this amendment.

Dated this 16 day of November, 1978.

Declarant:  
Montridge Arms  
a Washington Limited Partnership

By Melvin L. Kaufmann  
Melvin L. Kaufmann  
Its General Partner

Aurora Villa  
a Washington Limited Partnership

By Melvin L. Kaufmann  
Melvin L. Kaufmann  
Its General Partner

ACKNOWLEDGMENT

STATE OF WASHINGTON )  
COUNTY OF KING ) ss

On this 14 day of 11, 1978, before me, the undersigned, a Notary Public in and for the State of Washington, Duly commissioned and sworn, personally appeared MELVIN L. KAUFMANN to me known to be the individual described in and who executed the foregoing instrument, as General partner of MONTRIDGE ARMS and AURORA VILLA, Washington limited partnerships and acknowledged to me that he signed and sealed this said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 14 day of 11, 1978.

Notary Public in and for the State of  
Washington, residing at



7811240848



Declaration of Assignment of Parking Spaces  
at Heather Ridge Condominium

Pursuant to paragraph 6.2 of the Declaration and Covenants, Conditions Restrictions and Reservations for Heather Ridge, a Condominium, filed with the recorder of King County on July 6, 1978, under File No. 7807060875, the Declarant hereby makes the initial assignment of parking spaces for each apartment. The following designation refers to apartment numbers, and following each apartment number is a space number which refers to the number established for each parking space:

| Apt. No. | Space | Apt. No. | Space |
|----------|-------|----------|-------|
| A1       | 1     | B1       | 13    |
| A2       | 2     | B2       | 14    |
| A3       | 3     | B3       | 15    |
| A4       | 4     | B4       | 16    |
| A5       | 5     | B5       | 17    |
| A6       | 6     | B6       | 18    |
| A7       | 7     | B7       | 19    |
| A8       | 8     | B8       | 20    |
| A9       | 9     | B9       | 21    |
| A10      | 10    | B10      | 22    |
| A11      | 11    | B11      | 23    |
| A12      | 12    | B12      | 24    |
| C1       | 25    | D1       | 64    |
| C2       | 26    | D2       | 63    |
| C3       | 27    | D3       | 61    |
| C4       | 28    | D4       | 60    |
| C5       | 29    | D5       | 86    |
| C6       | 30    | D6       | 85    |
| C7       | 31    | D7       | 54    |
| C8       | 32    | D8       | 55    |
|          |       | D9       | 56    |
|          |       | D10      | 57    |
|          |       | D11      | 58    |
|          |       | D12      | 59    |
| E1       | 84    | E11      | 74    |
| E2       | 83    | E12      | 73    |
| E3       | 82    | E13      | 72    |
| E4       | 81    | E14      | 71    |
| E5       | 80    | E15      | 70    |
| E6       | 79    | E16      | 69    |
| E7       | 78    | E17      | 68    |
| E8       | 77    | E18      | 67    |
| E9       | 76    | E19      | 66    |
| E10      | 75    | E20      | 65    |

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F1 53  
F2 52  
F3 51  
F4 50  
F5 49  
F6 48  
F7 47  
F8 46  
F9 45  
F10 44  
F11 42  
F12 41

G1 40  
G2 39  
G3 38  
G4 37  
G5 36  
G6 35  
G7 34  
G8 33

Pursuant to paragraph 6.1.1 of the Declaration and Covenants, Conditions, Restrictions and Reservations of Heather Ridge, a Condominium, the owner of each apartment shall have the unqualified right to use the parking space herein assigned.

Dated this 5th day of December, 1978.

DECLARANT:  
Montridge Arms  
a Washington Limited Partnership

Melvin L. Kaufmann  
Melvin L. Kaufmann  
Its General Partner

Aurora Villa  
A Washington Limited Partnership

Melvin L. Kaufmann  
Melvin L. Kaufmann  
Its General Partner

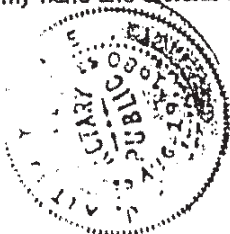
STATE OF WASHINGTON

COUNTY OF KING

) ss.

