1108216

Final Draft

42

DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
HIDDEN CREEK
A CONDOMINIUM

Pursuant to the laws of the State of Washington, Laws of 1963, ch. 156, and the amendments thereto, 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 and possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interests therein, without requirement of 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.

1108216

ARTICLE 1

DESCRIPTION OF LAND

The land on which the building and improvements of the condominium provided for in this Declaration is located is described in Schedule A attached hereto.

ARTICLE 2

DESCRIPTION OF BUILDINGS AND IMPROVEMENTS

There are three buildings on the land with a total of 20 apartments. The buildings are being designated as follows, to-wit: Building "A", Building "B" and Building "C." In addition there is a recreational building and swimming pool.

Return to
Ron Rants
711 Cap Way Suite #201
Oly 98501

FILMED
MAR 31 1980

Building "A" contains 7 units, units 1 and 7 being one and a half story one bedroom units and units 2-6, inclusive, being two story two bedroom units.

Building "B" consists of 7 units, unit 1 consisting of a one and a half story one bedroom unit and units 2-7 being two story two bedroom townhouse units.

Building "C" consists of 6 units, units 1-5 inclusive consist of two story two bedroom townhouse units and unit 6 consists of one and a half story one bedroom unit.

All of the one bedroom one and a half story units contain a living room with closet under the stairway, a kitchen with eating area, a storeroom off the kitchen, a stairway to the loft bedroom, a walk-in closet off the bedroom, a vanity with wash basin in an alcove and a bathroom consisting of a toilet and bathtub.

All of the two story townhouse units consist of the following: The first floor of each unit contains a living room, kitchen with eating area, a storeroom with 1/2 bath off the storeroom and a stairway in the living room leading to the second floor. The second floor contains two bedrooms each having a closet and one full bath.

The apartment buildings are constructed of wood frame with wood siding. The size and description and pertinent areas of each apartment are more fully set forth in Exhibit B attached hereto and incorporated herein by reference and as set forth on the condominium plat to be recorded simultaneously with these declarations.

ARTICLE 3

ACCESS

3.1. ACCESS TO COMMON WAYS. Each apartment in the building has direct access from the common condominium walks, parking areas and drives to the limited common areas adjacent to the private apartment entrance.

3.2. ACCESS TO PUBLIC STREETS. The common condominium areas have direct access to Ninth Avenue, a public street, in the city of Olympia, Washington.

ARTICLE 4

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

4.1. The common areas and facilities consist of those specified in the act, as well as the following:

FILMED MAR 31 1980

4.1.1. The land above described.

4.1.2. The roofs, foundations, studding, joists, beams, supports, main walls (excluding only nonbearing interior partitions of apartment), pipes, conduits and wires, wherever they may be located whether in partitions or otherwise, and any awnings, and all other structural parts of the building, 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; provided, that the term "interior surfaces" shall not include paint, wallpaper, carpeting, tiles or other such decorative wall or floor coverings.

4.1.3. The roadways and driving areas which provide access to the limited common areas for parking and the apartments, and any guest parking or other parking areas not assigned to apartments.

4.1.4. Landscaped and lawn areas, and walkways which surround and provide access to the building or are used for recreational purposes.

4.1.5. Storage locker rooms, if any, which are not physically attached to or within any particular apartment.

4.1.6. Certain items which could ordinarily be considered common areas such as but not limited to screen doors, window screens, awnings, storm windows, planter boxes, and the like, may, pursuant to decision of the owners and specification in the Bylaws or administrative rules, 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 by the Board by rule, regulation or Bylaws.

4.1.7. Laundry room, storage room, and garbage can storage areas.

ARTICLE 5

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

5.1. 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:

5.1.1. The patios, lanais or decks adjacent to each apartment and in addition, those additional areas of land shown on the condominium plat filed herewith and identified as such.

5.1.2. Outdoor and indoor entry areas directly leading to apartments situated between the common area and the apartment

FILMED
MAR 31 1980

as shown on the condominium plat.

5.1.3. The parking stalls finally assigned to each apartment will be considered limited common areas. The exclusive right to the use thereof shall be reserved to the apartments to which such parking stalls are assigned as hereinafter provided. Until parking stalls have been specifically assigned to apartments (or as guest parking) the exclusive right to the use of such parking is retained by the Declarant as appurtenant to, as limited common areas for, the apartments remaining in Declarant's control or ownership, and such parking and the exclusive right to the use thereof may subsequently be transferred by sale, lease or rental, by Declarant, its successors or assigns, to other apartments or the owners or occupants thereof until finally assigned to a specific apartment, or if not so assigned, designated as common parking by Declarant, and after any designation as common parking such parking shall be for the uses determined by the Board and shall be maintained at Association expense and for Association benefit.

