

GLENGARRY CONDOMINIUM DISCLOSURE DOCUMENTS

NOTICE TO AGENTS: In order for a Purchase and Sale Agreement to be binding, the Limited Warranty/Public Offering Statement Addendum (found at the end of this disclosure packet) must be signed by the Purchaser and delivered to the Seller. Do not use an alternative Addendum form.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 311

1957-1958

GLENGARRY CONDOMINIUM DISCLOSURE DOCUMENTS

The following documents are provided to Unit Purchasers pursuant to the Washington Condominium Act.

1. Public Offering Statement
Exhibit A to the POS - Warranty (which includes disclaimers, exclusions and modifications of the Washington Condominium Act implied warranties, and an alternative dispute resolution process)
2. Declaration
Exhibit A - Legal Description
Exhibit B - Unit Description
Exhibit C - Parking/Storage Allocations
3. Survey Map and Plans
4. Association Articles of Incorporation
5. Association Bylaws
6. Association Rules and Regulations and Association Balance Sheet, if any
7. Association Budget

The foregoing documents may be in draft form and are subject to modification as provided in the Purchase and Sale Agreement.

A Purchaser may cancel a contract of purchase by delivering a written notice of cancellation to the Declarant within seven days after first receiving the Public Offering Statement.

The only representations, warranties and agreements on which Purchasers may rely are those contained in the: Purchase and Sale Agreement; Public Offering Statement (and the other documents listed above); and any other written document signed by the Declarant. Purchasers are not entitled to rely upon the statements made by listing or selling agents or contained in brochures, advertisements or other documents not signed by the Declarant.

The Public Offering Statement is only a summary of some of the significant aspects of purchasing a unit in this condominium. The condominium documents are complex, contain other important information, and (unless the contract of purchase is canceled within the 7-day period) are legally binding obligations of the Purchaser. Purchasers should consider seeking the assistance of legal counsel. By signing the Public Offering Statement Acknowledgment, the Purchaser is agreeing that the provisions of the Public Offering Statement and the documents referenced above are a part of the basis of the parties' bargain and are binding upon the Purchaser.

NOTICE TO AGENTS: *In order for a Purchase and Sale Agreement to be binding, the Limited Warranty/Public Offering Statement Addendum (found at the end of this disclosure packet) must be signed by the Purchaser and delivered to the Seller. Do not use an alternative Addendum form*

GLENGARRY CONDOMINIUM
PUBLIC OFFERING STATEMENT



UNLESS A PURCHASER IS GIVEN THE PUBLIC OFFERING STATEMENT MORE THAN SEVEN DAYS BEFORE EXECUTION OF A CONTRACT FOR THE PURCHASE OF A UNIT, THE PURCHASER, BEFORE CONVEYANCE, SHALL HAVE THE RIGHT TO [PURSUANT TO RCW 64.34.420(1)] CANCEL THE CONTRACT WITHIN SEVEN DAYS AFTER FIRST RECEIVING THE PUBLIC OFFERING STATEMENT AND, IF NECESSARY TO HAVE SEVEN DAYS TO REVIEW THE PUBLIC OFFERING STATEMENT AND CANCEL THE CONTRACT, TO EXTEND THE CLOSING DATE FOR CONVEYANCE TO A DATE NOT MORE THAN SEVEN DAYS AFTER FIRST RECEIVING THE PUBLIC OFFERING STATEMENT. THE PURCHASER SHALL HAVE NO RIGHT TO CANCEL THE CONTRACT UPON RECEIPT OF AN AMENDMENT UNLESS THE PURCHASER WOULD HAVE THAT RIGHT UNDER GENERALLY APPLICABLE LEGAL PRINCIPLES. IF A PURCHASER ELECTS TO CANCEL A CONTRACT, THE PURCHASER MAY DO SO BY HAND DELIVERING NOTICE THEREOF TO THE DECLARANT OR BY MAILING NOTICE THEREOF BY PREPAID UNITED STATES MAIL TO THE DECLARANT. CANCELLATION IS WITHOUT PENALTY, AND ALL PAYMENTS MADE BY THE PURCHASER BEFORE CANCELLATION SHALL BE REFUNDED PROMPTLY.

A PURCHASER MAY NOT RELY ON ANY REPRESENTATION OR EXPRESS WARRANTY UNLESS IT IS CONTAINED IN THIS PUBLIC OFFERING STATEMENT OR MADE IN WRITING SIGNED BY THE DECLARANT OR BY ANY PERSON IDENTIFIED IN THE PUBLIC OFFERING STATEMENT AS THE DECLARANT'S AGENT.

THIS PUBLIC OFFERING STATEMENT IS ONLY A SUMMARY OF SOME OF THE SIGNIFICANT ASPECTS OF PURCHASING A UNIT IN THIS CONDOMINIUM AND THE CONDOMINIUM DOCUMENTS ARE COMPLEX, CONTAIN OTHER IMPORTANT INFORMATION, AND CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER SEEKING THE ASSISTANCE OF LEGAL COUNSEL.

CHAPTER 323, LAWS OF 2002, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT.

1. Condominium name and address: Glengarry Condominium, 196th/192 - East of Bothell Everett Highway.
2. Successor Declarant name and address: Lyle Homes, Inc, 1601 114th Ave SE suite 100, Bellevue, WA 98004
3. Management company name and address, if any: To be determined

4. Management Company/Declarant relationship, if any: None
5. Name, address and number of units in 5 most recent condominiums completed (that is, at least 1 unit therein has been rented or sold) within past 5 years by declarant or Declarant's affiliate:
none
6. Nature of interest: Fee Simple.
7. Permitted and restricted uses for Units and Common Elements: Residential and recreational and for such other reasonable ancillary purposes commonly associated with residential dwellings and otherwise in compliance with the Declaration and applicable law in residential dwellings (including without limitation a home/professional business office) Declaration § 11.1].
-  8. Rental Restrictions: Except as provided in Declaration § 11.17, there are no restrictions on the right of Unit Owners (including Declarant) to rent or lease units, nor on the number of Units a Unit Owner (including Declarant) may rent or lease.
9. Number of units: The total project (if all proposed Units are completed) shall include Condominium Residential Units not exceeding 141 in number.
10. Principal amenities materially affecting value (note: this refers to tangible amenities such as a swimming pool, tennis court or clubhouse, and not to intangible amenities such as view, design or quality of construction.):
Existing on initial Declaration recording: none
May be added: none
Will be added: tot lot
11. Limited Common Elements: yard
12. Land not in Condominium, the owners of which may access Common Elements, or to which Condominium Unit Owners have access: None, except as needed for Declarant to exercise any Development Rights or as set forth in an Exhibit hereto.
13. Status of construction:
- a. Based on best estimates but not guaranteed, each Unit will be substantially completed and available for legal occupancy as provided in the Unit Purchase and Sale Agreement, but renovation/construction work on Units may be continuing after close of sale; and
 - b. Based on best estimates but not guaranteed, Common Elements necessary to make a Unit habitable will be substantially completed on the close of Unit sale, but renovation/construction work on Common Elements may be continuing after close of sale.
-  14. Unit Common Expense: The estimated current Common Expense (Annual Assessment) liability of each Unit is \$179.
15. Assessments due at closing: The annual assessment will be prorated as of closing; in addition, a working capital contribution equal to not more than two annual assessments will be required.
16. Other Unit Fees: Except for regular and special assessments, no other fees may presently be charged against

Units by Declarant or the Association for use of Common Elements.

17. Governmental assessments: There are no assessments, which if not paid, will create a lien against Units or Common Elements in favor of any governmental agency, except as disclosed in the estimated Association Annual Budget included herein.
18. Unit owner maintenance: The Unit Owner must maintain: the Unit and, at the election of the Board, the Limited Common Elements assigned to the Unit (Declaration § 11.4 and 11.9), but no other part of the Condominium. *
19. Timesharing: Timesharing, as defined in the Washington Timeshare Act, is prohibited (Declaration § 11.19)
20. Development rights: The Declarant has reserved the following Development Rights:
 - (a) Reallocate Limited Common Elements with respect to Units that have not been conveyed by the Declarant (Declaration § 23.2.1 [Parking & Storage Assignments])
 - (b) Subdivide Units (Declaration § 23.2.2) [Subdivision/Combination]
 - (c) Create Limited Common Elements on property in or added to Condominium (Declaration § 23.2.1 [Parking & Storage Assignment])
 - (d) Create Limited Common Elements on property in or added to Condominium (Declaration § 23.2.2 [Phasing])
 - (e) Add property to Condominium (Declaration § 23.2.2) [Phasing]
 - (f) Add improvements to Condominium (Declaration § 23.2.2) [Phasing]
 - (g) Create Units on property in or added to Condominium (Declaration § 23.2.2) [Phasing]
 - (h) Create Common Elements on property in or added to Condominium (Declaration § 23.2.2) [Phasing]
 - (i) Convert Unit to Common Elements (Declaration § 23.2.3) [Phasing]
 - (j) Withdraw property from the Condominium (Declaration § 23.2.4) [Phasing]

Unless voluntarily terminated by Declarant at an earlier date, the foregoing Development Rights shall continue so long as Declarant is completing improvements which are within or may be added to this Condominium, or Declarant owns any Units, or any Special Declarant Rights remain in effect, unless otherwise stated as to a specific right above; provided, any Phasing rights shall terminate 7 years after the recording of the Declaration.

21. Special Declarant rights: The Declarant has reserved the following Special Declarant Rights:
 - (a) Completing Units (Declaration § 23.1.1)
 - (b) Exercising Development Rights (Declaration § 23.2.1) [Parking Assignments]
 - (c) Maintaining Sales offices (Declaration § 23.1.2)
 - (d) Using easements through the project (Declaration § 23.4)

(e) Merging the project into another project (Declaration §23.1.4) [Phasing]

(f) Making the project subject to a Master Association (Declaration §23.1.5) [Phasing]

Unless voluntarily terminated by Declarant at an earlier date, the foregoing Special Declarant Rights shall continue so long as Declarant is completing improvements which are within or may be added to this Condominium, or Declarant owns any Units, or any Development Rights remain in effect, unless otherwise stated as to a specific right above; provided, any Phasing rights shall terminate 7 years after the recording of the Declaration.

22. **Model Units:** All Units for sale will be made available for inspection when considered by Declarant to be safe, practicable and convenient to do so. Declarant also reserves the right from time to time to specially designate, and to change the designation of, certain Units as "Models" for inspection by purchasers. Unless otherwise specified herein or in a Purchase and Sale Agreement executed by Declarant and a purchaser:

- a. Models will generally be representative of at least some, but not necessarily all, of the kinds of Units being constructed in the Condominium.
- b. Except for such "upgrades" and differences which may be identified within Models, Models will not be materially different from the Unit being purchased in terms of quality (but not color or texture) of basic interior finish work (including: window, wall and floor coverings, countertops, cabinetry, appliances, and plumbing and electrical fixtures).
- c. Models will not be materially different from the Unit being purchased except for differences (such as location, size, view, and room configuration) readily ascertainable by Purchaser's inspection of the Unit or the plans and specifications therefor.
- d. Furniture, furnishings and other interior decorations within a Model (including, but not limited to window coverings and wall paper) are not included in the Unit being purchased.

23. **Association Property Liens:** The property to be conveyed to the Association will not be subject to any liens.

24. **Physical hazards:** There are no physical hazards which: are known to Declarant; will particularly affect the Condominium or are in the immediate vicinity of the Condominiums; and are not readily ascertainable to a purchaser. NOTE: The term "physical hazards" and this disclosure neither refer to nor involve matters relating to compliance with applicable law, workmanship, materials, construction technique and design or other matters otherwise involving construction defects or express or implied warranties.

25. **Construction warranties:** Owner acknowledges and agrees:

- a. The Warranties ("Warranties") described in the Public Offering Statement, and the obligations of Declarant and the rights of Buyer thereunder, are given by Declarant and accepted by Buyer: (a) in lieu of and to the exclusion of all other express or implied warranties (including without limitation any implied warranty of habitability, merchantability or fitness for a particular use); and (b) in lieu of and to the exclusion of all other legal or equitable rights, remedies or causes of action.
- b. The intent and purpose of the Warranties is to provide the Owner and Declarant, prior to the consummation of a transaction, with a clear and predictable understanding of their rights, duties and obligations. The Warranties are not intended to be in addition to any implied warranties provided by law, but rather that such implied warranties are to be interpreted and enforced in accordance with the provisions of the Warranties.

- c. Owner's acceptance of the Warranties is a direct and material inducement to Declarant's agreement to sell the Unit for the agreed price, and has been relied upon by Declarant (and Declarant's contractor, subcontractors, vendors, suppliers and other professionals).
- d. Buyer is urged to review the Warranties carefully. Failure to strictly adhere to the Warranty provisions (including timely notice of defect claims and claims procedures) may void insurance coverage and severely impair buyer's rights and remedies.

26. Building code violations: There are no building code violation citations which have not been corrected.
27. Association litigation: There are no unsatisfied judgments or pending suits against the Association, and no pending suits material to the Condominium of which the Declarant has actual knowledge.
28. Declarant litigation: There have been no lawsuits by an owners association, unit owner or governmental agency against Declarant or an Affiliate of Declarant in connection with the construction, sale or administration of a condominium during the preceding five years: None
29. Rights of first refusal: There are no rights of first refusal contained in the Declaration to sell or lease Units or Common Elements.
30. Association insurance: The extent to which Association insurance covers Unit furnishings, fixtures and equipment is determined by the provisions of the Association policy, and possible endorsements thereto, which may be modified from time to time. Purchasers and their personal insurance agents should read the entire Association policy prior to closing carefully to determine: rights, duties and what is and is not covered by the Association policy; and what the Purchaser's Unit policy should cover.
31. Documents Purchaser to receive: The purchaser is entitled to receive copies of the following documents, which may be in draft form: Declaration; survey map and plans; Association Articles of Incorporation; Association Bylaws; Association rules and regulations (if any); Association current proposed budget; and Associations' balance sheet (if assessments have been collected for 90 days or more).

32. Insulation Data:

Area	Type	Thickness	R-Value
Walls (exterior)	Batts	3½"	R-13
Ceilings	Blown	13½"	R-38
Floors	Batts	10"	R-21

33. Miscellaneous disclosures: Buyer is provided with a period of 7 days to review the Public Offering Statement and all other documents contained or referred to therein, and to consult with an attorney, in order to assure that the Buyer understands and accepts the provisions of such documents, which are in all respects binding upon the parties and on which the Declarant has relied in agreeing to sell Units for the agreed price and terms.

34. Exhibits: In addition to the documents listed in Section 31, this Public Offering Statement includes any Exhibits which are attached hereto and incorporated herein by reference:

DATED AS OF— June 18, 2004

SUCCESSOR DECLARANT— GLENGARRY LLC

EXHIBIT A TO
GLENGARRY CONDOMINIUM
PUBLIC OFFERING STATEMENT
WARRANTIES OF QUALITY

LIMITATION ON WARRANTIES

The Warranties described below, and the obligations of Declarant and the rights of Buyer thereunder, are given by Declarant and accepted by Buyer: (a) in lieu of and to the exclusion of all other express or implied warranties (including without limitation any implied warranty of habitability, merchantability or fitness for a particular use); and (b) in lieu of and to the exclusion of all other legal or equitable rights, remedies or causes of action.

The Washington Condominium Act permits the Implied Warranties provided by the Act may be modified or excluded, but the Act provides that in order to disclaim liability for a specified defect or failure to comply with applicable law, (i) the Declarant knows or has reason to know that the specific defect or failure exists at the time of disclosure, (ii) the disclaimer specifically describes the defect or failure, and (iii) the disclaimer includes a statement as to the effect of the defect or failure.

The intent and purpose of the Express Warranties is to provide the Owner and Declarant, prior to the consummation of a transaction, with a clear and predictable understanding of their rights, duties and obligations. The Express Warranties are not intended to be in addition to the Implied Warranties, but rather that such Implied Warranties are to be interpreted and enforced in accordance with the provisions of the Express Warranties;

Owner's acceptance of the Express Warranties is a direct and material inducement to Declarant's agreement to sell the Unit for the agreed price, and has been relied upon by Declarant (and Declarant's contractor, subcontractors, vendors, suppliers and other professionals).

EXPRESS LIMITED WARRANTIES

Declarant shall issue to Buyer an Express Limited Warranty administered by Declarant, a copy of which is attached hereto and which Buyer is urged to review carefully. NOTE: Failure to strictly adhere to the Limited Warranty provisions (including timely notice of defect claims and claims procedures) may severely impair buyer's rights and remedies.

WASHINGTON CONDOMINIUM ACT IMPLIED WARRANTIES

The Act also requires that Declarant issue to each Buyer statutory Implied Warranties, an explanation of which is attached hereto and which Buyer is urged to review carefully. NOTE: The Implied Warranties are not specifically backed by insurance. Failure to strictly adhere to Express Warranty provisions (including timely notice of defect claims and claims procedures) may void any available insurance coverage and severely impair buyer's rights and remedies.

APPLIANCES, FIXTURES & EQUIPMENT WARRANTIES

Declarant shall assign to the Owner all standard manufacturers warranties on Appliances, Fixtures and Equipment installed in the Unit or Common Elements. Owner is solely responsible for complying with any claim procedures provided in such manufacturers warranties, and failure to do so may void the manufacturer's warranty. NOTE: If the manufacturer's warranty has expired, Builder only warrants that Appliances, Fixtures and Equipment were operating properly on the day of closing.

CANCELLATION OF PURCHASE

The Public Offering Statement is only a summary of some of the significant aspects of purchasing a unit in this condominium. The condominium documents (including the Express and Implied Warranties) are complex, contain other important information, and (unless the contract of purchase is canceled within the 7-day period) are legally binding obligations of the Purchaser. Purchasers should consider seeking the assistance of legal counsel.

EXHIBIT A TO
GLENGARRY CONDOMINIUM
PUBLIC OFFERING STATEMENT

SUMMARY
OF
WASHINGTON CONDOMINIUM ACT IMPLIED WARRANTIES

1. TO WHOM GIVEN. The initial Owner in connection with the purchase of the Unit, and subsequent owners for the unexpired term of the Implied Warranties, subject to the same exclusions, limitations and procedures as apply to the initial Owner.
2. PERIOD OF WARRANTY.
 - a. Unit (Commencement Date). The first date of occupancy of the Unit, or the date of recording of the first deed of conveyance of title to the Unit, whichever is the earlier date (Commencement Date).
 - b. Common Element (Commencement Date). The later of the following dates (Commencement Date):
 - i. The date on which the Common Element is Substantially Completed; or
 - ii. The recording date of the first deed conveying title to a Unit to a Owner who has a beneficial interest in the Common Element by virtue of owning a Unit or being a member of an Owners Association; or
 - iii. The date on which title to the Common Element is conveyed to such an Owners Association, or is otherwise made a part of the project.
 - c. Unit and Common Element (Termination Date). The Warranty Periods for the Unit and Common Elements terminate four (4) years after the Commencement Date (regardless of when the defect was, or would with due diligence have been, discovered).
 - d. Warranty Period - General Provisions.
 - i. The Warranty Period is the period during which a proceeding for breach of any warranty obligation may be commenced.
 - ii. The Warranty Period may not be shortened by agreement nor lengthened by lack of discovery.
 - iii. The Declarant warrants that the warranted condition will exist on the Commencement Dates and not that such condition will continue throughout the entire Warranty Period. The Implied Warranty does not extend to future performance or duration of any improvement or component of the Condominium and Declarant makes no such warranty.
 - iv. Although the Washington Condominium Act provides a 4-year Warranty Period from the Commencement Dates during which a proceeding for breach of any warranty obligation may be commenced, the failure to provide proper and timely notices to the Declarant, and comply with claim procedures, may severely limit the Owner's remedies and right of recovery.
3. IMPLIED WARRANTY COVERAGE. Declarant warrants that :
 - a. Condition Upon Conveyance/Possession. The Unit will be in at least as good condition at the earlier of the time of conveyance or delivery of possession as it was at the time of execution of a purchase and sale agreement, reasonable wear and tear and damage by casualty or condemnation excepted.
 - b. Suitable for Residential Use At the time of the Warranty Commencement Date, the Unit and Common Elements are Suitable for the Ordinary Uses of a Residential Condominium. The Unit and Common Elements shall be deemed suitable for ordinary uses of a residential condominium if at the time made or constructed the Unit could legally be occupied. The existence or alleged existence of a construction defect shall not cause the Unit and Common Elements to cease to be "suitable" for such use.
 - c. Quality of Construction Any improvements made or contracted for by the Declarant were constructed:
 - i. free from defective materials, at the time made or contracted for;
 - ii. in accordance with laws applicable at the time made or contracted for;
 - iii. in accordance with sound engineering and construction standards generally being observed at the time made or contracted for; and
 - iv. in what was generally considered a workmanlike manner, at the time made or contracted for.
 - d. Adverse Affect on Performance.
 - i. In a proceeding for breach of any obligation arising under the Implied Warranties, the Owner must show that the alleged breach has adversely affected or will adversely affect the performance of that portion of the Unit or Common Element alleged to be in breach.