On this 5th day of December, 1978, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Melvin L. Kaufmann, to me known to be the individual described in and who executed the foregoing instrument, as general partner of Montridge Arms and Aurora Villa, Washington limited partnerships, and acknowledged to me that he signed and sealed this said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

Given under my hand and official seal this 5th day of December, 1978.



J. Anthony Hoare  
Notary Public in and for the State  
of Washington, residing at Medina.

at Request of  
de: Waldo & Hiscod  
Walden  
98102 (JAH)

DEC--6-78 6 00475 7812061068 --B RF 4.00

After Recording Return To:  
Gary N. Ackerman  
Roberts & Shetelman  
800 5th Ave., Ste. 4200  
Seattle, WA 98104

Amendment of  
Declaration and Covenants, Conditions,  
Restrictions and Reservations  
for  
Heather Ridge

RECITALS:

A. Montridge Arms, a Washington limited partnership, and Aurora Villa, a Washington limited partnership, as Declarant, recorded the following with the King County Recorder;

1. Declaration and Covenants, Conditions, Restrictions and Reservations for Heather Ridge (the "Declaration") under Recording No. 7807060875.

2. Amendment of Declaration and Covenants, Conditions, Restrictions and Reservations for Heather Ridge under Recording No. 7811290848.

3. Declaration of Assignment of Parking Spaces at Heather Ridge Condominium under Recording No. 7812061068.

B. In order to facilitate the financing of apartments at Heather Ridge, it is necessary to provide certain protections to mortgage lenders in the Declaration. Accordingly, the undersigned, as president of the Association of Owners at Heather Ridge, pursuant to Section 22.1 of the Declaration, duly gave notice of the Amendment hereinafter set forth to all owners and has in his possession the written consent to such amendment by at least 60% of the apartment owners.

NOW, THEREFORE, the undersigned certifies that the following Amendment of Declaration has been duly adopted and will become effective upon the recording of this Amendment in the public records.



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1. For the purposes of this Amendment the following definitions shall apply:

1.1 Eligible Holder shall mean a holder of a first mortgage on an apartment that has requested notices under Section 23.2.2.

1.2 Eligible Insurer or Guarantor shall mean an insurer or governmental guarantor of a first mortgage that has requested notices under Section 23.2.2.

1.3 FHLMC shall mean Federal Home Loan Mortgage Corporation.

1.4 First Mortgage and First Mortgagee shall mean, respectively, (a) a recorded mortgage on an apartment that has legal priority over all other mortgages thereon, and (b) the holder, insurer or guarantor of a first mortgage.

1.5 FNMA shall mean Federal National Mortgage Association.

1.6 HUD shall mean Department of Housing and Urban Development.

1.7 Mortgage shall mean a recorded mortgage or deed of trust that creates a lien against an apartment.

1.8 Mortgagee shall mean the beneficial owner, designee of the beneficial owner, insurer or guarantor of an encumbrance of an apartment created by a mortgage.

1.9 VA shall mean the Veterans Administration.

2. Sections 22.1 and 22.2 of the Declaration are amended to read in full as follows:

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Section 22.1 Procedures. An owner may propose amendments to this Declaration or the Survey Map and Plans or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by owners of 20% or more of the apartments in the condominium, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including eligible holders) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of eligible holders of mortgages as provided below, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records.

Section 22.2. Percentages of Consent Required. Except in the case of damage or condemnation of the property, the percentage of consent of owners and mortgagees

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required for adoption of amendments to the Declaration Survey Map and Plans and Bylaws are as follows:

22.2.1 The consent of owners holding at least 67% of the votes in the Association, but in any event not less than 60% of the owners, and the consent of eligible holders of mortgages on apartments that have at least 51% of the votes of apartments subject to eligible holder mortgages shall be required to materially amend any provisions of the Declaration, Survey Map and Plans or Bylaws or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (a) voting; (b) assessments, assessment liens, or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the common areas and facilities; (d) insurance or fidelity bonds; (e) rights to use common areas and facilities; (f) responsibility for maintenance and repair of any portion of the condominium; (g) expansion or contraction of the condominium or addition, annexation, or withdrawal of property to or from the condominium; (h) changes of boundaries of any apartment; (i) convertibility of apartments into common areas or common areas into apartments; (j) leasing of apartments; (k) imposition of any right of first refusal or similar restriction on the right of an owner to sell, transfer, or otherwise convey an apartment; (l) establishment of self-management of the condominium after professional management has been required

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by HUD, FNMA, VA, FHLMC, or other similar agency or corporation; or (m) any provisions which are for the express benefit of holders of first mortgages.