5.2. PARKING ASSIGNMENT. Assignment of all open and garage parking stalls to apartments may be made by Declarant. Declarant may record as an amendment to this Declaration a schedule showing final assignment of parking and such amendment shall require only the signature of Declarant. The parking stalls shall remain indivisible from the apartment to which they are assigned, but may be leased or rented to other residents of this condominium. If an open parking stall has been assigned to an apartment, the exclusive right to the use thereof may be transferred permanently by the owners thereof to the owner of another apartment in this condominium.

ARTICLE 6

VALUE AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS

6.1. VALUE. The value of the entire property is established as $1,080,000. Value and percentage of interest for each apartment is expressed in Exhibit C attached hereto. The value of 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.

FILMED
MAR 31 1980

ARTICLE 7

OWNERS' ASSOCIATION

7.1. FORM OF ASSOCIATION. The term "Association" as used herein shall mean the Association of Owners as defined in the act. Initially said Association may be an unincorporated association. The Board, or Declarant until such time as the initial Board is selected, may at any time, if deemed advisable in the exercise of its sole discretion, without necessity of prior approval or other action by the members being necessary, cause such unincorporated association to be converted to a nonprofit corporation under the laws of the State of Washington; provided, that, from and after the formation of such nonprofit corporation, the rights and duties of the members and of such corporation shall continue to be governed by the provisions of the act and of this Declaration.

7.2. MEMBERSHIP.

7.2.1. 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.

7.2.2. 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 transfer of title to an apartment shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

7.3. VOTING.

7.3.1. 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.

7.3.2. VOTING OWNER. There shall be one (1) "voting owner" of each apartment. Declarant shall be the voting owner 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 owner shall be designated by

FILMED
MAR 31 1980

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 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, 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 owner of each apartment shall be the group composed of all of its owners.

7.3.3. 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.

7.3.4. 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.

7.3.5. VOTING BY CONDOMINIUM MORTGAGEE. The mortgagee of the condominium, as defined in Section 20.1, 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 under Article 12; 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.

7.4. MEETINGS, AUDITS, NOTICES OF MEETINGS.

7.4.1. 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,

FILMED
MAR 31 1980

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 twenty percent (20%) of the owners by written request, 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.

7.4.2. 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 after request signed by a majority of the Board, or by written request by the owners having one-third (1/3) 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.

7.5. BYLAWS OF THE ASSOCIATION.

7.5.1. 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 percent (60%) of the voting power at 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 bylaws may be adopted by the same vote at a regular or special meeting similarly called. Declarant may adopt initial

2. BYLAWS PROVISIONS. The Bylaws shall contain provisions identical to those provided in this Article 7, 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, and may vary the size of the Board for periods of operation subsequent to that of the initial temporary board.

ARTICLE 8

MANAGEMENT OF CONDOMINIUM

8.1. MANAGEMENT BY DECLARANT. Until a date three (3) years from the date of recording this Declaration, or until Declarant

FILMED
MAR 31 1980

shall voluntarily relinquish management and control by giving written notice thereof to the owners, the property shall be managed and the Association organized as follows, at the decision of Declarant:

8.1.1. Declarant may at such times as Declarant deems appropriate select as a temporary board three (3) to five (5) 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 and Bylaws.

8.1.2. 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.

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

8.2. MANAGEMENT BY BOARD. At the expiration of such three-year period, or upon Declarant's voluntary relinquishment of management and control, all administrative power and authority shall vest in a Board of five (5) directors elected from among the apartment owners, but 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 subsection 8.1.1 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.

8.3. AUTHORITY OF THE BOARD.

8.3.1. The Board (or the Declarant or Declarant's managing agent as provided in section 8.1 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

FILMED
MAR 31 1980

expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the condominium, including but not limited to the following:

(a) Water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service as required for the common area. 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, whether such 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.

(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

FILMED
MAR 31 1980

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.

(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 Five Thousand Dollars ($5,000), 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 additions or improvements 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.

(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.

FILMED MAR 31 1980 VOL 994 PAGE 381

(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. The Board shall not, however, in any case acquire real property or personal property valued in excess of Five Thousand Dollars ($5,000) by lease or purchase except upon a majority vote of the apartment owners.

(m) The Board and its agents or employees, may enter any apartment 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 specially 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 reasonably 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.

FILMED
MAR 31 1980

ARTICLE 9

USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY

9.1. RESIDENTIAL USE. The buildings 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 buildings may be used for the purposes of operating the Association and for the management of the condominium as required.

9.2. SALES AND CONSTRUCTION FACILITIES OF DECLARANT. Notwithstanding any provision in section 9.1, Declarant, its agents, employees, and contractors shall be permitted to maintain during the period of construction and sale of the condominium upon such portion of the property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of condominium apartments and interests, including but not limited to, a business office, storage area, construction yards, signs, model units, sales office, construction office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Declarant.