- ii. An adverse affect must be more than technical and must be significant to a reasonable person.
- iii. To establish an adverse effect, the Owner is not required to prove that the breach renders the Unit or Common Element uninhabitable or unfit for its intended purpose.
- e. Appliances, Fixtures and Equipment. Declarant shall assign to the Owner all standard manufacturers warranties on Appliances, Fixtures and Equipment installed in the Unit or Common Elements. Owner is solely responsible for complying with any claim procedures provided in such manufacturers warranties, and failure to do so may void the manufacturer's warranty.
- f. Defect Not Delay Closing. The existence of a Defect shall not entitle the Owner to delay closing of purchase or require an escrow holdback, but only to pursue after closing the rights and remedies provided hereunder.

4. REMEDY.

- a. Repair, Replace or Pay. If a Defect occurs in a component covered by the Implied Warranties, the Declarant (at the Declarant's option) will repair, replace or pay the Owner the reasonable cost of repairing or replacing the defective item(s), subject to the limitations below.
- b. Limits of Liability - Damages.
 - i. Proof of breach of any obligation under the Implied Warranties is not proof of damages.
 - ii. Damages awarded for a breach of an obligation arising under the Implied Warranties are the cost of repairs. However, if it is established that the cost of such repairs is clearly disproportionate to the loss in market value caused by the breach, then damages shall be limited to the loss in market value.
 - iii. If the Declarant chooses to pay the Owner or the Association instead of performing the repair or replacement work, the Declarant will pay the reasonable cost of repair or replacement up to the total maximum liability determined in accordance with to the limitations above.
- c. Extension of Warranty. Any repair or replacement made under the Implied Warranties shall not extend the applicable Warranty Period.

CONDOMINIUM LIMITED WARRANTY

PROJECT NAME: GLENGARRY CONDOMINIUM

BUILDER: GLENGARRY LLC

CONDOMINIUM LIMITED WARRANTY SUMMARY OF PROVISIONS

The following is intended as a general overview summary to acquaint the Owner with some of the more important features of the Limited Warranty.

THIS SUMMARY IS NOT INTENDED AS A SUBSTITUTE FOR A CAREFUL REVIEW OF THE ENTIRE LIMITED WARRANTY NOR DOES IT MODIFY, EXPAND OR OTHERWISE AFFECT THE RIGHTS OF THE OWNER AND THE OBLIGATIONS OF THE BUILDER, WHICH ARE GOVERNED EXCLUSIVELY BY THE PROVISIONS OF THE LIMITED WARRANTY.

SECTION 1 - BUILDER'S LIMITED WARRANTY

1.1 IDENTITY OF WARRANTER/BUILDER: The Builder identified on the cover page of this Limited Warranty and/or any Limited Warranty Certificate provided to Owner on the closing of the Home purchase.

1.2 TO WHOM GIVEN: The initial Owner and his or her successors and assigns.

1.3 PERIOD OF WARRANTY.

1.3.1 Home (Commencement Date). The Limited Warranty, as it applies to the Home, commences on the first date of occupancy of the Home, or the date of recording of the first deed of conveyance of title to the Home, whichever is the earlier date (Commencement Date).

1.3.2 Common Element (Commencement Date). The Limited Warranty, as it applies to Common Elements, commences on the later of the following dates (Commencement Date).

- (a) the date on which the Common Element is Substantially Completed; or
- (b) the recording date of the first deed conveying title to a Home to a Owner who has a beneficial interest in the Common Element by virtue of owning a Home or being a member of an Owners Association; or
- (c) the date on which title to the Common Element is conveyed to such an Owners Association, or is otherwise made a part of the project.

1.3.3 Home and Common Element (Termination Date). The Warranty Periods for the Home and for the Common Elements shall terminate four (4) years after the Commencement Date.

1.3.4 Warranty Period – General Provisions. Additional provisions make clear that the Warranty Period is merely the period during which a proceeding for a warranty breach may be commenced (and is not a warranty that a component will function or perform for the entire period), that the Period may not be shortened by agreement nor lengthened by lack of discovery, and that failure to provide prompt notices and comply with other Warranty provisions may severely limit the Buyer rights and remedies.


1.4 LIMITED WARRANTY COVERAGE.

1.4.1 Condition Upon Conveyance/Possession. Builder warrants that a Home will be in at least as good condition at the earlier of the time of conveyance or delivery of possession as it was at the time of execution of a purchase and sale agreement, reasonable wear and tear and damage by casualty or condemnation excepted.

1.4.2 Suitable for Residential Use. Builder warrants that, at the time of the Warranty Commencement Date, the Home and the Common Elements in the Condominium are Suitable for the Ordinary Uses of a Residential Condominium.

1.4.3 Quality of Construction. Builder warrants that any improvements made or contracted for by the Builder were constructed: (a) free from defective materials, at the time made or contracted for; (b) in accordance with laws applicable at the time made or contracted; (c) in accordance with sound engineering and construction

standards generally being observed at the time made or contracted for; and (d) in what was generally considered a workmanlike manner, at the time made or contracted for.

1.4.4 Adverse Affect on Performance. A Defect is covered by the Limited Warranty only if performance of the portion of the Home or Common Elements has been, or will be, significantly and adversely affected. 

1.4.5 Appliances, Fixtures, Equipment and Manufactured Components: Builder assigns to Owner all manufacturer's warranties.

1.4.6 Defects Not Delay Closing. The existence of a Defect shall not entitle the Owner to delay closing of purchase or require an escrow holdback, but only to pursue after closing the rights and remedies provided hereunder

1.5 LIMITED WARRANTY COVERAGE - COMMON ELEMENTS: the warranty coverage for the Common Elements owned and/or administered by the Owners Association is similar to that provided for Homes, except that claims are administered generally by the Owners Association.

1.6 REMEDY: The Builder may at Builders sole option elect to repair, replace or pay the cost of a defect covered by the Limited Warranty with proper notification. The Builder's maximum liability is generally limited to the cost of repairs.

1.7 PERFORMANCE STANDARDS. Whether a particular condition or occurrence, or a repair or replacement by the Builder, constitutes a Defect under this Limited Warranty (including without limitation whether the performance of a portion of a Home or Common Element has been or will be significantly and adversely affected), shall be based on whether the Performance Standards applicable to this Limited Warranty have been satisfied.

1.8 OTHER INSURANCE/WARRANTIES - PROCEEDS/DISPUTE RESOLUTION: If the Owner is covered by insurance or other warranties for any claim, the proceeds of the insurance or other warranty are assigned to the Builder to the extent of the costs incurred by the Builder; and any dispute resolution process provided by such other insurance or warranty is binding upon the parties.

1.9 LIMITATION OF RIGHTS; CONDOMINIUMS: The provisions of the Limited Warranty represent the sole and exclusive rights, duties, obligations and remedies of the Owner and Builder with respect to warranty claims. See in particular Section 1.9.2 of the Limited Warranty concerning the Washington Condominium Act implied warranties of quality.

1.10 EXCLUSIONS: Certain kinds of claims are excluded from coverage under this Limited Warranty.

1.11 WARRANTY SERVICE: 

- The Limited Warranty provides is hoped to be a reasonably simple, quick and inexpensive process to assure that warranty issues are properly and timely handled.
- Initially, the Owner sends to the Builder a Request For Warranty Service form (which is a clear description of the warranty service desired by the Owner). If the Request for Warranty Service is timely presented, the Builder will respond in accordance with its normal customer service policy to provide for the repair.
- In the unlikely event of a dispute between the Builder and Owner, this Limited Warranty provides a dispute settlement mechanism designed to avoid costly and time-consuming litigation for the Owner and Builder. A professional firm, with considerable experience in resolving residential construction disputes, will be selected to arbitrate any disputes that cannot be resolved by the mutual discussion between the Owner and Builder.
- The dispute resolution process has a number of steps. First, the Owner submits a Request for Arbitration to the Builder. Second, the Builder and Owner each pay one-half of the Arbitrator's current fee. Third, a neutral "Dispute Settler" selected by the Arbitrator reviews the Owner's complaint and the Builder's response. Fourth, the Dispute Settler makes an Informal Decision; this decision is binding on the Owner and the Builder only if both parties agree to it. Fifth, if either party, or both, rejects the Informal decision, the fifth step is a Formal

Arbitration process; the decision reached by the Arbitrator in the Formal process is binding on both parties; provided, that if at the time the law prohibits binding arbitration, then either party may seek to enforce rights through the Superior Court litigation process.

- A major benefit of this multi-step process is that the Arbitrator and Dispute Settler are both wholly independent of the Owner and the Builder, and are both familiar with construction and Limited Warranty issues.
- The Owner has an obligation to attempt to mitigate any damage and give the Builder reasonable access to make repairs.

1.12 **DEFINITIONS:** Definitions of various terms are provided.

1.13 **OTHER CONDITIONS:** Additional terms, conditions and provisions are provided with respect to the Limited Warranty.

SECTION 2 - PERFORMANCE STANDARDS

- The Performance Standards in Section 2 are intended to supplement the primary performance standards including applicable building codes and the Builder's plans and specifications. To make the application of the primary performance standards more comprehensible, the Performance Standards in Section 2 are based on generally accepted industry standards, were developed by a nationally recognized group of insurers and builders, and are similar to those accepted by the FHA, VA and other nationally recognized building authorities.
- For ease of comprehension, the Performance Standards follow a format of first listing a possible Defect, then stating the performance standard relating to that Defect, and then stating who has responsibility for taking corrective action.

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CONDOMINIUM LIMITED WARRANTY

BUILDER'S LIMITED WARRANTY.

1.1. IDENTITY OF WARRANTER/BUILDER. The Builder identified on the cover page of this Limited Warranty and/or any Limited Warranty Certificate provided to Owner on the closing of the Home purchase.

1.2. TO WHOM GIVEN. This Limited Warranty is extended to the Owner who was issued a Limited Warranty in connection with the purchase of the Home, and is automatically transferred to subsequent owners for the unexpired term of the Limited Warranty, subject to the same exclusions, limitations and procedures as apply to the initial Owner.

[NOTE: If the Builder fails to deliver the Certificate to the purchaser, the parties shall nevertheless be bound by the Limited Warranty if the Warranty was delivered with the Public Offering Statement and was accepted by the purchaser in writing.]

1.3. PERIOD OF WARRANTY.

1.3.1. Home (Commencement Date). The Limited Warranty, as it applies to the Home, commences on the first date of occupancy of the Home, or the date of recording of the first deed of conveyance of title to the Home, whichever is the earlier date (Commencement Date).

1.3.2. Common Element (Commencement Date). The Limited Warranty, as it applies to Common Elements, commences on the later of the following dates (Commencement Date):

- a. The date on which the Common Element is Substantially Completed; or
- b. The recording date of the first deed conveying title to a Home to a Owner who has a beneficial interest in the Common Element by virtue of owning a Home or being a member of an Owners Association; or
- c. The date on which title to the Common Element is conveyed to such an Owners Association, or is otherwise made a part of the project.

1.3.3. Home and Common Element (Termination Date). The Warranty Periods for the Home and for the Common Elements shall terminate four (4) years after the Commencement Date terminates (regardless of when the defect was, or would with due diligence have been, discovered).

1.3.4. Warranty Period - General Provisions.

- a. The Warranty Period is the period during which a proceeding for breach of any warranty obligation may be commenced.
- b. The Warranty Period may not be shortened by agreement nor lengthened by lack of discovery.
- c. The Builder warrants that the warranted condition will exist on the Commencement Dates and not that such condition will continue throughout the entire Warranty Period. This Limited Warranty does not extend to future performance or duration of any improvement or component of the Condominium and Builder makes no such warranty.
- d. Although the Washington Condominium Act provides a 4-year Warranty Period from the Commencement Dates set forth in Sections 1.3.1 and 1.3.2 during which a proceeding for breach of any warranty obligation may be commenced, the failure to comply with the provisions of the Limited Warranty (including without limitation proper and timely notices to the Builder) may severely limit the Owner's remedies and right of recovery.

1.4. LIMITED WARRANTY COVERAGE. Subject to the provisions of Section 1.4.4 below,

1.4.1. Condition Upon Conveyance/Possession. Builder warrants that a Home will be in at least as good condition at the earlier of the time of conveyance or delivery of possession as it was at the time of execution of a purchase and sale agreement, reasonable wear and tear and damage by casualty or condemnation excepted.

1.4.2. Suitable for Residential Use. Builder warrants that, at the time of the Warranty Commencement Date, the Home and the Common Elements in the Condominium are Suitable for the Ordinary Uses of a Residential Condominium. The Home and common Elements shall be deemed suitable for ordinary uses of a residential condominium if at the time made or constructed the Home could legally be occupied. The existence or alleged existence of a construction defect shall not cause the Home and Common Elements to cease to be "suitable" for such use.

1.4.3. Quality of Construction. Builder warrants that any improvements made or contracted for by the Builder were constructed:

- a. free from defective materials, at the time made or contracted for;
- b. in accordance with laws applicable at the time made or contracted;
- c. in accordance with sound engineering and construction standards generally being observed at the time made or contracted for; and
- d. in what was generally considered a workmanlike manner, at the time made or contracted for.

1.4.4. Adverse Affect on Performance.

a. In a proceeding for breach of any obligation arising under this Limited Warranty, the Owner must show that the alleged breach has adversely affected or will adversely affect the performance of that portion of the Home or Common Element alleged to be in breach.

b. An "adverse affect" must be more than technical and must be significant to a reasonable person.

c. To establish an adverse effect, the Owner is not required to prove that the breach renders the Home or Common Element uninhabitable or unfit for its intended purpose.

d. Whether a condition constitutes a Defect, and whether such Defect has or will have an "adverse affect" will be determined in accordance with the provisions of this Limited Warranty, including without limitation the Performance Standards set forth below.

1.4.5. Appliances, Fixtures and Equipment. As the sole and exclusive warranty on Appliances, Fixtures and Equipment installed in the Home or Common Elements, Builder shall assign to the Owner all standard manufacturers' warranties, the provisions of which shall govern all aspects of the warranty (including without limitation the commencement, termination and extent of warranty coverage) in lieu of all other express or implied warranties. Owner is solely responsible for complying with any claim procedures provided in such manufacturer's

warranties, and Builder is not liable or responsible for non-performance by any such manufacturer. Builder does warrant the proper installation of any Appliances, Fixtures and Equipment supplied by Builder.

1.4.6. **Defect Not Delay Closing.** The existence of a Defect shall not entitle the Owner to delay closing of purchase or require an escrow holdback, but only to pursue after closing the rights and remedies provided hereunder.

1.5. LIMITED WARRANTY COVERAGE-COMMON ELEMENTS.

1.5.1. **In General.** Common Elements are covered, and are subject to the same exclusions, limitations and procedures, as apply to a Home. Except as otherwise expressly provided herein, in interpreting any provision of this Limited Warranty as it applies to Common Elements, the term "Owner" shall be deemed to mean the "Owners Association".

1.5.2. Filing of Common Element Claim.

a. Where a Common Element Defect affects more than one Home, any portion of a claim involving Common Elements may only be made by a representative designated by the Owners Association to file such claims, except that prior to the Owners assuming control of the Owners Association (that is, the date on which Owners other than the Builder elect a Board of Directors of the Association), such claims may be filed and pursued over the signature of a majority of the Owners.

b. Where the affect of the Common Element Defect is limited to a single Home, the Owner of the affected Home may file a Common Elements claim unless such action by an individual Owner is prohibited in the Owners Association documents, or the Association elects to administer such claim.

1.5.3. **Association Governed by Warranty.** Owner, as a member of the Association, acknowledges and agrees that the Association (and its officers, Board members and agents) shall be governed and bound by the provisions of the Limited Warranty to the full extent as the Owner.

1.6. REMEDY.

1.6.1. **Repair, Replace or Pay.** If a Defect occurs in an item, which is covered by this Limited Warranty, the Builder (at the Builder's option) will repair, replace or pay the Owner the reasonable cost of repairing or replacing the defective item(s), subject to the limitations of Section 1.6.2.

1.6.2. Limits of Liability - Damages.

a. Proof of breach of any obligation under this Limited Warranty is not proof of damages.

b. Damages awarded for a breach of an obligation arising under this Limited Warranty are the cost of repairs. However, if it is established that the cost of such repairs is clearly disproportionate to the loss in market value caused by the breach, then damages shall be limited to the loss in market value.

1.6.3. **Application of Limit.** If the Builder chooses to pay the Owner or the Association instead of performing the repair or replacement work, the Builder will pay the reasonable cost of repair or replacement up to the total maximum liability determined in accordance with Subsections 1.6.2.

1.6.4. Builder's Election.

a. The choice among repair, replacement or payment is solely that of the Builder.

b. Steps taken by the Builder to correct Defects under this Limited Warranty shall not extend the time of this Limited Warranty.

c. If Builder elects to make payment in connection with a warranty claim, and Owner demands and Builder pays an amount in excess of what Builder believes is required, then Builder may elect to pay such excess and proceed with the dispute resolution process and the Owner shall be obligated to refund any excess

determined by the dispute resolution process; Builder shall also have the right to continuously inspect any work performed to correct any Defect.

d. If Builder elects to repair or replace in connection with a warranty claim, and Owner demands and Builder performs work in excess of what Builder believes is required, then Builder may elect to perform such excess work and proceed with the dispute resolution process and the Owner shall be obligated to fully reimburse Builder (including actual costs, overhead, interest expense, and profit) for any excess work determined by the dispute resolution process; provided, with respect to Common Elements, each Owner shall be personally liable for a prorata share of such reimbursement equal to such Owner's interest in the Common Elements.

1.6.5. Control Over Repairs.

a. Builder shall have complete discretion as to the method and manner for repairing or replacing any Defect; provided, that such method and manner shall conform to the Warranty Coverage and Performance Standards of this Limited Warranty.

b. Builder's repair of any Defect under this Limited Warranty shall include repair and cosmetic correction of only those surfaces, finishes and coverings (original to the Home) which require removal and replacement in order to repair the Defect or to repair other damage to the Home (as originally constructed) directly attributable to the Defect.

c. Builder's repair will restore damaged components original to the Home to a condition approximating the condition just prior to the Defect, but not necessarily to a like-new condition.

d. The repair or cosmetic correction of surfaces, finishes and coverings shall be done so as to achieve as close a match with the original surrounding surfaces, finishes and coverings; but, due to fading, aging or unavailability of matching materials, the Builder does not warrant an exact match with surrounding surface areas.

e. Builder's repair and replacement shall be performed utilizing materials, which are still reasonably available and are similar to the original kind and quality.

f. The Builder's repair obligation does not require the refinishing of interior or exterior surfaces unless damaged by a Defect covered by the Limited Warranty.

g. Any repair or replacement made under this Limited Warranty shall not extend the applicable Warranty Period.

1.7. PERFORMANCE STANDARDS.

1.7.1. **Application of Performance Standards.** Whether a particular condition or occurrence, or a repair or replacement by the Builder, constitutes a Defect under this Limited Warranty (including without limitation whether the performance of a portion of a Home or Common Element has been or will be significantly and adversely affected), shall be based on whether the Performance Standards applicable to this Limited Warranty have been satisfied.

1.7.2. **Categories of Performance Standards.** The Performance Standards applicable to this Limited Warranty are, in order of controlling priority:

a. the Performance Standards referred to in Section 2 below, which, at a minimum, shall satisfy the Performance Standards set forth in Section 1.2(a)(iii) below;

b. any performance standards provided for in any other insurance or warranty provided by the Builder in connection with the sale of the Home;

c. the mandatory requirements of locally applicable building codes and other applicable governmental rules and regulations in effect at the time the building permit for the Home was issued;

d. the plans and specifications actually used by Builder in constructing the Home and Common Elements; and

e. locally accepted building practices at the time the building permit for the Home was issued.