22.2.2 The unanimous consent of all owners and the consent of eligible holders of first mortgages on apartments that have at least 51% of the votes of apartments subject to eligible holder mortgages shall be required to adopt any amendment altering the value of the property and of each apartment and the percentage of undivided interest in the common areas and facilities.

22.2.3 All other amendments shall be adopted if consented to by 60% of the owners.

22.2.4 An eligible holder who receives a written request to consent to an addition or 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.

3. Section 23.2.2 of the Declaration is amended to read in full as follows:

Section 23.2.2 Notices to Holders, Insurers and Guarantors of Mortgages. An eligible holder, insurer, or guarantor of a mortgage is, respectively, any holder, insurer or guarantor of a mortgage on an apartment that files with the secretary of the Board a written request that it be given copies of the notices listed below. The request must state the name and address of the eligible

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holder, insurer, or guarantor and the apartment number. Until such time thereafter that the eligible holder, insurer, or guarantor withdraws the request or the mortgage held, insured or guaranteed by the eligible holder, insurer, or guarantor, as the case may be, is satisfied, the Board shall send to the eligible holder, insurer, or guarantor timely written notice of (a) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of any apartment, (ii) the exclusive easement rights, if any, appertaining to any apartment, (iii) the percentage interest in the common or limited common areas and facilities appertaining to any apartment or the liability for common expenses appertaining thereto, (iv) the number of votes in the Association appertaining to any apartment, or (v) the purposes to which an apartment or the common areas are restricted; (b) any proposed termination of condominium status, transfer of any part of the common areas, or termination of professional management of the condominium; (c) any condemnation loss or casualty loss that affects a material portion of the condominium or that affects any apartment on which an eligible holder has a first mortgage; (d) any delinquency which has continued for 60 days in the payment of assessments or charges owed by an owner of an apartment on which an eligible holder had a mortgage; (e) any lapse, cancellation, or material modification of any insurance policy or



fidelity bond maintained by the Association; (f) any proposed action that would require the consent of a specified percentage of eligible holders pursuant to Article 22.

4. Section 11.2 of the Declaration is amended to read in full as follows:

11.2 Payment by Owners. Each owner shall be obligated to pay assessments made pursuant to this article to the treasurer for the Association in equal monthly installments on or before the first day of each month during the year, or in such other reasonable manner as the Board shall designate. The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the rate of 12% per annum from the date due until paid. The budget may be reviewed and revised by the membership at any annual meeting, or any special meeting called for that purpose, but if not so reviewed or if no change is made shall be deemed approved.

Dated 12/1/83

ATTEST:

HEATHER RIDGE ASSOCIATION OF OWNERS

\_\_\_\_\_  
Secretary

By [Signature]  
President

0160C

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 11 day of April, 1983, before me, the undersigned Notary Public in and for the State of Washington, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me known to be the President and Secretary, respectively, of Heather Ridge Association of Owners, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written

11-1-83  
Notary Public in and for the  
State of Washington, residing  
at \_\_\_\_\_

0160C

8804070921

FILED FOR RECORD AT THE REQUEST OF: This Space Provided For  
Recorder's Use.