9.3. VEHICLE PARKING. Open 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 open 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 5 of this Declaration.

9.4. COMMON DRIVE AND WALKS. Common drives and walks shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

9.5. INTERIOR APARTMENT MAINTENANCE.

9.5.1. Each apartment owner shall, at his sole expense, have the right and the 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

FILMED
MAR 31 1980

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.

9.5.2. 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 and his agent has the right to maintain, repair, paint, finish, alter, substitute, add or remove any fixtures attached to said ceilings, floors or 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.

9.5.3. Limited common areas, although the use thereof may be regulated under the provisions of this Declaration or the Bylaws or rules, are for the sole and exclusive use of the apartments for which they are reserved. Apartment owners will be responsible for care and maintenance of the patios, lanais or decks adjacent to their apartments and their assigned parking, as well as other limited common areas assigned to their apartments. Owners may not, however, modify, paint or otherwise decorate, or in any way alter their respective limited common areas without prior approval of the Board.

9.6. EXTERIOR APPEARANCE. In order to preserve a uniform exterior appearance to the buildings, the Board may require and provide for the painting of the buildings, and lanais or decks, and prescribe the type and color of paint, and may prohibit, require or regulate any modification or decoration of the buildings and lanais, decks or other 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.

9.7. EFFECT 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

FILMED
MAR 31 1980

written consent of the Board. No owner shall permit anything to be done or kept in his apartment or in the common areas which will result in the cancellation of insurance on any apartment or any part of the common areas, or which would be in violation of any laws.

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

9.9. 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 area, whether as pets or otherwise, except subject to rules and regulations adopted by the Board, or Bylaws adopted by the Association. 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.

9.10. 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.

9.11.

9.12. 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.

9.13. 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 10

COMMON EXPENSES AND ASSESSMENTS

10.1. ESTIMATED EXPENSES. Within thirty (30) days prior to the beginning of each calendar year the Board shall estimate the net charges to be paid during such year, and may include a reasonable provision for contingencies and replacement and acquisition

FILMED
MAR 31 1980

and operating reserves, less any expected income and less any surplus available from the prior year's operating fund; provided, that the Declarant or initial Board may at any suitable time establish the first such estimate. Said estimated requirement shall be assessed to apartments and owners thereof pursuant to the percentages set forth in this Declaration. 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.

10.2. PAYMENT BY OWNERS. Each owner shall be obligated to pay assessments made pursuant to this section to the treasurer for the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate, and any unpaid assessments shall bear interest at the rate of twelve percent (12%) 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 such purpose, but if not so reviewed or if no change is made shall be deemed approved.

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

10.4. 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 expenses assessment necessary to pay at least one-twelfth (1/12th) of the total cost of all of the insurance Page 14 policies provided regarding the condominium and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance premiums. Thereafer, the remainder of the common expenses assessment 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.

10.5. BASED ON PERCENTAGE. All assessments shall utilize and be based upon the percentages in Exhibit C. The Declarant or Board may at any time recompute the budget and the assessments, and impose the revised assessments.

10.6. 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

FILMED
MAR 31 1990

thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

10.7. 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, and affecting the common area, specifying and itemizing the maintenance and repair expenses of the common area and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner at convenient hours of week days.

10.8. DECLARANT LIABILITY. 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; provided, however, in the event the monthly assessments assessed and collected by Declarant during the period of Declarant's management prove insufficient to cover the recurring common expenses actually incurred during said period, the Declarant shall pay such deficit, provided that the Declarant shall not be required to pay any deficit resulting from non-recurring common expenses, or expenses incurred to provide reserves for the aquisition, maintenance, repair or replacement of common areas and facilities and limited common areas and facilities or for providing insurance for any period other than during the period of Declarant's management.

10.9. 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 the owner and/or purchaser of any apartment and its parking spaces, plus interest at the rate of ten percent (10%) per annum, and costs, including reasonable attorney's fees, shall be a lien upon such apartment and parking space and the exclusive use thereof. The said lien for payment of common expenses 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 common expenses shall be maintainable without foreclosure or waiving the lien securing the same.

10.10. 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

FILED
MAR 31 1980

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.

10.11. 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.

10.12. FORECLOSURE OF ASSESSMENT LIEN; ATTORNEY'S FEES AND COSTS. The Declarant, manager or Board on behalf of the Association may initiate action to foreclose the lien of any assessment. In any 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 attorneys' 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.

10.13. RENTAL VALUE. From the time of commencement of any action to foreclose a lien against an apartment for nonpayment of delinquent assessment, 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.

10.14. 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)

FILMED
MAR 31 1980

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.

10.15. 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.