1.7.3. **Controlling Priority.** "In order of controlling priority" shall mean that in the event of a conflict between a performance standard having a higher controlling priority under Section 1.7.2(a) and a performance standard having a lower controlling priority, the performance standard having the higher priority shall control.

1.7.4. **Legal compliance.** Unless the governmental entity having jurisdiction over the construction of improvements formally determines that a permit or certificate was issued in error or unless such governmental entity formally determines that an improvement was not constructed in accordance with applicable legal requirements: (i) issuance of required governmental permits necessary to permit the construction of the improvements shall be conclusive evidence that the Builder's plans and specifications and all other design elements conform to mandatory legal requirements; and (ii) issuance of a final certificate of occupancy shall be conclusive evidence that all improvements were constructed in accordance with applicable legal requirements. Further, even if such a formal determination is made, compliance with applicable law shall be deemed to have occurred if the issuance of such permit and certificate of occupancy was within the legal discretion of such governmental entity.

1.7.5. **Plans and Specifications.** The term "plans and specifications" shall mean and include the printed or written plans and specifications initially prepared by or on behalf of the Builder (and all subsequent printed and written amendments thereto) and all "field changes" thereafter made during the course of construction even if such changes are not reflected in printed or written amendments to the initial plans and inspections.

1.7.6. **Accepted building practices.** In determining whether a defect exists, concepts such as "locally accepted building practices", "custom in the trade", or "sound engineering and construction standards" shall be deemed to have the same meaning and shall be based on projects having: a comparable intended use; a comparable location and basic design; a comparable time of construction; and a comparable initial purchase price.

1.7.7. **Intended Function.** So long as the portion of the Home or Common Elements alleged to be defective has not been nor will be significantly impaired, no defect shall be deemed to exist even if that portion was not constructed in accordance with applicable Performance Standards.

1.7.8. **Defective Workmanship/Materials.** The Performance Standards shall govern an allegation that a Defect involves defective workmanship or materials.

1.8. **OTHER INSURANCE/WARRANTIES - PROCEEDS/DISPUTE RESOLUTION.**

1.8.1. **Assignment of Insurance Proceeds.** In the event the Builder repairs, replaces, or pays the Owner the reasonable cost of repairing or replacing, any Defect covered by this Limited Warranty which is covered by other insurance or warranties, the Owner must, upon request by the Builder, assign the proceeds of such insurance or warranties to the Builder to the extent of the cost to the Builder of such repair, replacement or payment. Builder shall not be liable for any loss or damage, except for that portion of the loss or damage, which is in excess of the amount due from such other insurance or warranties because of the application of a deductible.

1.8.2. **Dispute Settlement/Performance Standards.** If any insurance or warranty (which is provided by Builder in connection with the sale of the Home and which is in addition to this Limited Warranty) provides for an arbitration and/or mediation dispute resolution process, Builder and Owner shall comply with such process; provided, that the results of such process shall be binding and conclusive upon the Owner and Builder, except for such right of judicial appeal (if any) as may be required by law in connection with mandatory and binding private arbitration agreements. If such other insurance or warranty provided by Builder in connection with the sale of the Home provides for performance standards, then such performance standards shall be applicable to this Limited Warranty. Except as otherwise expressly provided herein, the provisions of such other insurance or warranty shall not expand or extend the Owner's rights or the Builder's responsibility or liability beyond that provided under this Limited Warranty.

[NOTE to Section 1.8: If any other insurance or warranty should provide warranty coverage for a period in excess of that provided under this Limited Warranty, then during such excess period the Owner's warranty shall be limited solely and exclusively to the rights and remedies provided under such other insurance or warranty.]

1.9. LIMITATION OF RIGHTS; CONDOMINIUMS.

1.9.1. Exclusive Rights and Remedies. This Limited Home Warranty, and the obligations of the Builder and the rights of the Owner hereunder, is given by the Builder and accepted by the Owner: (a) in lieu of and to the exclusion of all other express or implied warranties (including without limitation any implied warranty of habitability, merchantability or fitness for a particular use); and (b) in lieu of and to the exclusion of all other legal or equitable rights, remedies or causes of action. See Section 1.8.2 regarding the Washington Condominium Act Implied Warranty of Quality.

1.9.2. Washington Condominium Act Implied Warranty.

a. The Warranty Coverage provided under Sections 1.4 and 1.5 is based on the Implied Warranty of Quality required by the Act (RCW 64.34.445).

b. The Act permits the Implied Warranty of Quality to be modified or excluded (RCW 64.34.445(4)), but the Act provides that in order to disclaim liability for a specified defect or failure to comply with applicable law, (i) the Builder knows or has reason to know that the specific defect or failure exists at the time of disclosure, (ii) the disclaimer specifically describes the defect or failure, and (iii) the disclaimer includes a statement as to the effect of the defect or failure.

c. The intent and purpose of the Limited Home Warranty is to provide the Owner and Builder, prior to the consummation of a transaction, with a clear and predictable understanding of their rights, duties and obligations. The Limited Home Warranty is not intended to be in addition to the Implied Warranties of Quality provided by RCW 64.34.445, but rather that such implied warranties are to be interpreted and enforced in accordance with the provisions of the Limited Home Warranty;

d. Owner's acceptance of the Limited Warranty is a direct and material inducement to Builder's agreement to sell the Unit for the agreed price, and has been relied upon by Builder (and Builder's contractor, subcontractors, vendors, suppliers and other professionals).

e. Owner's acceptance of the Limited Warranty shall be binding upon Owner in Owner's capacity as a Home Owner and Association Officer and Board member, and with respect to the Home and Common Elements.

1.10. EXCLUSIONS. This Limited Home Warranty shall not extend to, include or be applicable to any cost, expense, damage or condition which arises or results (in whole or in part) from, or is caused or aggravated by, or contributed to any of the following:

1.10.1. Appliances, Fixtures & Equipment.

a. Appliance, Fixture or Equipment, or other items which are "consumer products" for purposes of the Magnuson-Moss Warranty Act, 15 USC 2301, et seq, including without limitation any stove, refrigerator, microwave oven, dishwasher, garbage disposal, washer and dryer, spa or whirlpool, water heater, fireplace, garage door, heating/ventilation/air conditioning equipment, or equipment provided to the Owner or Association for use in the operation or maintenance of the Unit or Common Elements. The only warranties of such consumer products or goods are those, which the manufacturer provides the purchaser. Copies of all manufacturer warranties are available at the models or sales office. Owner will be given the manufacturer warranties during Owner Orientation. Builder does warrant the proper installation of any Appliances, Fixtures and Equipment supplied by Builder.

b. It is the Owner's responsibility to complete and return all such warranties in accordance with the instructions of the manufacturer. Builder does not assume any obligation to service or repair such consumer products or goods. They are included on an "as-is" basis with the Owner assuming the entire cost of all necessary service, repair or replacement in the event of defect in quality or performance, except to the extent such consumer products or goods are warranted by the manufacturer of those items.

c. If the Owner finds defects in any of those items, please follow the procedures in the warranty, which came with the item, and deal directly with the manufacturer. Be sure to check each warranty for the time such item is warranted because each manufacturer's warranty may differ.

1.10.2. Other Property. Property supplied by the Owner or which are not part of the Home or Common Elements at the time of closing; or loss or damage to real property (which is not part of the Home covered by this Limited Home Warranty), or to any personal property, regardless of whether such real or personal property was included in the original purchase price of the Home.

1.10.3. Actions by Others. Any damage to the extent it is caused or made worse by:

- a. **Improper Action.** Negligence, lack of or improper maintenance or inspection, improper operation, making or installing holes, penetrations, windows or skylights, or any other action by anyone other than the Builder, its employees, agents or subcontractors; or
- b. **Manufacturer Warranty.** Failure by the Owner or by anyone other than the Builder, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers of Appliances, Fixtures and Equipment; or
- c. **Lack of Notice.** Failure by the Owner to give notice to the Builder of any Defects within a reasonable time. See Section 1.10 for filing requests for warranty service and dispute resolution; or
- d. **Grade Changes.** Changes of the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or
- e. **Alterations.** Changes, alterations or additions made to the Home or Common Elements by anyone after the Limited Home Warranty Commencement Date; or
- f. **Dampness.** Dampness or condensation due to the failure of the Owner to maintain adequate ventilation;
- g. **Other's Materials or Work.** Materials or work supplied by anyone other than the Builder, its employees, agents or subcontractors.

[NOTE to Section 1.10.3: Builder will not be responsible for the actions taken or work performed by its employees, agents or subcontractors if the Owner has contracted for such action or work directly with such employee, agent or subcontractor rather than contracting directly with the Builder.]

1.10.4. Untimely Action. Loss or damage which the Owner has not taken timely action to minimize, or which is caused or made worse by a failure to properly and promptly maintain, repair, or inspect (including without limitation failure to fully comply with any inspection, monitoring, maintenance or repair checklist, manual or recommendation provided by Builder or by a contractor, subcontractor or manufacturer to Owner or the Owners Association).

1.10.5. Wear and Tear. Normal wear and tear or normal deterioration.

1.10.6. Non-Construction Defects. Loss or damage, not otherwise excluded under this Limited Home Warranty, which does not constitute a Defect in the construction of the Home by the Builder, its employees, agents or subcontractors.

1.10.7. Accidents, etc. Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling trees and other objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, landslide, mudslide, earthquake, volcanic eruptions, natural or introduced gases, wind-driven water and changes in the underground water table, and the use of the Home, or any part thereof, beyond the reasonable capacity of such part.

1.10.8. Water, Moisture, etc. Unless resulting directly from a breach of the obligations under this Limited Warranty, loss or damage caused by or resulting from water seepage, moisture, rot, corrosion, rust, mildew or temporary ponding or pooling of water on roofs, decks, walkways, driveways or other parts of the Condominium.

[NOTE to Section 1.10.8: The Condominium is located in a region with a damp climate. Seller has utilized materials, designs and construction methods that are typical for similar projects in the Puget Sound area to address leakage and moisture problems. Nevertheless, based on Seller's experience, it is impossible to guaranty that

the building and/or Home will not experience such conditions. Buyer further acknowledges that prevention such conditions, and avoidance of damage caused by such conditions requires that the Owner or Association, at the Owner's or Association's expense, perform periodic inspections, testing, maintenance and repair.]

1.10.9. Soil Movement. Loss or damage caused, in whole or in part, by or resulting from soil movement, mine subsidence, sinkholes, changes in water table level, or any other similar peril or occurrence, regardless of whether compensation is provided or covered by legislation, other insurance or public funds.

1.10.10. Insects, etc. Insect, rodent, or bird damage.

1.10.11. Non-Residential Uses. Loss or damage, which arises while the Home, is being used primarily for nonresidential purposes.

1.10.12. Injuries, etc. Bodily injury or illness of any kind (including physical or mental pain and suffering and emotional distress), medical hospitalization, rehabilitation or any other incidental expense, death or damage to or theft of personal property.

1.10.13. Abnormal Loads. Loss or damage caused by or resulting from abnormal loading on floors by the Owner, which exceeds design, loads as mandated by codes.

1.10.14. Shelter, etc. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to inconvenience or relocation during repairs.

1.10.15. Consequential Damages. Consequential (including without limitation diminished market value), exemplary and punitive damages.

1.10.16. Minor Defects, Variations, Minor Defects. Shades of cabinets, wood trim, and doors may vary due to natural differences in wood pattern and grain and type of stain used. Similarly, variations in design, color, shading, distinctive markings, shape, glaze and polish occur (due to nature or manufacturing process) in all granite, limestone, marble and other natural stone materials and in all ceramic tiles, and grouting. Accordingly, uniformity in these and other finishes in the Home cannot be guaranteed. Cracks in natural stone, ceramic tile and grout caused by structural movement are not the responsibility of the installer or Seller, and variations in design. Color shading or distinctive markings may occur. The following conditions are customary and are not considered defects for which corrective action is required: cracking of concrete topping and/or slab; wall cracking and/or door sagging due to building settlement, structural deflection and/or material shrinkage; or deviations and variations from plans and specifications involving paint color, window and floor coverings, countertops and cabinets, appliances, plumbing and electrical fixtures, hardware and other decoration and finish work; or similar conditions that do not significantly impair the performance of the portion of the Home or Common Elements alleged to be defective.

1.10.17. Pollutants. Unless resulting directly from a breach of the obligations under this Limited Warranty, any costs or expenses, or any liability arising from uninhabitability or health risk, arising from, or any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from:

a. the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, presence or proximity of Pollutants (including, without limitation, radon gas, formaldehyde or other pollutants, contaminants, or hazardous or toxic substances) in the Home, building materials or Systems used in the construction of the Home; and

b. any governmental direction or request to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize Pollutants, contaminants, or hazardous or toxic substances.

1.10.18. Odors. Odors relating to tobacco smoke, cooking or other causes from other Homes or elsewhere.

1.10.19. **Sound Transmission:** This Limited Warranty shall not extend to and excludes any: vertical or horizontal sound transmission that may arise from activities or building systems in any Home, Common elements or outside the Condominium; or from neighborhood noises affecting the Condominium.

[NOTE to Section 1.9.19: Owner realizes that the Home is in a high-density community in an urban environment; therefore Builder makes no warranty or representation as to sound transmission. Owner realizes that sound transmission will normally be experienced from loud music, heels on uncarpeted floors, water traveling in drains, doors closing and other causes, and from various building systems including without limitation garage doors, iron gates, garbage receptacles, fans, roof accessories, elevators, fluorescent lighting and transformer vaults.

1.11. WARRANTY SERVICE.

1.11.1. **Request for Warranty Service.** The Owner with a warranty complaint should first send a clear and specific written Request for Warranty Service to the Builder at the address specified in the Certificate of Limited Warranty. The Request for Warranty Service should be in writing and include:

- a. the Owner's name, address, home and work phone numbers;
- b. a detailed description of the Defects which the Owner thinks are covered by the Limited Warranty, and the section(s) of the Limited Warranty on which the Owner is relying; and
- c. when the Defect first occurred or when the Owner first noticed the Defect.

Requests for Warranty Service communicated only by telephone or in face-to-face discussions will not protect your rights under this Limited Warranty. See Appendix A for a Request for Warranty Service form.

1.11.2. **Builder's Warranty Service.** The Builder will supply the warranty service provided under this Limited Warranty in accordance with its Customer Service Policy. If the Owner believes that the Builder has not performed as requested, see "Dispute Settlement" in Section 1.11.5 below.

1.11.3. Prompt Warranty Service Request.

a. A Request for Warranty Service in connection with a Defect in any item under this Limited Warranty must be received by Builder promptly after the date on which Owner (or Association Board in the case of Common Elements) discovered (or with the exercise of reasonable care would have discovered) the Defect, but in any event *no later than the Warranty Termination Date*. The notice requirement may not be modified or waived except by a writing signed by an officer of the Builder expressly referring to, modifying or waiving the requirements of this Section. Buyer acknowledges that the avoidance of unnecessary repairs costs and damage, the obtaining of appropriate responses from subcontractors and suppliers, and the determination of warranty coverage are all dependent upon the Builder's timely receipt of the Request within the required deadlines.

b. Although the Washington Condominium Act provides 4-years from the warranty Commencement Dates set forth in Sections 1.3.1 and 1.3.2 to enforce the Condominium implied warranties, the failure to comply with the provisions of the Limited Warranty (including without limitation proper and timely notices to the Builder) may severely limit the Owner's remedies and right of recovery. Section 1.11.3 shall not be deemed to reduce or lengthen any period of limitation of time to bring legal action provided by the Washington condominium Act or other applicable law.

1.11.4. **Emergency Repairs.** In case of an emergency, Owner must notify Builder immediately to mitigate further damages. If the Owner is unable to notify Builder, Owner should take such action as reasonably necessary to correct the Defect or mitigate further damages.

1.11.5. **Dispute Settlement - Arbitration/Mediation.** To the full extent now or hereafter permitted by law, it is intended that any and all disputes arising under or in connection with this Limited Warranty, or any other asserted express or implied warranty (including without limitation the Washington Condominium Act implied warranties of quality), shall be resolved by the Arbitration/Mediation provisions of Section 1.11.

a. **Request for Arbitration.** In the unusual event that the Builder and Owner disagree as to whether an item is covered by this Limited Warranty, or as to whether the Builder has taken proper corrective action with respect to any item, and the issue is not resolved to the parties' mutual satisfaction, then the Owner shall submit a copy of the Request for Arbitration to the Builder. See Appendix B for a Request for Arbitration form. Builder and Owner each agree to pay one half of the arbitration fee. The Request for Arbitration form must be accompanied by: one half of the then current Arbitrator's fee; and a copy of the original Request for Warranty Service form (clearly indicating which items on the Request for Warranty Service form remain in dispute).

b. **Deadline for Arbitration Request.** The Builder must receive the Request no later than one hundred twenty (120) days after the deadline for the Builder's receipt of the initial written Request for Warranty Service pursuant to Section 1.11.3. If the Builder does not receive such Request for Arbitration by that deadline, the Builder will have no further obligations to the Owner. Builder will transmit the Request for Arbitration to the Arbitrator.

[NOTE to Section 1.11.5(b): Although the Washington Condominium Act provides 4-years from the warranty Commencement Dates set forth in Sections 1.3.1 and 1.3.2 to enforce the Condominium implied warranties, the failure to comply with the provisions of the Limited Warranty (including without limitation proper and timely notices to the Builder) may severely limited the Owner's remedies and right of recovery.]

c. **Builder's Response.** Upon receiving the Request for Arbitration form, Arbitrator will notify the Builder, who shall within thirty (30) days thereafter provide a response in writing to the Request.

d. **Informal Decision.** Within thirty (30) days after the date the Builder's response was required, the Arbitrator will arrange for an informal dispute settlement conference between the Owner and the Builder by a neutral third party ("Dispute Settler"). The Dispute Settler's decision ("Informal Decision") shall be rendered within thirty (30) days after the conference, be in writing and contain a brief explanation of the decision and the reasons therefore, and only be binding if mutually accepted by the parties. A party will be deemed to have accepted the Informal Decision unless a written notice of rejection is delivered to the other party and to the Arbitrator within seven (7) days of receipt of the Informal Decision.

e. **Formal Decision.** If the parties do not mutually accept the Informal Decision, the Arbitrator will arrange for formal dispute settlement proceedings between the Owner and Builder to be conducted by the Arbitrator and to commence within thirty (30) days after the Informal Decision has been rendered.

f. **Decision Binding.** Absent fraud, collusion or willful misconduct by an arbitrator, the Informal Decision (if mutually accepted by the parties) and the Formal Decision (in all events) shall be binding and conclusive upon the Owner and Builder, except for such right of judicial appeal (if any) as may be required by law in connection with mandatory and binding private arbitration agreements. Provided, if at the time dispute resolution procedures are to commence hereunder, the law of Washington prohibits a waiver of judicial performance or prohibits binding arbitration, then the parties agree to otherwise fully comply with the provisions hereof, and agree that any party may seek judicial review of the Formal Decision.

g. **Settlement Procedures.** The Owner confirms that by agreeing to this alternate dispute resolution process, the Owner intends to give up the Owner's right to have any dispute decided in court by a judge or jury. As a member of the Association, the Owner also agrees that the Association (and its officers, Board members and agents) as well as the Owner's right to directly or indirectly to enjoy the benefits of any claim pursued by the Association, shall be governed by and be subject to these provisions for alternative dispute resolution. All proceedings involving the Arbitrator and Dispute Settler shall be in accordance with such Arbitrator's current written rules and procedures, and shall be conducted at a time and place reasonably determined by such Arbitrator within the county in which the Home is located. The parties have included these time limits set forth in Section 1.11 are provided to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. Failure to comply with the provisions of the Limited Warranty or the rules and regulations of the Arbitrator shall cause all of Owner's rights under this Limited Warranty and against Builder to terminate. All statutes of limitations, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. The Arbitrator and Dispute Settler shall be governed exclusively by the express provisions of this Limited Warranty (including without limitation the provisions governing the warranty coverage and exclusions therefrom, the Builder's election of remedies, applicable performance standards and limits of Builder's liability). In making the decision and award, the arbitrator(s) shall apply applicable substantive law. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving

common issues of law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages.

1.11.6. **Damage Due to Delays.** The Builder is not responsible for damage caused or made worse by a delay in obtaining a final decision under any dispute settlement proceeding.