CARRITHERS AND SIFFERMAN  
1600 - 148th Avenue S.E.  
Bellevue, Washington 98007

CERTIFICATE OF AMENDMENT TO DECLARATION AND COVENANTS,  
CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR HEATHER RIDGE  
CONDOMINIUM

Imogene Taylor, as President and Marcia Wiedman, as  
Secretary of the Board of Directors for Heather Ridge  
Condominium, hereby certify that the Declaration and Covenants,  
Conditions, Restrictions, and Reservations for Heather Ridge  
Condominium, as recorded under King County Auditor's No.  
7807060875 should be and they hereby are amended in the  
following particulars:

A new section 10.12 is added as follows:

With the exception of a mortgagee in possession of an  
apartment following a default in a first mortgage, a  
foreclosure proceeding, or any deed or other arrangement  
in lieu of foreclosure, no apartment owner or other per-  
sons shall be permitted to lease or otherwise rent an  
apartment for a term less than thirty (30) days. No lease  
or rental of an apartment may be of less than the entire  
apartment. Any lease or rental agreement must provide  
that its terms shall be subject in all respects to the  
provisions of this Declaration and the Bylaws and rules  
and regulations of the Association and that any failure by  
the tenant to comply with the terms of such documents,  
rules, and regulations shall be a default under the lease  
or rental agreement and that the apartment owner grants to  
the Board and managing agent the authority to evict the  
tenant on the apartment owner's behalf for such default,  
upon only such notice as is required by law; if any lease

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does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding upon the apartment owner and the tenant by reason of these being stated in this Declaration. Neither the board nor the managing agent shall be liable to the apartment owner or the tenant for any eviction under this section that is made in good faith. All leases and rental agreements shall be in writing. Copies of all leases and rental agreements shall be delivered to the association before the tenancy commences.

A new section 12.1(f) is added as follows:

Any provision to the contrary in these declarations notwithstanding, the directors shall have the right, power and authority to assess any insurance deductible for any insurance claim to the unit owner of the unit involved with any such claim for any damage caused by neglect of any persons in the unit involved in that claim. The term "Full Insurable Replacement Value of the Property" shall not be construed to mean that any such insurance cannot include a deductible. The Board of Directors shall, at least annually, notify all owners of the deductible for insurance policies maintained under this article.

The above are true and correct copies of the amendments as adopted by the Association as of the 1st day of March, 1988. These amendments shall become effective upon the recording of this certificate with the amended language with the King County Department of Records and Elections.

8804070921

DATED this 23 day of April, 1988.

Imogene Taylor  
IMOGENE TAYLOR  
PRESIDENT of Board of Directors of  
Heather Ridge Condominium

Marcia Wiedmann  
MARCIA WIEDMANN (HW)  
SECRETARY of Board of Directors  
of Heather Ridge Condominium

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 23 day of April, 1988, before me personally appeared Imogene Taylor, to me known to be the President of the condominium association that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said association, for the use and purposed therein mentioned, and on oath stated that she was authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.



Robert J. [Signature]  
NOTARY PUBLIC in and for the State  
of Washington, residing at  
1111 1st St. N.E. My com-  
mission expires 11/2/89.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 29 day of April, 1988, before me personally appeared Marcia Wiedmann to me known to be the Secretary of the condominium association that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said association, for the use and purposed therein mentions, and on oath stated that she was authorized to execute the said instrument.



001743

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal the day and year first above written.

  
NOTARY PUBLIC in and for the  
State of Washington residing  
at Seattle, Wash. My  
commission expires 7/2/91

REB:35.1



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APR 7 2 51 PM '88  
FBI - SEATTLE

APR 7 1988

When recorded, return to:

Condominium Law Group, PLLC  
10310 Aurora Avenue North  
Seattle, Washington 98133  
(206) 633-1520



**20110812000556**

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KING COUNTY, WA

**FIFTH AMENDMENT TO THE DECLARATION AND COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATIONS FOR HEATHER RIDGE, A CONDOMINIUM**

GRANTOR: HEATHER RIDGE CONDOMINIUM ASSOCIATION

GRANTEE: HEATHER RIDGE CONDOMINIUM ASSOCIATION

LEGAL DESCRIPTION: HEATHER RIDGE, A CONDOMINIUM ACCORDING TO  
THE CONDOMINIUM DECLARATION THEREOF  
RECORDED UNDER RECORDING NUMBER 7807060875,  
AND ANY AMENDMENTS THERETO, AND IN VOLUME 21  
OF CONDOMINIUMS, PAGES 5 THROUGH 8, INCLUSIVE,  
IN KING COUNTY, WASHINGTON.