10.16. 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 11

INSURANCE

11.1. INSURANCE COVERAGE. The Board shall obtain and maintain at all times as a common expense a policy or policies and bonds required to provide:

11.1.1. Fire insurance, with extended coverage endorsement, in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation, but less any other deductions which the Board may find reasonable after consultation with insurance consultants) of the common areas and the apartments, with the Board named as insured as trustee for the benefit of owners and mortgagees as their interest may appear, or such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection insuring the owners, and their mortgagees, as their interest may appear. Said policy or policies shall provide for separate protection for each apartment to the full insurable replacement value thereof (limited as above provided), and a separate loss payable endorsement, in favor of the mortgagee or mortgagees of each apartment, if any, and further, a separate loss payable clause in favor of the mortgagee of the condominium, if any. All insurance shall be obtained from an insurance carrier rated Triple A by Best's Insurance Reports or equivalent rating service, and licensed to do business in the state of Washington.

11.1.2. General comprehensive liability insurance insuring the Board, the Association, the owners and Declarant

FILMED VOL 934 PAGE 389
MAR 31 1980

against any liability to the public or to the owners of apartments and of the common areas, and their invitees, or tenants, incident to the ownership or use of the common areas and apartments (including but not limited to owned and nonowned automobile liability) the liability under which insurance shall be not less than Two Hundred Thousand Dollars ($200,000) for any one person injured, Five Hundred Thousand Dollars ($500,000) for any one accident, and Fifty Thousand Dollars ($50,000) for property damage (such policy limits to be reviewed at least annually by the Board and increased in its discretion).

11.1.3. Workmen's compensation insurance to the extent required by applicable laws.

11.1.4. Fidelity bonds naming the members of the Board, the manager and such other persons as may be designated by the Board as principals and the apartment owners as obligees, in an amount equal to at least one-half of the total estimated cash to be collected as assessments each year.

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

11.1.6. Such other insurance as the Board deems advisable.

11.2. OWNER'S ADDITIONAL INSURANCE. Each owner may (and should) obtain additional insurance respecting his apartment as contemplated under RCW 64.32.220 and 64.32.010(1) at his own expense; no owner shall, however, be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all of the owners, will realize under any insurance policy which the Board may have in force on the condominium at any particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner to his apartment the value of which is in excess of One Thousand Dollars ($1,000). Any owner who obtained individual insurance policies covering any portion of the condominium other than personal property belonging to such owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance, and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

11.3. INSURANCE PROCEEDS. Insurance proceeds for damage or destruction to any part of the property shall be paid to the Board on behalf of the Association which shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 12. The Association acting through its Board shall have the authority to settle and compromise any claim under insurance obtained by the Association and the insurer

FILMED MAR 31 1980

may accept a release and discharge of liability made by the Board on behalf of the named insureds under the policy.

11.4. ADDITIONAL POLICY PROVISIONS. To the extent deemed practicable and desirable by the Board, after consultation with the Association's insurance broker, agent or carrier, the insurance policy or policy required under section 11.1 shall:

11.4.1. Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of, setoff, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any apartment owner.

11.4.2. Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control or any other act or neglect by the Board of any apartment owner or any other persons under either of them.

11.4.3. Provide that such policy may not be canceled (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board and every other person in interest who shall have requested such notice of the insurer.

11.4.4. Contain a waiver by the insurer of any right of subrogation to any right of the Board, and the Association or either against the owner or lessee of any apartment; and

11.4.5. Contain a standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease of the project, in their respective order and preference, whether or not named therein.

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or apartment owners or any persons under any of them.

(c) Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee to notify the insurerer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution c ause; and

(d) Provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable

FILMED MAR 31 1980

under such policy shall be payable to the Board or the insurance trustee.

ARTICLE 12

DAMAGE OR DESTRUCTION; RECONSTRUCTION

12.1. 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:

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

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

12.1.3. 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.

12.1.4. 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.

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

12.2. 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 12.1. If the Board fails to do so within said sixty (60) days, then any owner or mortgagee may make the determinations required under Section 12.1 and give the notice required under this Section 12.2.

12.3. DEFINITIONS: RESTORATION; EMERGENCY WORK.

12.3.1. As used in this Article 12, the words "repair," "reconstruct," "rebuild" or "restore" shall mean restoring the

FILMED MAR 31 1980

improvements to substantially the same condition in which they existed prior to the damage or destruction, with each apartment and the 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.

12.3.2. As used in this Article 12, 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.

12.4. RESTORATION BY BOARD.

12.4.1. Unless prior to the commencement of repair and restoration work (other than emergency work referred to in subsection 12.3.2.) the owners shall have decided not to repair and reconstruct in accordance with the provisions of either subsection 12.5.2. or 12.6.3, 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.

12.4.2. 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.

12.4.3. 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.