1.11.7. **Time for Builder's Performance.** The time allowed by in any dispute settlement proceeding for performance by the Builder will be measured from the date a final decision is rendered. If the Builder cannot perform as required in a final decision because of circumstances beyond the control of the Builder (e.g., weather, strikes, acts of God, material shortages, etc.), then the Builder must provide the Owner with notice of the delay in performance. The Builder's time for performance shall then be extended by the amount of delay reasonably caused by such circumstances.

1.11.8. **Right of Access.** The Owner and Association must provide the Builder with reasonable workday access to the property in order to perform the warranty service required under this Limited Warranty. Failure of the Owner and Association to provide such access to the Builder shall relieve the Builder of his obligations under this Limited Warranty.

1.11.9. **Right of Inspection.** Builder shall be entitled (but shall not be obligated) to inspect the Home and any Common Element at any time until four (4) years after the applicable Warranty Commencement Date, or at any time if there is a pending action relating to the condition of any part of the Condominium, with no notice to the Owner or Association with respect to Common Elements, and upon five (5) days' written notice to the Owner (or such shorter time as may be ordered by court) with respect to the Home.

1.11.10. **Release.** When the Builder pays the Owner the cost of repairing or replacing the Defect, the Builder's form of full release of all legal obligations with respect to the Defect must be signed and delivered to the Builder by the Owner.

1.11.11. **Other Claimants.** Any other person to whom this Limited Warranty is extended shall submit and pursue, by the procedures above, any claims that they may have.

1.12. **DEFINITIONS.** Except as otherwise provided, the terms used in this Limited Warranty shall have the meanings assigned below:

1.12.1. **"Arbitrator"** - A person, firm, corporation or other private or public, profit or non-profit, legal entity or agency which shall: (a) be familiar and experienced with construction practices, written warranties and arbitration/mediation of construction disputes; and (b) be "independent" (that is, have no legal relationship with, or ownership, management, business or financial interest or involvement in, the Owner or Builder other than as acting as the Arbitrator under this Limited Warranty). Upon receipt of written Request for Arbitration pursuant to Section 1.11.5, the Builder will notify the Owner in writing of the identity and address of the Arbitrator proposed by Builder. If Owner objects to the arbitrator proposed by the Builder, the Owner shall (within ten days of receipt of the Builder's notice) notify the Builder of the identity and address of the Arbitrator proposed by the Owner. If Builder and Owner cannot agree upon the arbitrator, then the arbitrator shall be appointed by the Superior Court in the county in which the property is located.

1.12.2. **"Common Elements"** - The structure, components of enclosure and any portion of the Building or other physical structure not otherwise excluded by this Limited Warranty, as described in the documents creating or governing the condominium, which are provided for use in common by the residents of the condominium, with free or limited access. Common Elements also means electrical, plumbing, heating, cooling and ventilation systems serving two or more Homes, and outbuildings containing part of such systems.

1.12.3. **"Condominium Declaration Definitions"** - The definitions of the terms of the Condominium Declaration shall apply to this Limited Warranty. The term "Home" as used herein shall mean the same as "Unit", and the term "Common Element" shall include Common Elements and Limited common Elements.

1.12.4. **"Defect"** - A condition which has (or with reasonable certainty will have during the Warranty Period) breached the Warranty obligation provided for under this Limited Warranty.

1.12.5. **"Home"** - A single family attached or detached house, or a Unit in a for sale multi-unit residential building in which title to the individual Homes is transferred to owners under a condominium regime.

1.12.6. **"Owner"** - The first person to which the Home is sold by the Builder and such Owner's successors in title. Owner does not include the Builder or any firm under common control of the Builder.

1.12.7. **"Owners Association"** - a corporation, unincorporated association or other legal entity, which owns or administers Common Elements covered by this Limited Warranty and in which a Owner is a member by virtue of owning a Home.

1.12.8. **"Pollutants, Contaminants, Toxic Substances"** - by way of general illustration and not limitation, any solid, liquid, gaseous, thermal, or electromagnetic fields, irritant or contaminant, including petroleum products, radon gas, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (including recycled, reconditioned or reclaimed).

1.12.9. **"Substantial Completion"** - Substantial Completion of a Home shall be deemed to have occurred at the earlier of either: (a) the inspection and approval of the Home by the lender financing the first purchase of the Home; or (b) the issuance of a temporary or permanent certificate of occupancy for the Home.

1.13. **OTHER CONDITIONS.**

1.13.1. **Notice.** All notices to the Builder and the Owner must be sent by mail, postage prepaid, to the recipient(s) at the following addresses:

- a. **Builder** - at the address set forth in the Certificate or at such other address as Builder may designate in writing;
- b. **Owner** - at the mailing address of the Home.
- c. **Arbitrator/Dispute Settler** - to the address as the Arbitrator designates in writing.

1.13.2. **Severability** - Should any provision of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, that determination will not affect the enforceability of the remaining provision. Without limiting the generality of the foregoing, should it be legally determined that the period during which a proceeding for breach of any warranty obligation may be commenced is longer than the period provided hereunder, then all other provisions hereof shall continue in full force and effect.

1.13.3. **Binding Effect** - This Limited Warranty shall be binding upon, and inure to the benefit of, the Builder and the Owner, their heirs, executors, administrators, successors and assigns.

1.13.4. **Gender, Plural** - Use of one gender in this Limited Warranty includes all other genders; and use of the plural includes the singular, as may be appropriate.

1.13.5. **Governing Law** - This Limited Warranty is to be covered by and construed in accordance with the laws of the state in which the Home is located.

1.13.6. **Captions** - Captions and headings are for reference purposes only, and not for purposes of interpreting the provisions of this Limited Warranty.

1.13.7. **Amendments.** The terms, conditions, provisions and scope of the coverage of this Limited Warranty, and the rights, duties and obligations of the parties, can only be changed or altered by use of a written document mutually executed and accepted by the Owner and Builder.

1.13.8. Independent From Sale. This Limited Warranty is independent of any contract between Owner and Builder for the construction of the Home or its sale to Owner. This Limited warranty shall survive the conveyance of title, delivery or possession of the Home, or other final settlement between the Builder and Owner. Nothing contained in any construction or sale contract, or any other contract between Owner and Builder, shall restrict or override the provisions of this Limited Warranty.

1.13.9. Successors and Assigns. Each successor in title to the Home, including any mortgagee in possession, is automatically entitled to the benefits under this Limited Warranty. There is no limit to the number of any such successions during the applicable Warranty Period.

1.13.10. Attorney's Fees. If either Builder or Owner is required to retain an attorney to bring suit or seek arbitration to enforce or interpret any provision of this Limited Warranty or any other express or implied warranty, each party shall be solely responsible for such party's own attorney's fees and costs, regardless of whether the matter proceeds to judgment or is resolved between the parties, and regardless of which party is the prevailing party. If (despite the foregoing requirement concerning payment of legal fees) one party is legally required to pay a second party's legal fees, it is agreed that the amount to be paid by the first party shall not exceed the customary and reasonable hourly rate of the second party's lawyer for the hours actually and reasonably expended by such lawyer.

1.13.11. Interpretations of Other Warranties. If despite the provisions of Section 1.9 a court should rule that another express or implied warranty (other than this Limited Warranty) is in whole or part applicable in determining the parties' rights, duties and obligations, then to the full extent permitted by law such other warranty shall be interpreted, applied and enforced in accordance with the provisions of this Limited Warranty.

1.13.12. Defects Encountered In Construction Process. Owner acknowledges that defects and construction problems may occur during the construction process and be corrected by the Builder and subcontractors during the course of or after the construction process and that such defects and correction need not be disclosed to the Owner.

1.13.13. Subsequent Purchasers. If Owner sells the Home at any time within four (4) years after the Warranty Commencement Date, Owner shall notify Builder of the sale in writing and shall include in the signed agreement providing for such sale a provisions that the purchaser agrees that any warranty rights of such purchaser relating to the Home or Common elements are limited to the Owner's rights under this Limited Warranty at the time of such sale. If Owner fails to comply with this requirement, Owner shall indemnify, defend and hold Builder harmless from and against all damages, costs, attorney fees and expenses caused by such failure.

LIMITED HOME WARRANTY
SECTION II - PERFORMANCE STANDARDS

2.1 INTRODUCTION. Please Read This Carefully.

2.1.1The following is intended to acquaint the Owner with responsibilities of the Builder under this Limited Home Warranty. If a Defect that results in actual physical damage to the Home or Common Elements occurs, the Performance Standards set forth in Section II will be used to determine the Builder's obligation under this Limited Home Warranty. While it is virtually impossible to develop a Performance Standard for each possible deficiency, Builder has attempted to isolate the most common deficiencies. If a specific Defect is not addressed in the Performance Standards in Section II, the performance standards set forth in Section 1.11.15(a) will be used to determine the Builder's obligation under this Limited Home Warranty.

2.1.2Also note that coverage on certain items vary with the passage of time after the Limited Home Warranty Commencement Date and some items rely on proper maintenance by the Owner. Owner should be aware that all new homes go through a period of settlement and movement. During this period the Home may experience some minor material shrinkage, cracking and other events which are unavoidable and considered normal.

2.1.3If non-compliance with a Performance Standard is due to an event or circumstance that is excluded under Section I (such as an earthquake), then such non-compliance will not constitute a defect for which Builder is responsible.

2.1.4A Performance Standards shall not apply to a particular Home if the Performance Standard relates to equipment, improvements or some feature which the Builder was not obligated to install or construct. For example, a Performance Standard relating to air-conditioning will not apply if the Builder was not obligated to install an air conditioning system.

2.2 OWNER/ASSOCIATION RESPONSIBILITIES.

2.2.1Owner Responsibilities. The Home requires an active maintenance effort on the Owner's part to reduce the likelihood of damage due to neglect, improper maintenance, or abnormal use. Any damage caused or made worse by Owner's negligence, improper maintenance, abnormal use, alterations or additions performed by anyone other than Builder, its employees or subcontractors, is expressly excluded from this Limited Home Warranty. Various regional areas of the country have local maintenance problems. Some specific Owner responsibilities are included under specific topics in the Sections below concerning Performance Standards.

2.2.2Association Responsibilities. For similar reasons, the Common Elements (and portions of the Home that may be the responsibility of the Owner Association to repair) also require an active maintenance effort on the Association's part to reduce the likelihood of damage due to neglect, improper maintenance, or abnormal use. Thus, any specific "Owner" responsibility included under specific topics in the Sections below concerning Performance Standards which relate either (a) to the Common Elements, or (b) to a portion of the Home for which the Association is responsible for maintaining, shall be deemed to be the Owners Association responsibility.

2.2.3Failure to Maintain. Damage caused or made worse by Owner or Owners Association negligence, improper maintenance or improper operation is expressly excluded under this Builder's Limited Home Warranty.

2.3 PERFORMANCE STANDARDS - In General.

2.3.1The Performance Standards list specific items (Defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second section covers Systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

Possible Deficiency - a brief statement, in simple terms, of problems that may be encountered.

Performance Standard - a performance standard relating to a specific deficiency.

Responsibility - a statement of the corrective action required of the Builder to repair the deficiency or a statement of the Owner's maintenance responsibilities.

2.3.2Builder reserves the right from time to time to modify these Performance Standards as set forth in this Section II of the Limited Home Warranty to take into account changes in applicable building codes and other governmental regulations, construction techniques and standards, material availability and product design and similar circumstances.

2.4 PERFORMANCE STANDARDS

2.4.1 SITE WORK- Area: Workmanship & Materials

a. Site Grading

- (1) Possible Deficiency - Settling of ground around foundation, utility trenches or other areas.
Performance Standard - Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home.

Responsibility - If the Builder has provided final grading: upon request by the Owner, Builder shall fill settled areas affecting proper drainage, one time only, during the first year of the Limited Home Warranty period. Owner shall be responsible for removal and replacement of shrubs or other landscaping affected by placement of such fill; provided the Builder shall replace shrubs, lawn areas and other landscaping originally installed by the Builder.

b. Site Drainage

- (1) Possible Deficiency - Improper drainage of the site.

Performance Standard - The necessary grades, swales and drains shall have been established by the Builder to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales which drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.

Responsibility - The Builder is responsible only for initially establishing the proper grades, swales and drains. The Owner is responsible for maintaining such grades, swales and drains and ensuring the drainage patterns are not impeded by additional Owner installed landscaping, plantings or site improvements.

c. Crawl Space Drainage

- (1) Possible Deficiency - Water in the crawl space

Performance Standard - Crawl space areas shall be sloped or trenched to assure positive directional flow to drain outlet. Water shall not stand or pond for extended periods of time.

Responsibility - Crawl space areas shall be sloped or trenched to assure positive directional flow to drain outlet. Periodic inspections of the crawl area and drain, especially during wet weather conditions need to be made by the Owner.

d. Landscaping and plantings

- (1) Possible Deficiency - Dead or dying trees, plantings or grasses.

Performance Standard - Landscaping materials are not covered under the Limited Home Warranty.

Responsibility - None

2.4.2 CONCRETE - Area: Workmanship & Materials

a. Expansion and Contraction Joints

- (1) Possible Deficiency - Separation or movement of concrete slabs within the structure at expansion and contraction joints.

Performance Standard - Concrete slabs within the structure are designed to move at expansion and contraction joints.

Responsibility - None.

b. Cast-in-Place Concrete

- (1) Possible Deficiency - Basement or foundation wall cracks.

Performance Standard - Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

Responsibility - Builder will repair cracks in excess of 1/8 inch width.

- (2) Possible Deficiency - Cracking of basement floor.

Performance Standard - Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.

Responsibility - Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.

- (3) Possible Deficiency - Cracking of slab in garage, if applicable.

Performance Standard - Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement shall be repaired.

Responsibility - Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.

- (4) Possible Deficiency - Uneven concrete floors/slabs.

Performance Standard - Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or areas of unevenness exceeding 1/4 inch in 32 inches.

Responsibility - Builder will correct or repair to meet the Performance Standard - .

(5) Possible Deficiency - Cracks in concrete slab-on-grade floors with finish flooring.

Performance Standard - Cracks which rupture the finish flooring material shall be repaired.

Responsibility - Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place (See also Performance Standard - 2.4.7, "Finishes").

(6) Possible Deficiency - Pitting, scaling or spalling of concrete work covered by this Limited Home Warranty.

Performance Standard - Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use. It is normal for some minor chipping or loose aggregate to occur on architectural finishes such as "exposed aggregate" or raked textures.

Responsibility - Builder will repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.

(7) Possible Deficiency - Settling, heaving, or separating of stoops, steps or garage floors.

Performance Standard - Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.

Responsibility - Builder will take corrective action to meet the Performance Standard - .

(8) Possible Deficiency - Standing water on stoops.

Performance Standard - Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.

Responsibility - Builder shall take corrective action to assure drainage of steps and stoops.

(9) Possible Deficiency - Concrete column is installed bowed or out of plumb.

Performance Standard - Concrete columns shall not be installed with a bow in excess of 1 inch in 8 feet. They should not be installed out of plumb in excess of 1/4 inch in 12 inches when measured from the base to the top of the column, not to exceed 1 1/2 inches in 8 feet.

Responsibility - The Builder shall repair any deficiencies in excess of the Performance Standard - .

2.4.3 MASONRY - Area: Workmanship & Materials

a. Walls/veneer

(1) Possible Deficiency - Basement or foundation masonry wall cracks.

Performance Standard - Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 3/8 inch in width shall be considered excessive.

Responsibility - Builder will repair cracks in excess of 3/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Home Warranty period.

(2) Possible Deficiency - Cracks in masonry walls or veneer.

Performance Standard - Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.

Responsibility - Builder will repair cracks in excess of Performance Standard - by pointing or patching. These repairs shall be made during the first year of the Limited Home Warranty period. Builder will not be responsible for color variation between old and new mortar.

(3) Performance Standard - Block concrete walls shall not be out of plumb greater than 1 1/2 Inches in 8 feet when measured from the base to the top of the wall.

Responsibility - The Builder shall repair any deficiencies in excess of the Performance Standard - . If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

(4) Possible Deficiency - Masonry or brick veneer course is not straight.

Performance Standard - No point along the bottom of any course shall be more than 1/4 inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2 inches in any length, except that the owner and the Builder may agree to match or otherwise compensate for pre-existing conditions.

Responsibility - The Builder will rebuild the wall as necessary to meet Performance Standard - s.

Discussion - Dimensional variations of the courses depend upon the variations in the brick selected. .

(5) Possible Deficiency - Mortar stain on exterior brick or stone.

Performance Standard - Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.

Responsibility - The Builder will clean the mortar stains to meet the Performance Standard - .

(6) Possible Deficiency - Efflorescence is present on masonry or mortar surface.

Performance Standard - This sometimes occurs on new construction and is a normal condition beyond the Builder's control.

Responsibility - None.

2.4.4 WOOD & PLASTIC - Area: Workmanship & Materials

a. Rough Carpentry

- (1) Possible Deficiency - Floors squeak or subfloor appears loose.

Performance Standard - Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.

Responsibility - Builder will attempt to minimize such conditions one time only if determined it is caused by an underlying construction defect.

- (2) Possible Deficiency - Uneven wood floors.

Performance Standard - Floors shall not have more than 3/8 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.

Responsibility - Builder will correct or repair to meet Performance Standard - .

- (3) Possible Deficiency - Bowed walls.

Performance Standard - All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the wall's finished surface. Walls should not bow more than 1/4 inch out of line within any 32 inch horizontal or vertical measurement.

Responsibility - Builder will repair to meet the Performance Standard - .

- (4) Possible Deficiency - Out-of-plumb walls.

Performance Standard - Walls should not be more than 1/4 inch out of plumb for any 32 inch vertical measurement.

Responsibility - Builder will repair to meet the Performance Standard - .

b. Finish Carpentry (Interior)

- (1) Possible Deficiency - Poor quality of interior trim workmanship.

Performance Standard - Joints in moldings shall not result in open joints exceeding 1/16 inch in width; joints between moldings and adjacent surfaces shall not result in open joints exceeding 1/8 inch in width.

Responsibility - Builder will repair defective joints, as defined. Caulking or putty is acceptable.

c. Finish Carpentry (Exterior)

- (1) Possible Deficiency - Poor quality of exterior trim workmanship.

Performance Standard - Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 1/4 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

Responsibility - Builder will repair open joints, as defined. Caulking is acceptable.

d. Trim

- (1) Possible Deficiency - Gaps show in trim.

Performance Standard - Joints between trim elements, including siding and masonry, shall not result in joints opened wider than 1/4 inch. In all cases the exterior trim shall perform its function of excluding elements.

Corrective Standard: The Builder will repair open joints that do not meet the Performance Standard - . Caulking is acceptable.

- (2) Possible Deficiency - Trim board is split.

Performance Standard - Splits wider than 1/8 inch are unacceptable.

Responsibility - The Builder will repair the splits by filling with permanent filler.

- (3) Possible Deficiency - Trim board is bowed or twisted.

Performance Standard - Bows and twists exceeding 3/8 inch in 8 feet are unacceptable.

Responsibility - The Builder will repair defects that do not meet the Performance Standard - by refastening or replacing deformed boards.

- (4) Possible Deficiency - Trim board is cupped

Performance Standard - Cups exceeding 3/16 inch in 5 1/2 inches are unacceptable.

Responsibility - The Builder will repair defects that do not meet the Performance Standard - by refastening or replacing deformed boards.

- (5) Possible Deficiency - Trim or molding miter edges do not meet.

Performance Standard - Gaps between miter edges in trim and molding shall not exceed 1/8 inch at time of installation.

Responsibility - The Builder will repair gaps that do not meet the Performance Standard - . Caulking or puttying with materials compatible to the finish is acceptable.

e. Stairs

(1) Possible Deficiency - Stair tread deflects too much.

Performance Standard - The maximum vertical deflection if the interior stair tread shall not exceed 1/8 inch at 200 pounds force.

Responsibility - The Builder will repair the stair to meet the Performance Standard - s.

(2) Possible Deficiency - Squeaking stair riser or tread.

Performance Standard - Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers or treads can not be guaranteed.

Responsibility - The Builder will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.

Discussion - Squeaks in risers it treads may occur when a riser has come loose from the tread, and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. Using trim screws to fasten the tread to the riser from above will sometimes reduce squeaking. If there is no ceiling below, glueing or renailing the riser to the tread or shimming will reduce squeaks but the total elimination of squeaks is practically impossible.[The Performance Standard - requires the Builder to make a reasonable attempt to eliminate squeaks without requiring removal of treads or ceiling finishes.]