ASSESSOR'S TAX PARCEL ID#: 3211530000

REFERENCE # (If applicable): 7807060875

DEPARTMENT OF ASSESSMENTS  
Examined and approved this 10th day of

AUGUST 2011

LLYD HARA  
Assessor

Klaus J. Kane  
Deputy Assessor

FIFTH AMENDMENT TO THE DECLARATION  
AND COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS  
FOR HEATHER RIDGE, A CONDOMINIUM,

Whereas a certain DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR HEATHER RIDGE, a Condominium, (the "Declaration"), was recorded on July 6, 1978, under King County Recorder's File Number 7807060875, records of King County, Washington, and amended under King County Recorder's File Numbers 7811290848, 7812061068, 8312140544 and 8804070921 that certain Survey Map and Plans recorded in Volume 21 of Condominiums, page(s) 5 through 8, and under King County Recorder's File Number 7807060874, and whereas under the provisions of ARTICLE 22 of the Declaration it may be amended, and

Whereas the procedures for such amendment have been followed,

Now, therefore, the undersigned do hereby certify that, after approval by a majority of the Board prior to its adoption by the owners, the vote or written consent to this amendment was obtained from owners holding at least sixty-seven percent (67%) of the votes in the Association and the consent of Eligible Holders of mortgages on apartments that have at least fifty-one percent (51%) of the votes of apartments subject to Eligible Holder mortgages was obtained to hereby declare and adopt the following amendments to the Declaration:

Replace ARTICLE 11 COMMON EXPENSES AND ASSESSMENTS, Section 11.9 Lien Indebtedness with the following:

11.9 Lien Indebtedness and Lien Priority.

11.9.1 The Association has a lien for any unpaid assessments levied against an apartment from the time the assessment is due. In addition to constituting a lien, each assessment shall be the joint and several obligation of the owner or owners of the apartment to which the same are assessed as of the time the assessment is due.

11.9.2 A lien under this section shall be prior to all other liens and encumbrances on an apartment except: (a) liens and encumbrances recorded before the recording of the Declaration; (b) a mortgage on the apartment 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 apartment. A lien under this section is not subject to the provisions of chapter 6.13 RCW.

11.9.3 Except as provided in section 11.9.4, the lien shall also be prior to the mortgages described in section 11.9.2 to the extent of assessments for common expenses, excluding any amounts for capital improvements, based on the periodic budget 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 nonjudicial foreclosure by a mortgagee, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract.

11.9.4 The priority of the Association's lien against Apartments encumbered by a mortgage held by a mortgagee which 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 the lien priority under section 11.9.3 includes delinquencies which relate to a period after such holder has given such notice and before the Association gives the holder a written notice of the delinquency.

Delete ARTICLE 17. MORTGAGEE PROTECTION, Section 17.1 Priority of Mortgages and ARTICLE 18. MORTGAGEE'S RIGHTS AFTER FORECLOSURE.

Replace ARTICLE 9. MANAGEMENT OF CONDOMINIUM, Section 9.3 Authority of the Board, subsection 9.3.1(i) with the following:

The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund capital additions and improvements (other than for purposes of restoring, repairing, or replacing portions of the common areas) having a total cost in excess of twenty-five thousand dollars (\$25,000), without first obtaining the written consent or affirmative vote of the owners holding a majority of the voting power present or represented at a meeting called for such purpose; provided that any expenditure or contract for capital additions or improvements (other than for purposes of restoring, repairing, or replacing portions of the common area) in excess of fifty

thousand dollars (\$50,000) must be approved by owners having not less than seventy-five percent (75%) of the voting power.

Add a new section to ARTICLE 11. COMMON EXPENSES AND ASSESSMENTS as follows:

11.17 Any common expense or portion thereof benefiting fewer than all of the apartments must be assessed exclusively against the apartments benefited.

Delete ARTICLE 12. INSURANCE, section 12.1 Coverage, paragraph (f) (as amended).

Add a new section to ARTICLE 12. INSURANCE, as follows:

12.3 Liability for Uninsured Amounts. Notwithstanding anything herein to the contrary, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board:

12.3.1 Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual apartment owner where the damage results from a negligent or intentional action or omission by an owner, or that owner's tenant, or the family, servants, employees, agents, visitors or licensees of that owner or tenant, or from the failure of, or failure to maintain, any portion of the condominium, including any appliance, equipment, or fixture in a apartment, which that owner is responsible to maintain in good working order and condition.