12.5. LIMITED DAMAGE; ASSESSMENT UNDER $3,500. If the amount of assessment determined under subsection 12.1.4 does not exceed $3,500 for any one apartment, then the provisions of this Section 12.5 shall apply:

12.5.1. Either the Board or a requisite number of owners, within fifteen (15) days after the notice required under

FILMED
MAR 31 1980

Section 12.2 has been given, may, but shall not be required to, call a special owners' meeting in accordance with subsection 7.4.2 to consider such repair and restoration work.

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

12.5.3. A unanimous decision of the apartment owners will be required to avoid the provisions of subsection 12.4.1 and to determine not to repair and restore the damage and destruction; provided, that the failure of the Board or the owners within said fifteen (15) day period to call for said special meeting shall be deemed a unanimous decision to undertake such work.

12.6. MAJOR DAMAGE; ASSESSMENT OVER $3,500. If the amount of assessment determined under subsection 12.1.4 exceeds $3,500 for any one apartment, then the provisions of this Section 12.6 shall apply:

12.6.1. 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 7.4.2 any owner or mortgagee may convene and conduct the meeting required under this subsection 12.6.1.

12.6.2. Except for emergency work, no repair and restoration work shall be commenced until the conclusion of the special owners' meeting required under subsection 12.6.1.

12.6.3. A concurring vote of more than two-thirds (2/3) of the total voting power will be required to avoid the provisions of subsection 12.4.1 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 12.6.1 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.

12.7. DECISION NOT TO RESTORE; DISPOSITION. In the event of a decision under either subsections 12.5.2 or 12.6.3 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 damages or destroyed buildings and clearing, filling and grading the real property), and the remaining funds,

FILMED MAR 31 1980

if any, and the property shall thereafter be held and distributed as follows:

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

12.7.2. 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.

12.7.3. 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

12.7.4. 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 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.

12.8. MISCELLANEOUS. The provisions of this Article 12 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 12 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect the validity of any other provision of this Declaration. The purpose of this Article 12 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 12 shall be liberally construed to accomplish such purpose. The dollar amounts specified in this Article 12 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 1979 to adjust for any inflation in the value of the dollar. By unanimous vote of

FILMED MAR 31 1980

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 as provided in this Article 12.

ARTICLE 13

CONDEMNATION

13.1. 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 13 shall apply.

13.2. PROCEEDS. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "condemnation award," shall be payable to the Association.

13.3. 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 interests 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 principle, 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.

13.4. 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 condomnium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner:

13.4.1. As soon as practicable the Board shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds.

13.4.2. 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.

FILMED
MAR 31 1980

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

13.4.4. 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.

13.4.5. 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.

13.4.6. 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.

13.4.7. Distribution of apportioned proceeds shall be made to the respective owners and their respective mortgagees in the manner provided in Section 13.3.

13.5. RECONSTRUCTION AND REPAIR. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 12 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 12.

ARTICLE 14

SALE OR LEASE, RIGHT OF FIRST REFUSAL, OPTION

14.1. IN GENERAL. In the event any owner of an apartment shall wish to sell, rent or lease the same, and has received any bona fide offer therefor from a prospective purchaser or tenant, the Board shall be given written notice of all terms thereof, together with the name and address of the contemplated lessee, renter or purchaser, and such credit, character and other references as the Board may request. Such notice and references shall be given to the Board for all of the owners. The owners, through the Board or an assignee of the Board for such assignee's own behalf, and with such assignee's own funds, shall have the irrevocable option or right to purchase or lease or rent the subject apartment upon the same terms and conditions as set forth in the offer, provided written notice of such election to purchase, rent or lease is given to the selling, renting, or leasing owner, and a matching down payment or deposit is provided to the selling, renting, or leasing owner during the fifteen (15) day period immediately following the delivery of the notice of the bona fide

FILMED MAR 31 1980

offer to the Board. After the Board or its assignee shall have elected to exercise the option, it shall have thirty (30) days from the date of such election to close the transaction, but the owner shall not be entitled to proceed with any different or other transaction without first again complying with this right of first refusal.

14.2. ACQUISITION BY BOARD. The Board shall not exercise this option on behalf of all owners without the prior written consent of all owners and contract purchasers and sellers. Acquisitions by the Board of apartments or interests therein under the provisions of this section shall be made from the maintenance fund. If the fund is insufficient, the Board may levy a special assessment against each apartment in proportion to the interest of the owners thereof in the common areas. The Board in its discretion may borrow money to finance the acquisition of an apartment or interest therein, which acquisition is authorized by this section; provided, however, that no financing may be secured by an encumbrance of any portion of the property other than the apartment or interest therein to be acquired, and shall not permit a deficiency judgment against the Association. Apartments or interests therein acquired pursuant to the terms of this section shall be held of record in the name of the Board or nominees of the Board in trust for all the owners. Such apartments or interests therein shall be leased, rented, held or sold by the Board for the benefit of the owners. The net proceeds of such leasing, renting or sale shall be deposited in the Association accounts, or distributed to the owners, as the Board determines.