2.4.5 THERMAL & MOISTURE - Area: Workmanship & Materials

a. Waterproofing

(1) Possible Deficiency - Leaks in basement.

Performance Standard - Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Home Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

Responsibility - Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Owner action or negligence.

(2) Possible Deficiency - Dampness is evident on masonry walls.

Performance Standard - Dampness is caused by moisture coming through from the outside, due to lack of paint and/or sealer.

Responsibility - Builder will repair during the first year. It is the Owner's Responsibility - to make sure that walls are properly sealed at all times.

(3) Possible Deficiency - Dampness is evident on basement wall or floor.

Performance Standard - Dampness caused by wicking through the basement walls or floor and condensation of water vapor on cool walls and floor are not the Responsibility - of the Builder.

Responsibility - None. Dampness prevention is the Responsibility - of the owner.

Discussion - The owner's failure to maintain a proper grade away from the house an contribute to dampness. Condensation also contributes to dampness.

b. Insulation

(1) Possible Deficiency - Insufficient insulation.

Performance Standard - Insulation shall be installed in accordance with applicable energy and building code requirements.

Responsibility - Builder will install insulation in sufficient amounts to meet Performance Standard - .

c. Louvers and Vents

(1) Possible Deficiency - Leaks due to snow or rain driven into the attic through louvers or vents.

Performance Standard - Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure. In extreme weather conditions some rain or snow will sometimes come through these openings.

Responsibility - None.

d. Roofing and Siding

(1) Possible Deficiency - Ice build-up on roof.

Performance Standard - During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

Responsibility - Prevention of ice build-up on the roof is a Owner maintenance item.

(2) Possible Deficiency - Roof or flashing leaks.

Performance Standard - Roof or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice or debris build-up or Owner action or negligence.

Responsibility - Builder will repair any verified roof or flashing leaks not caused by ice or debris build-up or Owner action or negligence.

(3) Possible Deficiency - Standing water on flat roof or deck.

Performance Standard - Water shall drain from flat roof or deck except for minor ponding following rainfall or when the roof or deck is specifically designed for water retention.

Responsibility - Builder will take corrective action to assure proper drainage of roof or deck.

(4) Possible Deficiency - Delamination of veneer siding or joint separation.

Performance Standard - All siding shall be installed according to the manufacturer's and industry's accepted standards. Separations and delaminations in excess of 1/8 inch wide and/or 32 inch in length shall be repaired or replaced. Gaps at siding end joints may occur due to normal expansion and contraction and are not covered.

Responsibility - Builder will repair or replace siding as needed unless caused by Owner's neglect to maintain or protect the siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Owner can expect that the newly painted surface may not match original surface in color.

(5) Possible Deficiency - Siding is bowed.

Performance Standard - Bows exceeding 1/2 inch in 32 inches are unacceptable.

Responsibility - The Builder will repair any wood lap siding with bows that does not meet the Performance Standard - , and finish replacement siding to match the existing siding as closely as practical.

Discussion - If the siding is held by nails into studs, expansion caused by increasing relative humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.

(6) Possible Deficiency - Siding is not installed on a straight line.

Performance Standard - Any piece of lap siding more than 1/2 inch off parallel in 20 feet with contiguous courses is unacceptable, unless the owner and the Builder have previously agreed to disregard the Performance Standard - to match a pre-existing structural condition.

Responsibility - The Builder will reinstall siding to meet the Performance Standard - for straightness, and replace any siding damaged during removal with new siding.

Discussion - For remodeling projects, if the Builder and the owner have agreed that the floor of an addition is to be on a different plane from an existing floor (e.g. out of level), the siding on the addition may not be parallel and in line with the existing siding.

(7) Possible Deficiency - Siding is bowed or wavy.

Performance Standard - Some waviness in lap siding is to be expected because of bows in studs. Thermal expansion waves or distortion in aluminum or vinyl lap siding, sometimes called oil canning, are unacceptable if they exceed 1/4 inch in 16 inches.

Responsibility - The Builder will correct any thermal expansion waves or distortions to comply with the Performance Standard - by reinstalling or replacing siding as necessary.

Discussion - This problem is caused by the siding being nailed too tightly to the house instead of loosely "hung" in the center of the nail slots, or by not allowing adequate room for siding to expand at the ends.

(8) Possible Deficiency - Siding is faded.

Performance Standard - Any color siding, when exposed to the ultra-violet rays of the sun, will fade and this condition cannot be prevented by the Builder. However, panels installed on the same wall shall fade at the same rate.

Responsibility - None.

(9) Possible Deficiency - Aluminum or vinyl lap siding trim is loose from house.

Performance Standard - Trim shall not separate more than 1/4 inch from the house.

Responsibility - The Builder will reinstall trim or caulk separations as necessary to comply with the Performance Standard - .

- (10) Possible Deficiency - Aluminum or vinyl lap siding courses are not parallel with eaves or wall openings.

Performance Standard - s: Any piece of aluminum or vinyl lap siding more than 1/2 inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is unacceptable, unless the owner and the Builder have previously agreed to disregard the Performance Standard - to match a pre-existing structural condition.

Responsibility - The Builder will reinstall siding to comply with the Performance Standard - and replace any siding damaged during removal with new siding.

Discussion - For remodeling projects, if the Builder and the owner agree that the floor of an addition is to be on a different plane from the existing floor (e.g. a pre-existing out of level condition), the siding on the addition may not be parallel and in line with existing siding.

- (11) Possible Deficiency - Aluminum or vinyl lap siding is not cut tight to moldings.

Performance Standard - Gaps between siding and moldings shall not exceed 1/4 inch.

Responsibility - The Builder will correct to meet the Performance Standard - .

- (12) Possible Deficiency - Roofing is blistered but does not admit water.

Performance Standard - s: Surface blistering of roll roofing is caused by unusual condition of heat and humidity acting on the asphalt and cannot be controlled by the Builder.

Responsibility - None

e. Sheet Metal

- (1) Possible Deficiency - Gutters and/or downspouts leak.

Performance Standard - Gutters and downspouts shall not leak but gutters may overflow during heavy rain.

Responsibility - Builder will repair leaks. It is a Owner Responsibility - to keep gutters and downspouts free of leaves and debris which could cause overflow.

- (2) Possible Deficiency - Water standing in gutters.

Performance Standard - When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

Responsibility - Builder will correct to meet Performance Standard - . Failure to remove debris from gutters may result in clogging and water back-up which may affect other material or system applications. The Builder will not cover damage caused by failure to remove debris.

- (3) Possible Deficiency - Floor or deck drains or scuppers back-up/overflow.

Performance Standard - When floor or deck drains or scuppers are unobstructed by ice or debris build-up, surface water under normally anticipated uses or weather conditions shall adequately drain from the floor area. Small amounts of water may stand immediately after a rain. Failure to remove debris from the drainage system may result in clogging and water back-up which may affect other material or system applications and are not covered under the Limited Home Warranty.

Responsibility - Builder will correct to meet Performance Standard - .

f. Sealants

- (1) Possible Deficiency - Leaks in exterior walls due to inadequate caulking.

Performance Standard - Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.

Responsibility - Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Home Warranty period. Even properly installed caulking will shrink and must be maintained during the life of the Home.

g. Decks

- (1) Possible Deficiency - Plywood joints and/or tape joint for waterproofing on the decks is noticeable.

Performance Standard - Protrusions exceeding 1/8 inch are unacceptable.

Responsibility - Builder will correct to meet the standards. Slight color difference after the repair between the old & the new coating is normal and acceptable.

- (2) Possible Deficiency - Dark stripes on the surface of waterproof decking.

Performance Standard - Dark stains may appear over the tape joints due to the texture difference of the tape joints and the rest of the deck.

Responsibility - None-owner is responsible to clean the deck periodically with mixture of soap, bleach and water.

- (3) Possible Deficiency - deck and/or railing is faded.

Performance Standard - any color decking or railing, when exposed to ultra-violet rays from the sun, will fade, and this condition cannot be prevented.

Responsibility - None

2.4.6 DOORS & WINDOWS - Area: Workmanship & Materials

a. Wood and Plastic Doors

(1) Possible Deficiency - Warpage of exterior doors.

Performance Standard - Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).

Responsibility - Builder will adjust or replace and refinish defective doors, during the first year of the Limited Home Warranty period.

(2) Possible Deficiency - Warpage of interior passage and closet doors.

Performance Standard - Interior doors (full openings) should not warp to exceed National Woodwork Manufacturers Association Standards, provided the proper levels of humidity have been maintained in the home.

Responsibility - Builder will adjust or replace and refinish defective doors to match existing doors as nearly as practical. Builder is not responsible for color variation in paint or variation in texture.

(3) Possible Deficiency - Shrinkage of insert panels show raw wood edges.

Performance Standard - Panels will shrink and expand and may expose unpainted surface.

Responsibility - None.

(4) Possible Deficiency - Split in door panel.

Performance Standard - Split panels shall not allow light to be visible through the door.

Responsibility - Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Home Warranty period.

(5) Possible Deficiency - Door edge is not parallel to door jamb.

Performance Standard - Where the Builder installs the door frame and door. The door edge shall be within 3/16 inch of the parallel to the door jamb. Where the Builder installs the door in an existing frame that is out of square, the standard does not apply.

Responsibility - The Builder will adjust the door as necessary to meet the standard.

b. Glass

(1) Possible Deficiency - Broken glass.

Performance Standard - None.

Responsibility - Broken glass not reported to the Builder prior to closing is the Owner's Responsibility - .

(2) Possible Deficiency - Scratches appear on surface of glass and/or mirror.

Performance Standard - Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions.

Responsibility - The Builder shall replace any scratched glass or mirror surface if noted at or before the acceptance of the project.

c. Garage Doors on Detached Garages

(1) Possible Deficiency - Garage doors fail to operate properly, under normal use.

Performance Standard - Garage doors shall operate properly.

Responsibility - Builder will correct or adjust garage doors as required, except where the cause is determined to result from Owner action or negligence.

(2) Possible Deficiency - Garage doors allow entrance of snow or water.

Performance Standard - Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.

Responsibility - Builder will adjust or correct garage doors to meet manufacturer's recommendations.

d. Wood, Plastic and Metal Windows

(1) Possible Deficiency - Malfunction of windows and sliding glass doors.

Performance Standard - Windows and sliding glass doors shall operate with reasonable ease, as designed.

Responsibility - Builder will correct or repair as required.

(2) Possible Deficiency - Condensation and/or frost on windows.

Performance Standard - Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions, created by the Owner.

Responsibility - Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

e. Weatherstripping and Seals

(1) Possible Deficiency - Air infiltration around doors and windows.

Performance Standard - Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weatherstripping shall be adjusted or replaced. It may be necessary for the Owner to have storm doors and windows installed to provide satisfactory solutions in high wind areas.

Responsibility - Builder will adjust or correct poorly fitted doors, windows and poorly fitted weatherstripping.

f. Sliding Doors

(1) Possible Deficiency - Sliding patio door does not roll smoothly.

Performance Standard - The Builder shall repair once during the warranty period.

Responsibility - The Builder shall repair once during the warranty period.

Discussion - Proper operation should be verified by the owner and the Builder at the time the job is accepted.

2.4.7 FINISHES - Area: Workmanship & Materials

a. Lath and Plaster

(1) Possible Deficiency - Cracks in interior wall and ceiling surfaces.

Performance Standard - Hairline cracks are not unusual in interior wall and ceiling surfaces. Cracks greater than 1/8 inch in width shall be repaired.

Responsibility - Builder will repair cracks exceeding 1/8 inch in width as required one time only, during the first year of the Limited Home Warranty period.

b. Gypsum Wallboard

(1) Possible Deficiency - Defects which appear during first year of the Limited Home Warranty such as nail pops, blisters in tape, or other blemishes.

Performance Standard - Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable.

Responsibility - Builder will repair only cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Home Warranty period. "Hair-line" cracks are not considered as a defect.

(2) Possible Deficiency - Texture of gypsum wallboard does not match

Performance Standard - Slight variations in texture are normal and will occur randomly.

Responsibility - None

c. Ceramic Tile

(1) Possible Deficiency - Ceramic tile scratches or cracked tiles.

Performance Standard - If tile scratches or cracked tiles are reported to the Builder prior to closing, Builder will replace noted tiles. Builder will not be responsible for discontinued patterns or color variations in ceramic tile or color variations of grout.

Responsibility - None

(2) Possible Deficiency - Ceramic tile becomes loose.

Performance Standard - Ceramic tile shall not become loose.

Responsibility - Builder will replace or re-secure loose tiles unless the defects were caused by the Owner's action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile.

(3) Possible Deficiency - Cracks appear in grouting of ceramic tile joints or at junctions with other materials such as a bathtub.

Performance Standard - Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.

Responsibility - Builder will repair grouting if necessary one time only, during the first year of the Limited Home Warranty period. Builder will not be responsible for color variations or discontinued colored grout. Regrouting of these cracks is a maintenance Responsibility - of the Owner within the life of the Home.

(4) Possible Deficiency - There is excessive "lippage" of adjoining marble tile, ceramic tile or granite counter.

Performance Standard - "Lippage" greater than 1/16 inch is considered excessive, except where the materials are designed with an irregular height (such as hand-made tile).

Responsibility - Builder will repair to meet the Performance Standard - .

Discussion - Lippage is the vertical distance between two surface types at the point where they meet.

(5) Possible Deficiency - Grout or mortar joint is not a uniform color.

Performance Standard - Any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is unacceptable.

Responsibility - Builder will repair to meet the Performance Standard - .

d. Finished Wood Flooring

(1) Possible Deficiency - Cracks developing between floor boards.

Performance Standard - Cracks in excess of 1/8 inch in width shall be corrected.

Responsibility - Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Home Warranty period by filling or replacing, at Builder's option.

(2) Possible Deficiency - Seams or shrinkage gaps show at resilient sheet flooring joints.

Performance Standard - s: Gaps at joints in resilient sheet flooring shall not exceed 1/16 inch in width. Where dissimilar materials abut, the gap shall not exceed 1/8 inch.

Responsibility - At the Builder's option, the Builder will repair or replace the resilient flooring as necessary to meet the Performance Standard - . The Builder will not be responsible for discontinued patterns or color variations when replacing the floor covering.

e. Resilient Flooring

(1) Possible Deficiency - Nail pops appear on the surface of resilient flooring.

Performance Standard - Readily apparent nail pops shall be repaired.

Responsibility - Builder will correct nail pops which have broken the surface. Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering.

(2) Possible Deficiency - Depressions or ridges appear in the resilient flooring due to subfloor irregularities.

Performance Standard - Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge placed over the depression or ridge with three inches of the straightedge on one side of the defect, held tightly to the floor.

Responsibility - Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or color variations in floor covering.

(3) Possible Deficiency - Resilient flooring loses adhesion.

Performance Standard - Resilient flooring shall not lift, bubble or become unglued.

Responsibility - Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Owner neglect or abuse.

(4) Possible Deficiency - Seams or shrinkage gaps show at resilient flooring joints.

Performance Standard - Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.

Responsibility - Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Owner neglect or abuse.

(5) Possibility Deficiency Cuts, gouges, scratches in flooring materials.

Performance Standard - s If cuts, gouges, scratches or such incidental cosmetic imperfections are reported to the Builder prior to closing, the Builder will repair, replace or refinish affected area/materials. Builder will not be responsible for discontinued patterns or color variations in repaired, replaced or refinished area/materials.

Responsibility - None

(6) Possible Deficiency - Bubbles appear on vinyl flooring.

Performance Standard - Bubbles resulting from trapped air that protrude higher than 1/16 inch from the floor are not acceptable.

Responsibility - The Builder will repair the floor to meet the standard.

Discussion - The Performance Standard - does not apply to perimeter attached vinyl floors.

(7) Possible Deficiency - Patterns on roll vinyl flooring are misaligned.

Performance Standard - Patterns at seams between adjoining pieces shall be aligned to within 1/8 inch.

Responsibility - The Builder will correct the flooring to meet the Performance Standard - .

(8) Possible Deficiency - Corners or patterns of resilient floor tile are misaligned.

Performance Standard - The corners of adjoining resilient floor tiles shall be aligned to within 1/8 inch.

Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.

Responsibility - The Builder will correct the resilient floor tiles with misaligned corners to meet the Performance Standard - .

(9) Possible Deficiency - Yellowing appears on surface of vinyl sheet goods.

Performance Standard - The Builder shall install vinyl flooring per manufacturer's specifications.

Responsibility - Yellowing from a manufacturer's defect is not covered by the Builder.

Discussion - Some chemical compounds such as tar residue from a recently paved asphalt driveway, may cause a chemical reaction with the flooring material and result in permanent damage to the floor. The homeowner should be familiar with the proper use and care of their floors. Defects traced to owner's inappropriate use or care are not the Builder's or manufacturer's Responsibility - .

f. Painting

(1) Possible Deficiency - Exterior paint or stain peels or deteriorates.

Performance Standard - Exterior paints or stains should not fail during the first year of the Limited Home Warranty period. However, fading is normal and the degree is dependent on climatic conditions.

Responsibility - If paint or stain is defective, Builder will properly prepare and refinish affected areas, matching color as closely as possible.

(2) Possible Deficiency - Painting required as corollary repair because of other work.

Performance Standard - Repairs required under the Limited Home Warranty shall be finished to match surrounding areas as closely as practicable.

Responsibility - Builder will finish repair areas as indicated.

(3) Possible Deficiency - Deterioration of varnish or lacquer finishes.

Performance Standard - Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Home Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Home Warranty.

Responsibility - Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.

(4) Possible Deficiency - Mildew or fungus on painted surfaces.

Performance Standard - Mildew or fungus will form on painted surfaces. Cleaning of the surfaces is an Owner maintenance Responsibility - . Frequency for cleaning may vary depending on exposure and environmental conditions in the area.

Responsibility - Mildew or fungus formation is a condition the Builder cannot control and is a Owner maintenance item unless it is a result of noncompliance with other sections of the Performance Standard - .

(5) Possible Deficiency - Siding bleed-through

Performance Standard - Due to grain pattern of cedar boards, some areas of cedar siding are smoother and some are more rough sawn. Paint is applied equally to all areas of siding. Wood furring, knotted areas, tight grain and large gapped grain are painted evenly. Different wood surfaces may cause the illusion that paint is thinner in some areas. The bleed-through due to acid content is more noticeable with colors such as whites, creams, blues, grays and greens. Tans and browns are not as noticeable. Bleed-through is normal and should not be confused as a problem. Builder is not responsible for cedar bleed-through. Unlike interior wood work, exterior siding and trim does not require setting and puttying of nails.

Responsibility - None

(6) Possible Deficiency - Zebra Stripping.

Performance Standard - Over a period of time, cedar siding will shrink. There is no way to control this shrinkage. This may result in an unpainted thin line under each lap. This line is cosmetic but should not exceed 3/16 inch.

Responsibility - Paint or stain lines in excess of 3/16 inch.

(7) Possible Deficiency - Interior paint application and coverage.

Performance Standard - Interior paint should be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified. Latex flat paint is used throughout all homes unless otherwise specified. Flat latex paint is not washable. After sixty (60) days, all paint, especially flat paint, ages and does not touch up perfectly. After a home has been painted and touch up is applied, there is a millage difference which tends to make colors appear different. Cooking, deodorants and household sprays also change color of paint when touched up. This is especially true for flat paint. Enamel is used in all wet rooms. Wet rooms consist of bathrooms, laundry rooms, and powder rooms only. Enamel paint is washable. Like flat latex, enamel paint does not touch up perfectly. It too can have a millage color difference for touch ups.

Responsibility - The Builder shall retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces. Builder is not responsible for perfect touch up match.

(8) Possible Deficiency - Exterior paint or stain has faded.

Performance Standard - Fading of exterior paints and stains is normal and the degree of fading depends on climatic conditions.

Responsibility - None

(9) Possible Deficiency - Brush marks show on interior painted surface.

Performance Standard - Brush marks shall not be readily visible on interior painted surfaces when viewed straight back (90°) from a distance of 6 feet under normal lighting conditions.

Responsibility - The Builder will refinish as necessary to meet the standard and match the surrounding areas as closely as practical.

(10) Possible Deficiency - Lap marks show on interior paint or stain.

Performance Standard - Lap marks shall not be readily visible on interior paint or stain when viewed straight back (90°) from a distance of 6 feet under normal lighting conditions.