12.3.2 Except as provided in paragraph 12.3.1 above, liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual apartment owner where the damage involved is limited solely to damage to the owner's apartment.

12.3.3 Except as provided in paragraphs 12.3.1 and 12.3.2 above, liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be equitably prorated in the exercise of the Board's sole discretion between the association and any involved owners in proportion to the relative amounts of damage to the common areas and/or limited common areas, and to each of the



affected apartments, where the damage involves the common areas, limited common areas and/or one or more apartments.

12.3.4 All sums covered by this section shall be an assessments against the apartment as defined in RCW 64.34.020(3), shall be a lien against the apartment and shall be collectable as any other assessment.

Replace ARTICLE 13. DAMAGE OR DESTRUCTION; RECONSTRUCTION with the following:

ARTICLE 13. SIGNIFICANT DAMAGE AND DESTRUCTION

13.1 Definitions; Significant Damage; Repair; Emergency Work.

13.1.1 As used in this Article, the term "Significant Damage" means damage or destruction, whether or not caused by casualty, to any part of the property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs and (b) which has a significant adverse impact on the habitability of any apartment or the ability of an owner or owners to use the property or any significant portion of the property for its intended purpose. Notwithstanding anything herein to the contrary, the term "Significant Damage" does not include construction defects, deterioration or wear and tear.

13.1.2 As used in this Article, the term "Repair" means to repair, reconstruct, rebuild or restore the improvements which suffered Significant Damage to substantially the same condition in which they existed prior to the damage or destruction, with each apartment and the common and limited common areas 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.

13.1.3 As used in this Article, the term "Emergency Work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the owners from liability arising out of the condition of the property.

**13.2 Initial Board Determinations.** In the event of Significant Damage, the Board shall promptly, and in all events within thirty (60) days after the date of Significant Damage or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations with respect thereto employing such advice as the Board deems advisable:

13.2.1 The nature and extent of the Significant Damage, together with an inventory of the improvements and property directly affected thereby.

13.2.2 A reasonably reliable estimate of the cost to Repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon a firm bid obtained from at least two (2) responsible contractors.

13.2.3 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.

13.2.4 The amount, if any, that the estimated cost of Repair exceeds the anticipated insurance proceeds therefore and the amount of assessment to each apartment if such excess was paid as a common expense and specially assessed against all the apartments in proportion to their allocated in the common areas.

13.2.5 The Board's recommendation as to whether such Significant Damage should be repaired.

**13.3 Notice of Damage or Destruction.** The Board shall promptly, and in all events within sixty (60) days after the date of Significant Damage or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, provide a written notice summarizing the initial Board determination made under section 13.2 to each owner. If the Board fails to do so within said sixty (60) days, then any owner may make the determination required under section 13.2 and give the notice required under this section.

**13.4 General Provisions.**

13.4.1 **Duty to Restore.** Any portion of the condominium for which the Board is responsible to maintain or repair which is subject to Significant Damage shall be repaired promptly by the Association unless: (a) the condominium is terminated; (b) repair would be illegal under any state or local health or

safety statute or ordinance; or (c) eighty percent (80%) of the apartment owners, including every owner of an apartment or assigned limited common area which will not be Repaired vote not to Repair. Even if the Significant Damage is not to be Repaired, the Board shall still have authority to perform Emergency Work. The cost of Repair in excess of insurance proceeds and reserves is a common expense.

13.4.2 Damage not Restored. If all or any portion of the damaged portions of the condominium are not Repaired (a) the insurance proceeds attributable to the damaged common areas shall be used to restore the damaged area to a condition compatible with the remainder of the condominium; (b) the insurance proceeds attributable, if any, to apartments and limited common areas which are not repaired shall be distributed to the owners of those apartments and the owners of the apartments to which those limited common areas were allocated, or to lienholders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the apartment owners or lienholders, as their interests may appear, in proportion to the allocated interests in the common areas of all the apartments.