14.3. ASSIGNMENT OR SUBLETTING. The assignment or subleasing or subrenting of an apartment shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under these covenants shall continue for subsequent transactions, notwithstanding the fact that he may have on one or more occasions assigned, leased or rented said apartment and complied herewith.

14.4. RIGHT TO MORTGAGE. In no case shall the right of first refusal reserved herein affect the right of an owner to subject his apartment to a trust deed, mortgage or other security instrument in a transaction which is not a sale or lease.

14.5. WAIVER OF BOARD'S RIGHTS. The failure or refusal of the Board to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an owner received any subsequent bona fide offer from a prospective purchaser or tenant.

14.6. DECEASED OWNER. The Board may proceed to purchase the apartment or interest therein of any deceased owner which shall be offered for sale, upon the prior written consent of all

FILMED MAR 31 1980

the apartment owners, which consent shall set forth a maximum price which the Board is authorized to bid and pay for the apartment or interest therein.

ARTICLE 15

TRANSACTIONS NOT AFFECTED BY RIGHT OF FIRST REFUSAL

15.1. FORECLOSURE. In the event of any default on the part of any owner under any mortgage or deed of trust made in good faith and for value, which entitled the holder thereof to foreclose same, any sale under such foreclosure or deed of trust, or any delivery of a deed to the mortgagee or beneficiary in lieu of such foreclosure, shall be made free and clear of the provisions of Article 14, and the purchaser (or grantee under such deed in lieu of foreclosure) of such apartment unit shall be thereupon and thereafter subject to the provisions of this Declaration. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) or sale under deed of trust shall be the holder of the mortgage or the deed of trust beneficiary, or its nominee, the said holder or nominee may thereafter sell and convey or rent or lease the apartments free and clear of the provisions of Article 14, but its grantee or vendee shall thereupon and thereafter be subject to all of the provisions thereof; except, however, in the case where the mortgagee conveys to the Federal Housing Administration, Veterans Administration, or other mortgagee insurer, pursuant to legal requirements of the mortgage insurance, such mortgage insurer shall be entitled to convey to its purchaser, free and clear of Article 14, in which case its grantee or vendee shall thereupon and thereafter be subject to all the provisions thereof.

15.2. INHERITANCE. The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interest to a devisee by Will, under a community property agreement, or to his heirs at law under intestate laws shall not be subject to the provisions of Article 14.

15.3. OTHER. If an owner of an apartment can establish to the satisfaction of the Board that a proposed transfer is not a sale or lease or rental, then such transfer shall not be subject to the provisions of Article 14.

15.4. DECLARANT'S TRANSFER. The restrictions on sale, conveyance, leasing or rental of apartments contained in Article 14 shall not apply to Declarant. Declarant is the developer, the original owner, and the seller of each of the condominium apartments created hereby. Acceptance of deeds to or contracts for purchase of any interest whatsoever respecting an apartment constitutes a recognition by the owner or purchaser of such apartment that Declarant may continue to own and lease or rent some or all of the other apartments herein.

FILMED MAR 31 1980

ARTICLE 16

CERTIFICATE OF SATISFACTION OF RIGHT OF FIRST REFUSAL

16.1. IN GENERAL. Upon written request of any owner or purchaser, or any prospective transferee, purchaser, tenant, or an existing or prospective mortgagee of any apartment, it shall be the duty of the secretary of the Board and the president, or of any two board members (if the secretary and president are unavailable) to as rapidly as reasonably possible issue a written and acknowledged certificate in recordable form, for a reasonable fee not to exceed Ten Dollars ($10), evidencing:

16.1.1. Whether for any proposed tenancy, lease or sale under Article 14 proper notice was given by the selling or leasing owner, and whether the remaining owners did or did not elect to exercise the option to purchase, lease or rent.

16.1.2. With respect to a deed to a vendor, first mortgagee or deed of trust beneficiary, or its nominee in lieu of foreclosure or forfeiture, and a deed from a vendee, first mortgagee or beneficiary or its nominee pursuant to Article 14, whether or not the deeds were in fact given in lieu of foreclosure and were or were not subject to the provisions of Article 14.

16.1.3. With respect to any contemplated transfer, whether or not it is a sale or lease or rental subject to the provisions of Article 14.

16.2. CONCLUSIVE PROOF. Such a certificate shall be conclusive evidence of the facts and recitals contained therein as respects the Board and the Association.

ARTICLE 17

COMPLIANCE WITH DECLARATION

17.1. 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.

17.2. NO WAIVER OF STRICT PERFORMANCE. The failure of the Board in any one or more instances to insist upon the strict

FILMED
MAR 31 1980

performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of 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 condominum development.