Responsibility - The Builder will refinish as necessary to meet the standard and match the surrounding areas as closely as practical.

g. Wall Covering

(1) Possible Deficiency - Peeling of wall covering.

Performance Standard - Peeling of wall covering shall not occur.

Responsibility - Builder will repair or replace defective wall covering applications.

(2) Possible Deficiency - Edge mismatching in pattern of wall covering.

Performance Standard - None.

Responsibility - None.

h. Carpeting

(1) Possible Deficiency - Open carpet seams.

Performance Standard - Carpet seams will show. However, no visible gap is acceptable.

Responsibility - Builder will correct visible gap.

(2) Possible Deficiency - Carpeting becomes loose, seams separate or stretching occurs.

Performance Standard - Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.

Responsibility - Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by Builder.

(3) Possible Deficiency - Spots on carpet, minor fading.

Performance Standard - Exposure to light may cause spots on carpet and/or minor fading.

Responsibility - None.

(4) Possible Deficiency - Soil Filtration.

Performance Standard - Soil Filtration lines are caused by air moving through the carpet, particularly under doors. The carpet fiber acts as an air filter, trapping microscopic particles until they build up enough to be visible.

Responsibility - Appearance of soil filtration lines are not a sign of poor construction, defective carpet or improper carpet installation. The Builder will take no action.

(5) Possible Deficiency - Hard spots in carpet pad.

Performance Standard - Rebond pad is a recycled product. It is normal for the pad to exhibit some hard spots.

Responsibility - None.

(6) Possible Deficiency - Sharp points of the tack strip going through the carpeting.

Performance Standard - Tack strips are used where the carpeting terminates at walls, stair risers, and transitions to another flooring. It is common to have the sharp points of the tack strips to come through the carpet.

Responsibility - Tack strips cannot be eliminated. Precautions are taken so the tack strip is not felt through the carpeting but there is no way to completely eliminate the possibility.

I. Special Coatings

(1) Possible Deficiency - Cracks in exterior stucco wall surfaces.

Performance Standard - Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width shall be repaired.

Responsibility - Builder will repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Home Warranty period.

(2) Possible Deficiency - Color Fading on Stucco EIFS.

Performance Standard - It is normal for colors to fade due to extreme sunlight and weather.

Responsibility - None.

(3) Possible Deficiency - Cracking of caulked joints.

Performance Standard - Under normal weather conditions stucco caulking will expand and contract with the seasons. Integrity of the seal should not breach within one year.

Responsibility - Builder to recaulk, matching colors as closely as practical once within the one year warranty. After the one year warranty caulking is the Responsibility - of the homeowner.

(4) Possible Deficiency - Dents gouges and scrapes

Performance Standard - Although stucco is durable it is not impervious to damage.

Responsibility - No action will be taken unless damage is noted prior to Closing.

(5) Possible Deficiency - Colors of exterior stucco walls do not match.

Performance Standard - The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls.

Responsibility - None.

Discussion - coloring of stucco is unique to field variables and it is impractical to achieve a color match between stucco coatings applied at different times.

(6) Possible Deficiency - Textures of finishes of exterior stucco walls do not match.

Performance Standard - Texture of new exterior stucco walls may not perfectly match the textures of old exterior stucco walls.

Responsibility - None.

Discussion - "Stucco" includes cementitious and similar synthetically based finishes.

J. Hardware

Possible Deficiency - Door hardware or kickplate has tarnished.

Performance Standard - Finishes on door hardware installed by Builder are covered by manufacturer's warranty.

Responsibility - None. Owner to contact manufacturer.

K. Cabinets/Counter Tops

(1) Possible Deficiency - Cabinets do not meet ceiling or walls.

Performance Standard - Gaps in excess of 1/4 inch are unacceptable.

Responsibility - The Builder will repair the gap with caulk, putty or scribe molding, or he will reposition/reinstall cabinet to meet the Performance Standard - .

Discussion - When remodeling in rooms with out of plumb walls or out of level floors and ceilings, "square" cabinets can not be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The Builder should explain the aesthetic options and let the owner decide which one is preferred.

(2) Possible Deficiency - Cabinets do not line up with each other.

Performance Standard - Cabinet faces more than 1/8 inch out of line, and cabinet corners more than 1/16 inch out of line, are unacceptable, unless the owner and the Builder agree to disregard the standard in order to match otherwise compensate for preexisting conditions.

Responsibility - The Builder will make necessary adjustments to meet the Performance Standard - .

Discussion - In rooms with out plumb walls or out of level floors and ceilings, "square" cabinets can not be installed parallel to walls and ceilings and still keep the cabinets on line. For example if the floor is not level and the installer measures up from it. "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet. One corner of the cabinet will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The Builder should explain the aesthetic options and let the owner decide which one is preferred.

(3) Possible Deficiency - Countertop is not level.

Performance Standard - Countertops shall be no more than 3/8 inch in 10 feet out of parallel with the floor. For remodeling projects where the floor is out of level the countertop may be installed proportionately out of level.

Responsibility - The Builder will make necessary adjustments to meet the Performance Standard - .

Discussion - For remodeling projects, countertops are almost always on a plane parallel to the floor and ceiling because the cabinets supporting the top are exactly the same height. Shimming and leveling the tops when the floor is out of level may be aesthetically unacceptable to the owner. Prior to the construction, the Builder should explain the problem and allow the owner to decide between tops that are out of level or not parallel to the floor.

(4) Possible Deficiency - Surface cracks, joint delaminations and chips in high pressure laminates on vanity and kitchen cabinet countertops.

Performance Standard - Countertops fabricated with high pressure laminate coverings shall not delaminate.

Responsibility - Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.

(5) Possible Deficiency - Kitchen cabinet malfunctions.

Performance Standard - Warpage not to exceed 1/4 inch as measured from face frame to point of furthest warpage with door or drawer front in closed position.

2.4.8 SPECIALTIES - Area: Workmanship & Materials

a. Louvers and Vents

(1) Possible Deficiency - Inadequate ventilation of attics and crawl spaces.

Performance Standard - Attic and crawl spaces shall be ventilated as required by the approved building code. The Owner should periodically inspect vents to assure unobstructed air passage.

Responsibility - The Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

(2) Possible Deficiency - Birds, animals or insects in attics or crawl spaces.

Performance Standard - Screened vents provide a barrier for deterring bird, animal or insect access into attics and crawl spaces. Certain species may be of a size or aggressive nature to force access and possibly damage to the vent. Vents and vent screens should be periodically checked for signs of damage or intrusion.

Responsibilities None

b. Fireplaces

(1) Possible Deficiency - Fireplace or chimney does not draw properly.

Performance Standard - A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused obstructions such as large branches of trees too close to the chimney. Some homes may need to have a window opened slightly to create an effective draft, if they have been insulated and weatherproofed to meet high energy conservation criteria.

Responsibility - Builder will determine the cause of malfunction and correct, if the problem is one of design or construction of the fireplace.

(2) Possible Deficiency - Chimney separation from structure to which it is attached.

Performance Standard - Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.

Responsibility - Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.

(3) Possible Deficiency - Firebox paint changed by fire.

Performance Standard - None.

Responsibility - None. Heat from fires will alter finish.

(4) Possible Deficiency - Cracked firebrick and mortar joints.

Performance Standard - None.

Responsibility - None. Heat and flames from "roaring" fires will cause cracking.

(5) Possible Deficiency - Water infiltration into firebox.

Performance Standard - A certain amount of water infiltration can be expected under certain weather conditions.

Responsibility - This item is beyond the Builder's control and not covered under this warranty.

2.4.9 PLUMBING - Area: Workmanship & Materials

a. Water Supply

(1) Possible Deficiency - Plumbing pipes freeze and burst.

Performance Standard - Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures, to prevent freezing.

Responsibility - Builder will correct situations not meeting the code. It is the Owner's Responsibility - to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

(2) Possible Deficiency - Noisy water pipes.

Performance Standard - There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.

Responsibility - Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer".

(3) Possible Deficiency - Water supply system fails to deliver water.

Performance Standard - All on-site service connections to municipal water main and private water supply shall be the Builder's Responsibility - . Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Responsibility - Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, the Builder has no Responsibility - . Builder is not responsible for water quality.

b. Plumbing Fixtures

(1) Possible Deficiency - Faucet or valve leak.

Performance Standard - No valve or faucet shall leak due to defects in workmanship and materials.

Responsibility - Builder will repair or replace the leaking faucet or valve.

(2) Possible Deficiency - Defective plumbing fixtures, appliances or trim fittings.

Performance Standard - Fixtures, appliances or fittings shall comply with their manufacturer's standards.

Responsibility - Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by the manufacturer.

(3) Possible Deficiency - The surface of a porcelain or fiberglass plumbing fixture is cracked or chipped.

Performance Standard - Cracks and chips in surfaces of bathtubs and sinks are unacceptable if viable from 3 feet in normal light.

Responsibility - The Builder will not be responsible for repairs unless the damage is reported to the Builder prior to acceptance of the job. If the problem is a result from improper manufacture, than the manufacturer's warranty will take precedence over the Builder's responsibilities.

c. Septic Tank System

(1) Possible Deficiency - Septic system fails to operate properly.

Performance Standard - Septic system shall function adequately during all seasons, under climatic conditions normal or reasonably anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable Code Requirements.

Responsibility - Builder will repair, or otherwise correct, a malfunctioning or non-operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the Builder or Builders or subcontractors under the Builder's control. Builder will not be responsible for system malfunction or damage which is caused by Owner's negligence, lack of system maintenance, or other causes attributable to actions of the Owner or Owner's contractors, not under the control of the Builder; including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.

d. Piping

(1) Possible Deficiency - Leaking from any piping.

Performance Standard - No leaks of any kind shall exist in any soil, waste, vent or water pipe.

Condensation on piping does not constitute leakage and is not covered.

Responsibility - Builder will make repairs to eliminate leakage.

(2) Possible Deficiency - Stopped up sewers, fixtures and drains.

Performance Standard - Sewers, fixtures and drains shall operate properly.

Responsibility - Builder will not be responsible for the maintenance or clean-out of sewers, fixtures and drains which are clogged through the Owner's negligence. If a problem occurs, the Owner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, the Builder will initiate repairs to the system.

2.4.10 HEATING & COOLING - Area: Workmanship & Materials

a. Heating

(1) Possible Deficiency - Inadequate heating.

Performance Standard - Heating system shall be capable of producing an inside temperature of 70 degrees F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in the ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

Responsibility - Builder will correct heating system to provide the required temperatures. However, the Owner shall be responsible for balancing dampers, registers and other minor adjustments.

b. Refrigeration

(1) Possible Deficiency - Inadequate cooling.

Performance Standard - Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees F, a differential of 15 degrees F from the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

Responsibility - Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

(2) Possible Deficiency - Refrigerant lines leak.

Performance Standard - Refrigerant lines shall not develop leaks during normal operation.

Responsibility - Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by the Owner.

c. Condensation Lines

(1) Possible Deficiency - Condensation lines clog up.

Performance Standard - None.

Responsibility - Condensation lines will clog eventually under normal use. This is a Owner maintenance item. Builder shall provide unobstructed condensation lines at time of first occupancy.

d. Evaporative Cooling

(1) Possible Deficiency - Improper mechanical operation.

Performance Standard - Equipment shall function properly at temperature standard set.

Responsibility - Builder will correct and adjust so that blower and water system operate as designed.

2.4.11 VENTILATION - Area: Workmanship & Materials

a. Air Distribution

(1) Possible Deficiency - Noisy ductwork.

Performance Standard - When metal is heated it expands and when cooled it contracts. The result is "ticking" or "crackling" which is generally to be expected.

Responsibility - None.

(2) Possible Deficiency - Oil canning.

Performance Standard - The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oilcan". The booming noise caused by "Oil canning" is not acceptable.

Responsibility - Builder will correct to eliminate this sound.

(3) Possible Deficiency - Ductwork separates or becomes unattached.

Performance Standard - Ductwork shall remain intact and securely fastened.

(4) Possible Deficiency - Kitchen or bath fans allow cold air infiltration.

Performance Standard - This is a normal condition beyond the Builder's control.

Responsibility - None

Discussion - It is possible for a cold air to leak into the house through a vent fan. By their very nature, vent fans are somewhat open to outside air. It is possible for the damper to be lodged open due to animal activity, including nesting in the outside opening. Cleanup for this condition is an owners maintenance item.

Responsibility - Builder will re-attach and re-secure all separated or unattached ductwork.

2.4.12 ELECTRICAL - Area: Workmanship & Materials

a. Wiring

(1) Possible Deficiency - Failure of wiring to carry its designed load.

Performance Standard - Wiring should be capable of carrying the designed load for normal residential use.

Responsibility - Builder will check wiring for conformity with local, state, or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications.

b. Electrical Conductors, Fuses and Circuit Breakers

(1) Possible Deficiency - Fuses blow or circuit breakers (excluding ground fault interrupters) "kick out."

Performance Standard - Fuses and circuit breakers shall not activate under normal usage.

Responsibility - Builder will check wiring circuits for conformity with local, state, or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.

b. Outlets, Switches and Fixtures

(1) Possible Deficiency - Drafts from electrical outlets.

Performance Standard - Electrical junction boxes on exterior walls may produce air flow whereby the air can be drawn through the outlet into a room. The problem is normal in new home construction.

Responsibility - None.

(2) Possible Deficiency - Malfunction of fixtures.

Performance Standard - All fixtures shall operate as intended.

Responsibility - Builder will repair or replace defective fixtures.

(3) Possible Deficiency - Malfunction of outlets and switches.

Performance Standard - All outlets and switches shall operate as intended.

Responsibility - Builder will repair or replace defective outlets and switches.

(4) Possible Deficiency - Light fixtures tarnishes

Performance Standard - Finishes on light fixture may be covered under manufacture's warranty.

Responsibility - None

c. Service and Distribution

(1) Possible Deficiency - Ground fault interrupter trips frequently.

Performance Standard - Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

Responsibility - Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.

**APPENDIX A
GLENGARRY CONDOMINIUM LIMITED WARRANTY
REQUEST FOR WARRANTY SERVICE**

TO ("Builder"): Glengarry LLC

Owner's Name(s): _____

Owner's Current Address: _____

Owner's Phone: (home) _____ (work) _____

Project Name: GLENGARRY CONDOMINIUM

Address of Home: _____

Effective Date of Limited Warranty: _____

Request for Warranty Service: Under the terms of the Limited Warranty issued in connection with the construction of the above described Home, this Request for Warranty Service is submitted to request correction of certain defects covered by the Limited Warranty.

Permission to Enter: I ☐ will be available to permit entry into my home on _____ between the hours of _____ AM/PM and _____ AM/PM, or ☐ will not be available to permit entry into my home, but give you and contractors permission to enter my home for the purpose of performing Warranty Service on _____ between the hours of _____ AM/PM and _____ AM/PM, but understand that the Builder is not responsible for theft or loss of personal property.

Date Defect First Occurred	Date Defect First Noticed
-------------------------------	------------------------------

Detailed Description of Defect (Use additional sheets, if necessary)

BUILDER MUST RECEIVE WRITTEN NOTICE OF ANY DEFECT IN ITEMS COVERED BY THE LIMITED WARRANTY PROMPTLY AFTER THE DATE ON WHICH OWNER DISCOVERED (OR WITH THE EXERCISE OF REASONABLE CARE WOULD HAVE DISCOVERED) THE DEFECT, BUT IN ANY EVENT NO LATER THAN THE DATE THAT THE LIMITED WARRANTY COVERAGE ON THAT ITEM EXPIRES. FAILURE TO COMPLY WITH THE NOTICE REQUIREMENTS MAY SEVERELY LIMIT THE BUYERS RIGHTS AND REMEDIES.

OWNERS

(Date: _____)

(Date: _____)

**APPENDIX B
GLENGARRY CONDOMINIUM
CONDOMINIUM LIMITED WARRANTY
REQUEST FOR ARBITRATION**

TO ("Builder"): Glengarry LLC

Owner's Name(s): _____

Owner's Current Address: _____

Owner's Phone: (home) _____ (work) _____

Project Name: GLENGARRY CONDOMINIUM

Address of Home: _____

Effective Date of Limited Warranty: _____

Request for Arbitration. Under the terms of the Limited Warranty issued in connection with the construction of the above described Home, this Request for Arbitration is submitted to request that unresolved disputes be settled in accordance with the provisions of the Limited Warranty.

This Request for Arbitration must be accompanied by:

1. A check for one-half of the Arbitrator's fee (contact the Builder for the amount of that fee); and
2. A copy of the original Request for Warranty Service form, clearly indicating which items remain in dispute.

OWNERS

(Date: _____)

(Date: _____)

**GLENGARRY CONDOMINIUM
LIMITED WARRANTY CERTIFICATE**

With respect to work performed or contracted for by the Seller, Seller shall provide to Buyer at closing a Limited Warranty covering the Home (and those portions of the appurtenant Limited Common Elements and general Common Elements specified in the warranty). A copy of the Limited Warranty is attached.

Builder hereby issues to Owner, _____,

a Limited Warranty with respect to the Home described below. The full extent and coverage of this Limited Warranty are fully described in, and shall be governed by the terms and conditions of, the Limited Warranty in effect on the date this Certificate is issued.

1. Home: located in the at _____ and legally described as Unit _____, GLENGARRY CONDOMINIUM, pursuant to the condominium declaration recorded in the County in which the Home is located.
2. Date of Issuance of Certificate: _____
3. Commencement Date of Warranty Period for Home: _____ (date title is transferred or date of first occupancy, whichever first occurs).
4. Original Purchase Price of Home: \$ _____
5. Builder's Address: _____
6. Addendum: Check here [] if Builder has issued an addendum and attached a list of the work, materials, and/or systems not provided or not warranted by Builder and excluded from this Limited Warranty.
7. Amendments: Any modification, alteration or revision to this Certificate, the Limited Warranty, or other Warranty Documents without the express written consent of Builder is ineffective and may void the warranty coverage.
8. Acknowledgment. By closing the purchase of the Home, Owner acknowledges that he/she: has received a copy of, has read, and is bound by all of the terms and conditions of this Certificate, the Limited Warranty and all other Warranty Documents.

NOTICE: THIS IS A LIMITED WARRANTY. NO PERSON OR ENTITY SHALL HAVE ANY LIABILITY WHATSOEVER, BY IMPLICATION OR OTHERWISE, FOR CLAIMS WHICH ARE NOT EXPRESSLY COVERED BY THE WARRANTY DOCUMENT, WHICH BUYER IS URGED TO REVIEW CAREFULLY.

BUILDER (date: _____)

OWNERS (date: _____)

Glengarry LLC

By: _____

Its: _____

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend of increasing activity over time.

4. The fourth part of the document discusses the implications of the findings. It suggests that the results have significant implications for the field of study and may lead to further research in this area.

5. The fifth part of the document concludes the study. It summarizes the main findings and provides a final statement on the importance of the research.

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05/29/2002 09:36 AM Snohomish
P.0009 RECORDED County

WHEN RECORDED, RETURN TO:

JAMES C. MIDDLEBROOKS
ATTORNEY AT LAW
315 NW 201st Place
Shoreline WA 98177
206.533.0805

DOCUMENT TITLE(S):
MASTER DECLARATION

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: NONE

GRANTOR(S):

GRANTEE(S):
GLENGARRY

LEGAL DESCRIPTION (SECTION, TOWNSHIP, RANGE)

SECTION 17, TOWNSHIP 27N, RANGE 5E, W.M.

G Additional legal is on Exhibit A of the document

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

270517-00-3022-00

270517-00-3020-00

XXX Additional legal is on Exhibit A of the document

**MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
GLENGARRY**

SNOHOMISH COUNTY, WASHINGTON

THIS Master Declaration is made this 23 day of May, 2002, by the undersigned, hereinafter referred to as "Declarant".

RECITALS

A. Declarant owns certain real property located within the State of Washington, which property is commonly known as Glengarry and is more particularly described in Exhibit A attached hereto and incorporated herein by reference.

B. Glengarry is a residential development being developed by Declarant in accordance with a plan adopted by Snohomish County, the Glengarry Planned Residential Development # 98-105816.

C. As more particularly shown on the PRD Official Site Plan, Glengarry will consist of approximately 142 detached single family dwelling structures, interior public roads, and utility services. Glengarry will also include permanent open space, native growth protection areas, interior circulation driveways, curbs, gutters and sidewalks, landscaping within non-NGPA open space areas, recreation facilities (including a tot lot and play areas) and other common facilities and areas.