13.4.3 Reallocation. If the apartment owners and mortgagees vote not to Repair any apartment, that apartment's allocated interests are automatically reallocated upon the vote as if the apartment had been condemned under Article 14, and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

13.5 Restoration by Board. If the damage is to be repaired then:

13.5.1 Contract and Contractors. The Board 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, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with Repair upon satisfaction of the Board that such work will be appropriately carried out

13.5.2 Insurance Trustee. The Board 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 adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or to such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

13.6 Decision to Terminate. In the event of a decision to terminate the Condominium and not repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed improvements and clearing, filling and grading the real property), and the remaining funds, if any, and property shall thereafter be held and distributed as provided in RCW 64.34.268.

Replace ARTICLE 15. COMPLIANCE WITH DECLARATION with the following:

ARTICLE 15. ENFORCEMENT

15.1 Strict Compliance. Each owner, tenant, and occupant of an apartment in the condominium, shall comply strictly with the provisions of the governing documents and with all decisions of the Board adopted as provided in the governing documents. The acceptance of a deed or conveyance or the entering into occupancy of any apartment shall constitute an agreement that the provisions of the governing documents, as they may be amended from time to time, are accepted and ratified by the owner, tenant or occupant and all provisions of the governing documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such apartment, as though the provisions were recited and stipulated at length in each and every deed, conveyance or lease of the apartment.

15.2 Failure to Insist on Strict Performance No Waiver. The failure of the Board or Manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the governing documents, or to exercise any right or option contained in the governing documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition or restriction, but the term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or manager of



any assessment from the owner, with knowledge of any breach shall not be deemed a waiver of that breach, and no waiver by the Board of any provision of the governing documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

15.3 Hearing Board. The Board, or other body or person ("Hearing Board") so designated by the Board is authorized and empowered, as provided in due process procedures adopted by the Board, to investigate, hear and determine all complaints concerning violations by any apartment owner, tenant or occupant of any provision of the governing documents or of any board decision and to order compliance therewith. The Hearing Board is further authorized and empowered to levy reasonable fines against any person who shall have been found to be in violation of any provision of the governing documents or board decision after notice stating the nature of the violation and an opportunity for a hearing and to require the non-prevailing party to reimburse the Association for its costs, including reasonable attorney fees, in connection with the matter. Fines shall not exceed the maximum amounts to be established from time to time by resolution of the Board. Fines and costs shall constitute assessments secured by a lien upon any apartment belonging to or occupied by the person against whom they were assessed and shall be collectable in the manner provided herein for the collection of Assessments. The hearing shall be conducted as provided in due process procedures to be adopted by the Board. If a Hearing Board other than the Board is designated in the due process procedures, any party to a matter heard by the Hearing Board shall have the right to appeal the decision of the Hearing Board to the Board on the record of the proceeding before the Hearing Board. Any member of the Hearing Board or the Board who is incapable of impartial, disinterested and objective consideration of the case shall disclose that fact to the respective body and shall remove himself or herself from participation in the proceedings and have it so recorded in the minutes.

15.4 Judicial Enforcement. Failure to comply with a provision of the governing documents or a board decision, or to comply with a decision of the Hearing Board following notice of a violation and an opportunity for a hearing, shall be grounds for an action by the Association to recover sums due for damages, which shall include any fines levied by the Hearing Board and any costs incurred by the Association in connection with the proceedings before the Hearing Board, or for injunctive



relief, or both, maintainable by the Association. Nothing contained in this Declaration shall be deemed or construed as a waiver of the Association's right to bring an action without first exhausting the Association's internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. In any action brought as provided in this section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for attorney fees reasonably incurred in connection with the action, in addition to its expenses and taxable costs.

Dated this 28 day of JUNE, 2009. <sup>2011 M</sup>

Mark  
President, Heather Ridge  
Condominium Association

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Mark Scully is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of Heather Ridge Condominium Association to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.  
Dated: 6/28/11

Carol Stafford  
(Signature)

Carol Stafford  
(Print Name)

NOTARY PUBLIC in and for the State  
of Washington, residing at Kent  
My commission expires: 3/8/12

I certify that I know or have satisfactory evidence that Mark Scully is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Secretary of Heather Ridge Condominium Association to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.  
Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_