ARTICLE 18

LIMITATION OF LIABILITY

18.1. LIABILITY FOR UTILITY FAILURE, ETC. Except to the extent covered by insurance obtained by the Board pursuant to Article 11, 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 persons or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may leak 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.

18.2. 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 11.

18.3. INDEMNIFICATION OF BOARD MEMBERS. Each Board member or Association committee member, or Association officer, or

FILMED
MAR 31 1980

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 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 19

MORTGAGEE PROTECTION

19.1. 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 20.1, or other purchaser or 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.

19.2. CHANGE IN MANAGER. In the event that professional management is employed by the Association, institutional first mortgagees of apartments or institutional first deed of trust beneficiaries will be given at least thirty (30) days' notice of any contemplated change in the professional manager.

19.3. ABANDONMENT OF CONDOMINIUM STATUS. Except when acting pursuant to the provisions of the act involving damage or destruction, 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.

19.4. PARTITIONS AND SUBDIVISION. The Association shall not partition or subdivide any apartment or the common elements

FILMED MAR 31 1980

of the project, or accept any proposal so to do, without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of any apartment directly affected.

19.5. CHANGE IN PERCENTAGES. The Association shall not change the percentages of interest for the purpose of changing the levying of assessments and charges and determining shares in the common elements and project proceeds without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of any apartment directly affected.

19.6. 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.

19.7. 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.

19.8. INSURANCE. Where the mortgagee of an apartment as defined in Section 20.1 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:

19.8.1. 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.

19.8.2. 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.

19.8.3. Not make any settlement of any insurance claims for loss or damage to any such apartment exceeding $2,500 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 12.

FILMED
MAR 31 1980

ARTICLE 20

MORTGAGEE'S RIGHTS AFTER FORECLOSURE

20.1. APARTMENT AND CONDOMINIUM MORTGAGEE. Mortgage 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.

20.2. 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 this 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.

20.3. 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 8.1, 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.

20.4. 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 10.8; 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

FILMED
MAR 31 1980

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 21

EASEMENTS

21.1. 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 area 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. Without limiting the generality of the foregoing, each apartment and all common area is specifically subject to an easement for the benefit of each of the other apartments in its building for all duct work for the several apartments for fireplaces and associated flues or chimneys. In addition, each apartment and all the common area is specifically subject to easements as required for the intercom and electrical entry system, if any, leading to the front gate, for the electrical wiring, for the air conditioning lines and equipment, if any, for each apartment, for the vacuum system rough-in in each unit, for the intercom system of the upper floor apartments to their front entry doors to the building, and for the master antenna cable system. Finally, each apartment as it is constructed is granted an easement to which each other apartment and all 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.

21.2. 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 obligations of the Association as are set forth in the Declaration, or in the Bylaws, and the Association rules.

21.3. ENCROACHMENTS. Each apartment and all common area is hereby declared to have an easement over all adjoining apartments and 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.

FILMED MAR 31 1980

In the event an apartment area or common area is partially or totally destroyed, and then repaired or rebuilt, the owners agree that minor encroachments over adjoining apartments and 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 22

INTERPRETATION

22.1. 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 in successive phases 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 effect the intent of this Declaration insofar as reasonably possible.

22.2. CONSISTENT WITH ACT. The terms such as, but not limited to, "apartment," "apartment owner," "association of apartment owners," "building," "common areas and facilities," "commor 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.

22.3. 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.

22.4. 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.

22.5. "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.

22.6. DECLARANT IS ORIGINAL OWNER. Declarant is the original owner of all apartments and property and will continue to be

FILMED
MAR 31 1980

deemed the owner thereof except as conveyances or documents changing such ownership regarding specifically described apartments are filed of record.

22.7. 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 23

PROCEDURES FOR SUBDIVIDING OR COMBINING

23.1. 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:

23.1.1. 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.

23.1.2. 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.

23.1.3. 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 24.1.

ARTICLE 24

AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

24.1. 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, the form of any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be

FILMED MAR 31 1980

adopted at a meeting of the owners if sixty percent (60%) of the owners vote for such amendment, or without any meeting if all owners have been duly notified and sixty percent (60%) 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.

24.2. 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.

24.3. AMENDMENTS BY DECLARANT. The Declarant may at any time record an amendment to the Declaration showing, correcting or revising the assignment of parking spaces to apartments and during the initial three (3) years changing the 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 24.

24.4. 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.

24.5. 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 respects horizontal property regimes under the act, also terminate and discontinue the effect of any and all of the covenants, conditions, and

FILED

MAR 31 1980 at 904 PAGE 408

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 25

25.1. SERVICE OF PROCESS. Richard C. Uhlmann, Secretary of Granada Properties, Inc., 1500 N.W. State Avenue, Chehalis, Washington, 98532, 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.