D. Glengarry consists of a single site currently owned by Declarant. Declarant may create a condominium on the site pursuant to the Washington Condominium Act, which condominium would be governed by a condominium owners association, which could also include two or more sub-associations.

E. Glengarry will be developed in multiple phases in accordance with this Master Declaration, and the governmentally approved development plan.

F. For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to lenders and investors to make and purchase loans within the Project, Declarant hereby establishes and declares the following Master Declaration. The Master Declaration is also intended to comply with the requirement of the Hearing Examiner Decision that the Declarant shall establish covenants "guaranteeing maintenance and common fee ownership, if applicable, of open space, community facilities, private roads and drives, and all other commonly owned and operated property."

NOW, THEREFORE, Declarant hereby declares that the Property described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following uniform covenants, conditions, restrictions, reservations, grants of easement, rights, rights-of-way, and equitable servitudes. Any conveyance, transfer, sale, assignment, lease or sublease of an interest in the Project, shall and hereby is deemed to incorporate by reference all provisions of this Master Declaration. The provisions of this Master Declaration shall be enforceable by Declarant, any Owner, any Association, and any first mortgagee of an interest in the Project.

1) INTERPRETATION

- a) **Liberal Construction.** The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project.
- b) **Covenant Running with Land.** It is intended that this Master Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.
- c) **Original Owner.** Declarant is the original Owner of the Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership are filed of record.
- d) **Captions.** 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.
- e) **Definitions.**
 - i) "Association" shall mean an association of owners provided for herein.
 - ii) "Common Area" shall mean all real property (including the improvements thereto) that are for the

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common use and enjoyment of the Property and the Owners thereof and shall include all Common Area described on the PRD Official Site Plan, or in the Hearing Examiner's Decision, or in this Master Declaration, or in amendments thereto.

- iii) **"Declarant"** shall mean the undersigned Declarant (being the sole Owner of the Property) and its successors and assigns if such successors or assigns should acquire an interest in the Property from the Declarant for the purpose of development and by written instrument in recordable form be specifically assigned the rights and duties of Declarant. It is understood that Declarant may assign all or any of Declarant's rights to a successor declarant as to the property conveyed to such successor and retain the Declarant's rights as to the property still owned by Declarant.
 - iv) **"Hearing Examiner's Decision"** shall mean the Snohomish County Hearing Examiner's Decision dated August 15, 2000 under Snohomish County #F 98 105816.
 - v) **"Master Declaration"** shall mean this declaration and any amendments thereto.
 - vi) **"Mortgage"** shall mean a recorded mortgage or deed of trust that creates a lien against a fee ownership interest in the Property and shall also mean a real estate contract for the sale of a Unit.
 - vii) **"Mortgagee"** shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract.
 - viii) **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any interest in the Property, and, except as may be otherwise expressly provided herein, shall, in the case of an interest which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an owner.
 - ix) **"Person"** shall include natural persons, partnerships, corporations, associations and personal representatives.
 - x) **"PRD"** shall mean the Glengarry Planned Residential Development pursuant to Snohomish County File No. 98 105816.
 - xi) **"Property", "Project", or "Premises"** shall mean the real estate contained within the PRD and all improvements and structures thereon, including such additions thereto as may hereafter be brought within the jurisdiction of an Association.
 - xii) **"Unit"** shall mean a physical portion of a condominium designated for separate ownership, the boundaries of which are described pursuant to the Washington Condominium Act.
- f) **Percentage of Owners.** For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each legally separate fee interest in the Property. If a condominium is created within the Project pursuant to the Washington Condominium Act, each condominium unit shall be deemed a separate ownership interest for purposes of this Master Declaration.
- 2) **USE AND MAINTENANCE OF COMMON AREAS.** All land within the PRD and the Owners thereof shall have a joint and mutual right of access to and use of the Common Areas. The Common Areas shall exclude those portions of Common Areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by a governmental entity. The Common Areas within the PRD shall for all purposes be under the joint and mutual control, management and administration of the Owners of the land within the PRD (or the Association or sub-associations which may govern such land). The Owners of such land within the PRD (or the Association or sub-associations which may govern any such land) have the joint and mutual responsibility and obligation to maintain, repair and administer the amenities addressed in Hearing Examiner Decision Section Biv (p.16) and Common Areas within the PRD in a clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations, and the provisions of this Master Declaration, and the Hearing Examiners Decision.
- 3) **NATIVE GROWTH PROTECTION.** The NATIVE GROWTH PROTECTION AREA/EASEMENT is to be left permanently undisturbed in a substantially natural state. No clearing, grading, filling, building construction or placement, or road construction of any kind shall occur, except removal of hazardous trees. The activities set forth in SCC 32.10.110(29)(a), (c) and d) are allowed when approved by the County. Some activities which may be permitted are: (1) Underground utility crossings and drainage discharge swales which utilize the shortest alignment possible and for which no alignment that would avoid such crossing is feasible; (2) Fences, when the critical area

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and its buffer are not detrimentally affected; (3) Removal of hazardous trees by the property owner; and (4) Other uses and development activity as allowed by said code. The right to use and possess the easement area is retained, provided that the use does not interfere with, obstruct or endanger the purpose of said Easement. By acceptance of the Easement for the purposes described, Snohomish County does not accept or assume any liability for acts or omission of the Owner, his or her invitees, licensees or other third persons within the Easement Area. The Owners hold Snohomish County harmless from any claim or damage or injury to any property or person by any person entering the Easement Area not expressly authorized to do so by Snohomish county. This Easement is created, granted and accepted for the benefit of the Project and the general public, but shall not be construed to provide open or common space for Owners within the Project or for members of the public. The Owners shall be responsible for operating, maintaining, repairing and restoring the condition of the NGPA/E if any unauthorized disturbance occurs. The County, its successors and assigns, shall have the right of ingress and egress to and from this easement and across the adjacent property in the Project for the purpose of monitoring and enforcing proper operation and maintenance of the Native Growth Protection Area Easement.

4) **OWNERS' ASSOCIATION**

- a) **Establishment.** In the event the Project is established as a condominium pursuant to the Washington Condominium Act, a condominium owners association ("Association") shall be formed, to which all Condominium Unit Owners will be members; provided, so long as a Project is owned by a single Owner, such Owner may elect not to form an association and as owner directly perform all of the duties and functions that would otherwise be the responsibility of such an association; provided further, sub-associations may also be formed pursuant to the Washington Condominium Act.
- b) **Form of Association.** The Association shall be a nonprofit corporation formed and operated pursuant to Title 24, Revised Code of Washington. The Association shall be governed by the Articles of Incorporation and Bylaws of such Association and any recorded additional declaration of covenants, conditions and restrictions applicable to that Association..
- c) **Responsibility of Association.** With respect to the Common Areas within the Project, the Association shall have the responsibility to perform all of the duties provided for in the Master Declaration, or in the PRD, or otherwise provided by applicable law.
- d) **Membership.**
 - i) **Qualification.** The Owner or Owners of a fee interest in the land within the Project (including Declarant) shall be a member of the Association. Such ownership shall be the sole qualification for membership in the Association.
 - ii) **Transfer of Membership.** The Association membership of each Owner (including Declarant) shall be appurtenant to the interest in the Project giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said interest and then only to the transferee of title to such interest. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an interest in the Project shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.
 - iii) **Condominium Unit Owners.** If a condominium is created within the Project pursuant to the Washington Condominium Act, each condominium unit shall be deemed a separate ownership interest for purposes of this Master Declaration.

5) **COMPLIANCE WITH DECLARATION**

- a) **Compliance of Owner.** Each Owner and each Association shall comply strictly with the provisions of this Master Declaration, the PRD and all other applicable laws, 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 an Association or by the aggrieved Owner on his own against the party (including an Owner or the Association) failing to comply.
- b) **Compliance of Lessee.** Each Owner who shall rent or lease his ownership interest (or any interest therein) shall insure that the lease or rental agreement will be in writing and subject to the terms of this Master Declaration. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.
- c) **Attorneys' Fees.** In any action to enforce the provisions of this Master Declaration, the Association Articles or the Association Bylaws, the prevailing party in such legal action shall be entitled to an award for reasonable attorneys' fees and all costs and expenses reasonably incurred in preparation for or prosecution of said action,

in addition to taxable costs permitted by law.

- d) **No Waiver of Strict Performance.** The failure of an Association or Owner, in any one or more instances to insist upon or enforce the strict performance of any of the terms, covenants, conditions or restrictions of this Master Declaration 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. No waiver of any provision hereof shall be deemed to have been made unless expressed in writing.

- e) **Remedies Cumulative.** The remedies provided are cumulative, and such remedies may be pursued concurrently, as well as any other remedies which may be available under law although not expressed herein.

6) **EASEMENTS.**

- a) **Association Functions.** With respect to the Project, there is hereby reserved to the Declarant, Owners and Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Owners and Association as are set forth in the Master Declaration or PRD.

- b) **Utilities.** An easement is hereby reserved for and granted to all utilities serving this PRD and their respective successors and assigns, under, over, across and through the Project, and all Common Areas at such locations as determined by Declarant in which to install, lay, construct, renew, operate and maintain underground conduits, cables, pipe, and wires with necessary facilities and other equipment for the purpose of serving this PRD and other property with electric, natural gas, water, sanitary sewer, storm sewer, water detention and drainage, telephone, and other utility service together with the right to enter upon the Units and tracts at all times for the purposes herein stated. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage, interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

- c) **Governmental Right of Access.** All governmental and quasi-governmental entities (including without limitation public and private providers of utility services) shall have rights of access, maintenance and inspection for the open space area, any drainage facilities or utility systems contained therein, or other matter under their respective jurisdiction.

- d) **Easements Over Common Areas.** The Declarant, on behalf of the Owners and Associations and all members thereof, shall have authority to grant (in accordance with applicable governmental laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Declarant determines are reasonably necessary to the ongoing development and operation of the Property and improvements thereon.

- e) **Declarant's Development Authority.** The Declarant, for itself and behalf of all Associations and Owners, shall have the right and power (including a power of attorney coupled with an interest) to take all such action and execute all documents [including without limitation the establishment of easements and rights of way, the construction of improvements, the applying for and obtaining of all governmental permits and approvals] as may be reasonably necessary to permit the development of the PRD in accordance with such requirements and conditions as may be approved by Declarant and governmental entities having jurisdiction, and all Associations and Owners covenant not to contest such actions and documents.

- 7) **TERM OF MASTER DECLARATION.** The covenants contained herein shall run with and bind the land for a term of twenty (20) years from the date this Master Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument executed in accordance with Section 8 below shall be recorded, abandoning or terminating this Master Declaration.

8) **DECLARATION/PLAT AMENDMENT.**

- a) **Master Declaration Amendment.** Amendments to the Master Declaration shall be made by an instrument in writing entitled "Amendment to Master Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Master Declaration, any proposed amendment must be approved by a majority of Owners within the PRD.

- b) **Conform to Construction.** Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Unit Owners and Associations with an irrevocable power coupled with an interest, may at any time, until all ownership interests have been sold by Declarant, file an amendment to the Master Declaration and to the PRD to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements and access road easements and N.G.P.E.'s.

- c) **Conform to Lending Institution Guidelines.** So long as Declarant continues to own one or more Units,

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Declarant, on his signature alone, and as an attorney-in-fact for all Owners and Associations with an irrevocable power coupled with an interest, may file such amendments to the Master Declaration and PRD as are necessary to meet the then requirements of Federal National Mortgage Association, Veterans Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions or lenders financing and/or title insuring the purchase of a Unit from the Declarant.

- d) **Permit Development.** So long as Declarant continues to own a fee interest in the Project, Declarant, on his signature alone, and as an attorney-of-fact for all Owners and Associations with an irrevocable power coupled with and interest, may file such amendments to the Master Declaration and PRD as are necessary to exercise the rights and powers provided to the Declarant hereunder.
- 9) **INSURANCE.** Each Owner and Association shall have authority in the exercise of its discretion to obtain and maintain at all times a policy or policies and bonds of: liability insurance and property insurance covering the ownership, use and operation of all the Common Areas (and Common Area improvements), if any, including common personal property and supplies belonging to the Association; fidelity coverage for Association members (including Declarant), officers, employees or agent; and such other insurance as the Owner or Association may deem advisable or as may be required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Veterans Administration or similar agencies or lending institutions.
- 10) **MISCELLANEOUS.**
- a) **Delivery of Notices and Documents.** Any written notice, or other document as required by this Master Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States mail, postage prepaid.
- b) **Successor and Assigns.** This Master Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.
- c) **Joint and Several Liability.** In the case of joint ownership of an interest, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners, set forth in or imposed by this Master Declaration, shall be joint and several.
- d) **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.
- e) **Effective Date.** The Master Declaration shall take effect upon recording.

IN WITNESS WHEREOF, Declarant has executed this Master Declaration the day and year first hereinabove written.

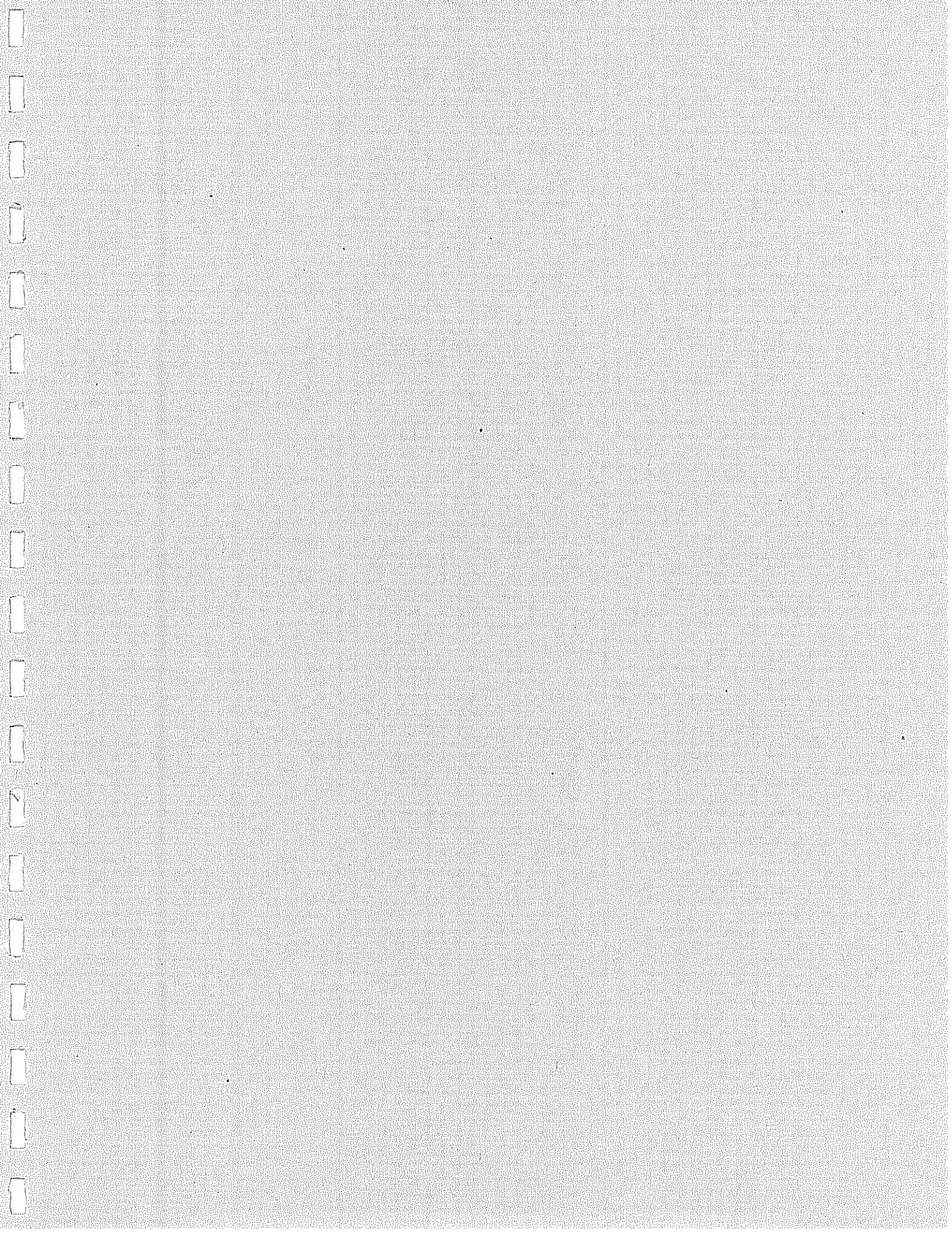
DECLARANT:

Glenagary, LLC

By:

Its:

[Signature]
MANAGING MEMBER



WHEN RECORDED, RETURN TO:

JAMES C. MIDDLEBROOKS
ATTORNEY AT LAW
315 NW 201st Place
Shoreline, Washington, 98177
(206) 533-0805



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SNOHOMISH COUNTY, WASHINGTON

DOCUMENT TITLE(S): DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR GLENGARRY CONDOMINIUM	030803143
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: NONE	
GRANTOR(S): (DECLARANT) GLENGARRY, LLC	
GRANTEE(S): (PROJECT NAME) GLENGARRY CONDOMINIUM	
LEGAL DESCRIPTION (SECTION, TOWNSHIP, RANGE) STR 17.27.5	
<input type="checkbox"/> Additional legal is on Exhibit A of the document	
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER	27051700302000 27051700302200
<input type="checkbox"/> Additional legal is on Exhibit A of the document	

**DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
GLENGARRY CONDOMINIUM**

NOTICE TO RECORDER'S OFFICE

AS REQUIRED BY RCW CHAPTER 64.34, AT THE TIME OF RECORDING OF THIS DECLARATION
INSERT IN SECTION 22.7, THE CROSS-REFERENCE RECORDING DATA OF THE SURVEY MAP
AND PLANS RECORDED IN CONNECTION HEREWITH.

**DECLARATION
AND
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FOR
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**DECLARATION
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Pursuant to the Act defined in Section 1.8.1 and for the purpose of submitting the Property hereinafter described to the provisions of said Act, the undersigned, being sole owner(s), lessee(s) or possessor(s) of said Property, make the following Declaration. 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 Unit in the Condominium created by this Declaration, it is agreed 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 to all of the described Units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Condominium and upon each such Unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Condominium or any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments and regardless of any subsequent forfeitures, foreclosures, or sales of Units under security instruments.

The name of this Condominium is Glengarry Condominium.

**Article 1
INTERPRETATION**

1.1 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 Condominium 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 under which this Declaration is operative, shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

1.2 Consistent with Act. The terms 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.

1.3 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, binding on Declarant, its successors and assigns, all subsequent Owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

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

1.5 Declarant Is Original Owner. Declarant is the original Owner of all Units and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Units are recorded.

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

1.7 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the city of Seattle, Washington for All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1 of the calendar year following the year in which the Declaration was recorded, to adjust for any deflation in the value of the dollar.

1.8 Definitions

1.8.1 "The Act" means the Washington Condominium Act, Laws of 1989, Chapter 43 (RCW Chapter 64.34) as amended.

1.8.2 "Allocated Interests" means those undivided interests in the Common Elements, the Common Expense Liability, and votes in the Association allocated to each Unit more particularly provided for in Article 8 and as shown in Exhibit B.

1.8.3 "Assessment" means all sums chargeable by the Association against a unit including, without limitation: (a) regular and special Assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

1.8.4 "Association" means all of the Owners acting as a group in accordance with the Bylaws and with this Declaration as it is duly recorded and as they may be lawfully amended, which Association is more particularly provided for in Article 9.

1.8.5 "Board" means the board of directors of the Association provided for in Section 10.3.