25.2. NOTICES FOR ALL PURPOSES.

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

25.2.2. 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 discharged. Such written request may be renewed an unlimited number of times.

FILMED
MAR 31 1980

25.3. MORTGAGEE'S ACCEPTANCE.

25.3.1. PRIORITY OF MORTGAGE. Pacific National Bank of Washington holds deeds of trust covering all of the property described in Schedule A and heretofore filed with the Thurston County Recorder under Receiving No. 1006020. Said lending institution shall not have executed this Declaration at the time it is initially filed. This Declaration shall not initially be binding upon said lending institution, but rather shall be subject and subordinate to said deeds of trust.

25.3.2. ACCEPTANCE UPON FIRST CONVEYANCE. Declarant shall not consummate the conveyance of title of any apartment until said Pacific Nat'l Bank of Wash. 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 deed of trust. The issuance and recording of the first such partial release by said Pacific Nat'l Bank of Wash. shall constitute its acceptance of the provisions of this Declaration and the condominium status of the apartments remaining subject to its deed of trust 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 deed of trust shall remain in full effect as to the entire property.

25.4. 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 affect the common plan.

25.5. EFFECTIVE DATE. This Declaration shall take effect upon recording.

25.6. REFERENCE TO SURVEY MAP AND PLANS. The survey map and plans of the buildings referred to herein were filed with the Recorder of Thurston County, Washington, simultaneously wit the recording of this Declaration under File No. 110215 in Volume 1 of Condominiums, pages 173-174, inclusive.

DATED this 15th day of February, 1980.

GRANADA PROPERTIES, INC.

By _____
E.C. "Bud" Morris, President

By _____
Richard C. Uhlmann, Secretary

FILMED MAR 31 1980

1108216

STATE OF WASHINGTON)
) ss.
COUNTY OF K I N G)

On this 15th day of February, 1978, before me the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared L.C. "BUD" MERTA and RICHARD C. UHLMANN, to me known to be the President and Secretary, respectively, of Granada Properties, Inc., 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 and that the seal affixed is the corporate seal of said corporation.

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

Richard C. Kuehn

NOTARY PUBLIC in and for the State of Washington residing at

FILMED
MAR 31 1980

Schedule "A"

1108216

rcel #2 of Short Subdivision # _____ described as follows: That part of the
utheast quarter of the Southeast quarter of Section 16, Township 18 North, Range 2 West, W.M.
ing Southeasterly of Black Lake Boulevard and Northwesterly of a line running from a point
the South line of said subdivision 400 feet West of its Southeast corner to a point
the East line of said subdivision 600 feet Northerly of said Southeast corner; EXCEPT
h Avenue West along the South boundary. EXCEPTING therefrom that portion lying Northeasterly
a line described as follows: Beginning at a point on the Southeasterly line of the above-
scribed tract 177.85 feet N 33° 52' 34" E of the Southerly Southeast corner thereof;
ence N 56° 07' 26" W 244.05 feet to the Easterly right of way line of said Black Lake
levard.

JECT to an easement for ingress, egress and utilities over the Southeasterly 30 feet
measured at right angles to the Southeasterly boundary of the above-described property.

FILMED
MAR 31 1980

1108216

SCHEDULE C

	Value	Percentage
Building A		
1 - One Bedroom	$50,000	.0462%
2 - Two Bedroom Townhouse	55,000	.0509%
3 - Two Bedroom Townhouse	55,000	.0509%
4 - Two Bedroom Townhouse	55,000	.0509%
5 - Two Bedroom Townhouse	55,000	.0509%
6 - Two Bedroom Townhouse	55,000	.0509%
7 - One Bedroom	50,000	.0462%
Building B		
1 - One Bedroom	50,000	.0462%
2 - Two Bedroom Townhouse	55,000	.0509%
3 - Two Bedroom Townhouse	55,000	.0509%
4 - Two Bedroom Townhouse	55,000	.0509%
5 - Two Bedroom Townhouse	55,000	.0509%
6 - Two Bedroom Townhouse	55,000	.0509%
7 - Two Bedroom Townhouse	55,000	.0509%
Building C		
1 - Two Bedroom Townhouse	55,000	.0509%
2 - Two Bedroom Townhouse	55,000	.0509%
3 - Two Bedroom Townhouse	55,000	.0509%
4 - Two Bedroom Townhouse	55,000	.0509%
5 - Two Bedroom Townhouse	55,000	.0509%
6 - One Bedroom	50,000	.0462%

THURSTON COUNTY
OLYMPIA, WASH.
MAR 31 10 23 AM '80
REQUEST OF
SAM S. REED, AUDITOR
DEPUTY

VOL. 854 PAGE 133

FILMED
MAR 31