1.8.6 "Books and Records of the Association" shall be given the broadest possible meaning and shall include, without limitation, exception or qualification, the following:

(a) Declaration, Survey Map and Plans, Articles of Incorporation, Bylaws and other rules and regulations governing the Condominium (or any part thereof), and all amendments thereto;

(b) minute books, including all minutes, of all Owner, Board, Officer, Committee or other meetings relating to the Condominium (or any part thereof), including all reports, documents, communications or written instruments attached thereto or referenced therein);

(c) all financial records, including without limitation canceled checks, bank statements, and financial statements of the Association and source documents from the time of incorporation of the Association through the current date;

(d) all reports, documents, communications or written instruments pertaining to the personal property of the Association or the Condominium (or any part thereof);

(e) all reports, documents, communications, written instruments, plans, and specifications pertaining to the construction, remodeling, maintenance, repair, replacement or condition of the Condominium (or any part thereof);

(f) all Insurance policies or copies thereof for the Condominium (or any part thereof) and Association;

(g) copies of any certificates of occupancy that may have been issued for the Condominium (or any part thereof);

(h) any other permits or notices issued by governmental bodies applicable to the Condominium (or any part thereof) in force or issued;

(i) all written warranties that are still in effect for the Condominium (or any part thereof), or any other areas or facilities which the Association has the responsibility to maintain and repair, from the Declarant, contractor, subcontractors, suppliers, and manufacturers, together with all owners' manuals or instructions furnished with respect to installed equipment or building systems;

(j) a roster of Owners, Officers and Board members and eligible mortgagees and their addresses and telephone numbers, if known;

(k) any leases of the Common Elements or areas and other leases to which the Association is a party; any employment, service, consultation, professional or other contracts in which the Association, Board or Officer is one of the contracting parties, or in which the Association or the Owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge, or which in any way relate to the Condominium (or any part thereof);

(l) all reports, documents, communications or written instruments pertaining to any litigation or other legal or mediation/arbitration proceeding (whether pending, threatened, or under consideration) to which the Association (or Board, Officer or Owner) is or may be a party, or which may relate to or affect the Condominium (or any part thereof); and

(m) all other all reports, documents, communications or written instruments in any way relating to or affecting the Association, Board, Officers, Owners or the Condominium (or any part thereof).

1.8.7 "Bylaws" shall mean the bylaws of the Association provided for in Article 9.

1.8.8 "Common Elements" means all portions of the Condominium other than the Units.

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

1.8.10 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to Article 8.

1.8.11 "Condominium" means the condominium created by this Declaration and related Survey Map and Plans pursuant to the Act.

1.8.12 "Conveyance" means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract and with respect to a Unit in a leasehold condominium, a transfer by lease or assignment thereof, but shall not include a transfer solely for security.

1.8.13 "Declarant" means any person or group of persons acting in concert who (a) executed as Declarant this Declaration, or (b) reserves or succeeds to any Special Declarant Right under the Declaration.

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

1.8.15 "Declaration" means this Declaration and any amendments thereto.

1.8.16 "Development Rights" means any right, if expressly reserved by the Declarant in this Declaration to: (a) add real property or improvements to the Condominium; (b) create Units, Common Elements, or Limited Common Elements within real property included or added to the Condominium; (c) subdivide Units or convert Units into Common Elements; (d) withdraw real property from the Condominium; or (e) reallocate limited common elements with respect to units that have not been conveyed by the Declarant.

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

1.8.18 "Eligible Mortgagee" means a mortgagee of a Unit or the Mortgagee of the Condominium that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

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

1.8.20 "Identifying Number" means the designation of each Unit in a Condominium.

1.8.21 "Interior Surfaces" (where that phrase is used in defining the boundaries of Limited Common Elements) shall not include paint, paneling, and other such finished surface coverings. Said finished coverings, along with fixtures and other tangible personal property located in and used in connection with said Limited Common Element, shall be deemed a part of said Limited Common Element.

1.8.22 "Limited Common Element" means a portion of the Common Elements allocated by this Declaration (or by subsequent amendments thereto) or by operation of law for the exclusive use of one or more but fewer than all of the Units as provided in Article 7.

1.8.23 "Manager" means the person retained by the Board to perform such management and administrative functions and duties with respect to the Condominium as are delegated to such person and as are provided in a written agreement between such person and the Association.

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

1.8.25 "Mortgagee" means the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a Unit created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Unit. A Mortgagee of the Condominium and a Mortgagee of a Unit are included within the definition of Mortgagee.

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

1.8.27 "Mortgagee of the Condominium" means the holder of a Mortgage on the Property which this Declaration affects, which Mortgage was either: recorded prior to the recordation of this Declaration; or was recorded against all Units after the recordation of this Declaration but prior to the recorded conveyance of any Unit. The term "Mortgagee of the Condominium" does not include Mortgagees of the individual Units.

1.8.28 "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entities.

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

1.8.30 "Purchaser" means any person, other than Declarant, who by means of a Disposition acquires a legal or equitable interest in a Unit other than (a) a leasehold interest, including renewal options, of less than twenty years at the

time of creation of the Unit, or (b) as security for an obligation.

1.8.31 "Renting or Leasing" a Unit means the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

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

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

(a) complete improvements indicated on Survey Maps and Plans filed with the Declaration under RCW 64.34.232;

(b) exercise any Development Right under Section 23.2;

(c) maintain sales offices, management offices, signs advertising the Condominium, and models under Section 23.1.2;

(d) use easements through the Common Elements for the purpose of making improvements within the Condominium or within real property which may be added to the Condominium;

(e) make the Condominium part of a larger Condominium or a development under RCW 64.34.280;

(f) make the Condominium subject to a master association under RCW 64.34.276; or

1.8.34 "Survey Map and Plans" means the survey map and the plans recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.

1.8.35 "Unit" means a portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to Article 4.

1.8.36 "Unit Owner" means, subject to Section 1.9.5, a Declarant or other person who owns a Unit, but does not include a person who has an interest in a Unit solely as security for an obligation; or is merely "renting" or "leasing" a Unit as defined in Section 1.8.31. "Unit Owner" means the vendee, not the vendor, of a Unit under a real estate contract.

1.8.37 "Unit Structure" means the improvements located or to be located within a Unit.

1.9 Construction and Validity

1.9.1 All provisions of the Declaration and Bylaws are severable.

1.9.2 The rule against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, rules, or regulations adopted pursuant to RCW 64.34.304(1)(a).

1.9.3 In the event of a conflict between the provisions of the Declaration and the Bylaws, the Declaration prevails except to the extent the Declaration is inconsistent with the Act.

1.9.4 The creation of this Condominium shall not be impaired and title to the Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of the Declaration or Survey Map and Plans or any amendment thereto to comply with the Act.

1.9.5 If the Declaration or Bylaws now or hereafter provide that any officers or directors of the Association must be Unit Owners, then notwithstanding the definition contained in Section 1.8.35, the term "Unit Owner" in such context shall, unless the Declaration or Bylaws otherwise provide, be deemed to include any director, officer, partner in, or trustee of any person, who is, either alone or in conjunction with another person or persons, a Unit Owner. Any officer or director of the Association who would not be eligible to serve as such if he or she were not a director, officer, partner in, or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that person, or if that person would have been disqualified from continuing in such office as a natural person.

Article 2 DESCRIPTION OF REAL PROPERTY

The Real Property included in the Condominium is described in Exhibit A attached hereto.

Article 3 DESCRIPTION OF UNITS

Exhibit B attached hereto sets forth the following:

3.1 Number of Units. The number of Units which Declarant has created and reserves the right to create.

3.2 Unit Number. The Identifying Number of Each Unit created by the Declaration.

3.3 Unit Description. With respect to each existing Unit:

3.3.1 The approximate square footage.

3.3.2 Because the Unit is an envelope of defined space (which may in the future, but not necessarily on the Declaration's recording date, contain a dwelling structure), the Declaration may not include: number of bathrooms, bedrooms and fireplaces within a Unit or the building levels on which the Unit is located.

3.4 Access to Common Ways and Public Streets. Each Unit has direct access to Common Area parking areas and/or driveways, and all such Common Areas have direct access to public streets.

Article 4 BOUNDARIES

4.1 Unit Boundaries. Units shall consist of an envelope of space, the perimeter boundaries of which on the surface of the land as located and depicted on the Survey Map and Plans and which boundaries extend below and above the ground elevation for each Unit as shown on the Survey Map and Plans. A Unit shall include all structures, improvements, and fixtures now or hereafter located within said space.

4.2 Monuments as Boundaries. Any physical boundaries of a Unit constructed in substantial accordance with the original Survey Map and Plans thereof become its boundaries rather than the metes and bounds expressed in the Survey Map and Plans, regardless of settling or lateral movements of the said physical boundaries or minor variances between boundaries shown on the Survey Map and Plans and those of any said physical boundaries. This Section does not relieve a Declarant or any other person of liability for failure to adhere to the Survey Map and Plans.

4.3 Relocation of Boundaries; Adjoining Units

4.3.1 In General. Subject to the provisions of the Declaration and other provisions of law, the boundaries between adjoining Units may only be relocated by an amendment to the Declaration upon application to the Association by the Owners of those Units. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application must state the proposed reallocations. Unless the Board determines within thirty days that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations, is executed by those Unit owners, contains words or conveyance between them, and is recorded in the name of the grantor and the grantee.

4.3.2 Survey Map and Plans. The Association shall obtain and record Survey Maps or Plans complying with the requirements of RCW 64.34.232(4) necessary to show the altered boundaries between adjoining Units and their dimensions and Identifying Numbers:

Article 5

DESCRIPTION OF OTHER IMPROVEMENTS

Exhibit A, attached hereto set forth the following:

5.1 Recreational Facilities. A description of the recreational facilities, if any, included within the Condominiums.

5.2 Parking. The number of covered, uncovered or enclosed parking spaces, if any, including those described in Section 7.1.2.

5.3 Moorage Slips. The number of moorage slips, if any.

Article 6

DESCRIPTION OF COMMON ELEMENTS

Except as otherwise specifically allocated by the provisions of Article 7 or other provisions of this Declaration or amendments hereto, the Common Elements consist of all portions of the Condominium except Units and include the following:

6.1 The Real Property described in Exhibit A, and improvements thereto, which are not part of a Unit.

6.2 Installations of utility services such as: power, light, gas and hot water and in general all apparatus and installations existing for common use; but excluding plumbing, electrical and similar fixtures, which fixtures are located within a Unit for the exclusive use of that Unit.

6.3 The driving areas (not part of a Unit or not allocated as Limited Common Elements by this Declaration or amendments thereto) which provide access to the Limited Common Elements for parking; and any guest parking or other parking areas (not part of a Unit or not allocated to Units as Limited Common Elements by this Declaration or amendments thereto.)

6.4 The yards, gardens, landscaped areas and walkways (not part of a Unit or not assigned as Limited Common Elements by this Declaration or amendments thereto) which surround and provide access to the Units or are used for recreational purposes.

6.5 All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Article 7
DESCRIPTION OF LIMITED COMMON ELEMENTS

7.1 Limited Common Elements. The Limited Common Elements are allocated for the exclusive use of the Owner or Owners of the Unit or Units to which they are allocated and, in addition to any Limited Common Elements provided by law or other provisions of the Declaration or amendments thereto, consist of:

7.1.1 Yard. The yard area, if any, which is adjacent to each Unit as more particularly shown on the Survey Map and Plans, the boundaries of said yard area being defined by the Interior Surfaces of the railings, fence or curb enclosing said yard areas; but if there are no such Interior Surfaces, then the boundaries as delineated on the Survey Map and Plans; but if no such boundaries are so delineated, then the perimeter edge of any yard area as actually constructed by Declarant.

7.1.2 Parking, Etc. Parking space (if any), and driving areas of the kind referred to in Section 5.2 (if any), which may be allocated to a Unit by this Declaration or amendments thereto and which prior to such allocation shall be more particularly shown on the Survey Map and Plans, the boundaries of said parking stall being defined by the Interior Surfaces of the curb and/or striping enclosing said parking space.

7.1.3 Miscellaneous. Such other Limited Common Elements, if any, as may be described in Exhibit A attached hereto or depicted and labeled on the Survey Map and Plans.

7.2 Boundary. Any yard area (which is outside the Unit boundary, but is inside a privacy fence), and any driveway (which is outside the Unit boundary, but is inside the edge of an adjacent curb), shall be deemed to be a Limited Common Element (and not part of the Unit). If there is no fence, curb or other enclosure establishing the boundary of a Limited Common Element, then the boundary shall be as depicted on the Survey Map and Plans.

7.3 Transfer of Limited Common Elements

7.3.1 Renting. After Declarant's initial allocation, a Unit Owner may rent or lease the parking space allocated to that Unit to any other Unit Owner; provided, that the rental or lease term shall automatically expire on the date the lessor/Unit Owner disposes of its interest in the Unit (whether such disposition is by deed, contract, foreclosure or otherwise); and provided further, that the Board shall be notified in writing of the existence of any such rental or lease arrangement.

7.3.2 Reallocation Between Units. Except in the case of a reallocation being made by the Declarant pursuant to a Development Right reserved in this Declaration, a Limited Common Element may only be reallocated between Units with the approval of the Board and by an amendment to the Declaration executed by the Owners of, and approved in writing by the Mortgagees holding Mortgages against, the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this section within thirty days unless the proposed reallocation does not comply with the Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Condominium.

7.4 Common to Limited Common, Etc. Owners of Units to which at least sixty-seven percent of the votes are allocated, including the Owner of the Unit to which the Limited Common Element will be assigned or incorporated, must agree to reallocate a Common Element as a Limited Common Element or to incorporate a Common Element or a Limited Common Element into an existing Unit. Such reallocation or incorporation shall be reflected in an amendment to the Declaration, Survey Map, or Plans. Provided, however, this Section shall not apply with respect to any such reallocation or incorporation made as a result of the exercise of any Development Right reserved by Declarant.

Article 8
ALLOCATED INTERESTS

The Allocated Interests of each Unit (that is, the undivided interest in the Common Elements, the Common Expense

Liability and the votes in the Association allocated to each Unit) are set forth in Exhibit B attached hereto. Any values used to establish the percentages required by the Act do not reflect, necessarily, the amount for which a Unit will be sold, from time to time, by Declarant or others. The Allocated Interest appertaining to each Unit cannot be changed except as provided in this Declaration. The Allocated Interest and the title to the respective Units shall not be separated or separately conveyed and each undivided interest shall be deemed to be conveyed with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the title to the Unit. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an Allocated Interest made without the Unit to which that Interest is allocated is void.

Article 9 OWNER'S ASSOCIATION

9.1 Form of Association. The Association shall be organized as a non-profit corporation under the laws of the State of Washington and shall be known as Glengarry Owners Association.

9.2 Membership

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

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

9.3 Voting

9.3.1 Number of Votes. The total voting power of all Owners shall be equal to the total number of Units, with one vote allocated to each Unit.

9.3.2 Multiple Owners. If only one of the multiple Owners of a Unit is present at a meeting of the Association, the owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

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

9.3.4 Association Owned Units. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

9.3.5 Pledged Votes. If an Owner is in default under a first Mortgage on the Unit for ninety (90) consecutive days

or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Unit Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee 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, if any.

9.4 Meetings, Notices and Quorums

9.4.1 Meetings. A meeting of the Association must be held at least once each year. Special meetings of the Association may be called by the president, a majority of the Board, or by Unit owners having twenty percent of the votes in the Association. Not less than ten nor more than sixty days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer.

9.4.2 Quorums

(a) A quorum is present throughout any meeting of the Association if the owners of Units to which twenty-five percent of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting.

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

9.5 Bylaws of Association

9.5.1 Adoption of Bylaws. Bylaws (and amendments thereto) 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 upon concurrence of those voting Owners holding a majority of the total voting power. Amendments to the Bylaws may be adopted at any regular or special meeting. Declarant may adopt initial Bylaws.

9.5.2 Bylaws Provisions. The Bylaws may contain supplementary, not inconsistent, provisions regarding the operation and administration of the Condominium.

Article 10

MANAGEMENT OF CONDOMINIUM

10.1 Administration of the Condominium. The Unit Owners covenant and agree that the administration of the Condominium shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association which are incorporated herein by reference and made a part hereof.

10.2 Election and Removal of Board and Officers

10.2.1 Election By Owners, In General. The Unit Owners (including Declarant and any Affiliate of Declarant to the extent Units are owned by Declarant or any such Affiliate) shall elect a Board of at least three members, at least a majority of whom must be Unit Owners. The Board shall elect the officers. Such members of the Board and officers shall take office upon election.

10.2.2 Election By Owners, Other Than Declarant. Election By Owners, Other Than Declarant.

(a) The affairs of the Association shall initially be governed by a Board composed of at least one (1) but not more than three (3) members as determined by Declarant.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board may be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent of the members of the Board may be elected by Unit Owners other than the Declarant.

(c) Commencing with the first Association meeting at which the Unit Owners are to elect the entire Board (other than a meeting held when Declarant still owned all of the units), and unless the Bylaws are amended at that meeting, the Board shall be composed of three (3) Members (not including a Board member designated by Declarant), a majority of whom must be Owners of Units in the Condominium; provided, the Declarant (or a representative of Declarant) shall have the right (which may not be terminated by amendment to the Declaration or Bylaws, and which shall continue so long as any Special Declarant Rights or Developments remain in effect or Declarant has any obligation or liability of any express or implied warranty) to serve as a full non-voting member of the Association Board (with all of the rights and powers of a Board member except for the right to vote).

10.2.3 Taking Office; Officers. The Board shall elect the officers of the Association. Such members of the Board and officers shall take office upon election.

10.2.4 Removal. The Unit Owners, by a two-thirds vote of the voting power in the Association present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Board with or without cause.

10.3 Management by Board.

10.3.1 On Behalf of Association. Except as otherwise provided in the Declaration, the Bylaws, Section 10.3.2 or the Act, the Board shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board are required to exercise ordinary and reasonable care.

10.3.2 Not on Behalf of Association. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Section 21.1, to terminate the Condominium pursuant to RCW 64.34.268, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board pursuant to section 10.2; but the Board may fill vacancies in its membership for the unexpired portion of any term.

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

10.4 Authority of the Association

10.4.1 The Association acting by and through the Board, or a Manager appointed by the Board, for the benefit of the Condominium and the Owners, shall enforce the provisions of this Declaration and of the Bylaws and shall have all powers and authority permitted to the Association under the Act and this Declaration, including without limitation:

- (a) Adopt and amend Bylaws, rules, and regulations;

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

(c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;

(d) Subject to the provisions of the Declaration, institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium; provided, that on matters affecting a Unit the Association must obtain the prior written consent of the Owner of the Unit affected;

(e) Make contracts and incur liabilities;

(f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;

(g) Cause additional improvements to be made as a part of the Common Elements;

(h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 10.8;

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

(j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements, and for services provided to Unit Owners;

(k) Impose and collect charges for late payment of assessments and, after notice and an opportunity to be heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in the Declaration or Bylaws or rules and regulations adopted by the Board levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association;

(l) Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration, resale certificates required by RCW 64.34.425 and statements of unpaid Assessments;

(m) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

(n) Assign its right to future income, including the right to receive common expense assessments, but only to the extent the Declaration provides;

(o) Exercise any other powers conferred by the Declaration or Bylaws;

(p) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association;

(q) Exercise any other powers necessary and proper for the governance and operation of the Association;

(r) Maintain and repair any Unit, its appurtenances and appliances, and any Limited Common Elements; if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Element or preserve the appearance and value of the Condominium, and the Owner of said Unit has 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; provided that the Board shall levy a special charge against the Unit of such Owner

for the cost of such maintenance or repair; and

(s) 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 Elements, 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 (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Units responsible to the extent of their responsibility.

10.4.2 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 Association funds a capital addition or improvement (other than for purposes of restoring, repairing or replacing portions of the Common Elements) having a total cost in excess of Five Thousand Dollars (\$5,000), without first obtaining the affirmative vote of a majority of Owners at a meeting called for such purpose, or if no such meeting is held, then the written consent of a majority of Owners; provided that any expenditure or contract for each capital addition or improvement in excess of Twenty-Five Thousand Dollars (\$25,000) must be approved by Owners having not less than sixty-seven percent (67%) of the voting power.

10.4.3 Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all of the Owners or any of them.

10.4.4 The Board and its agents or employees, may enter any Unit or Limited Common Element 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 paid for as a Common Expense if the entry was due to an emergency, or for the purpose of maintenance or repairs to Common or Limited Common Elements where the repairs were undertaken by or under the direction or authority of the Board; provided, if the repairs or maintenance were necessitated by or for the Unit entered or its Owners, or requested by its Owners, the costs thereof shall be specially charged to such Unit. In furtherance of the foregoing, the Board (or its designated agent) shall have the right at all times to possess such keys and/or lock combinations as are necessary to gain immediate access to Units and Limited Common Elements.

10.5 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in Section 10.4.1, but subject to the limitations set forth in this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's pro rata share of said borrowed funds and the obligation to pay said pro rata share shall be a lien against said Unit and the undivided interest in the Common Elements appurtenant to said Unit. Provided, that the Owner of a Unit may remove said Unit and the Allocated Interest in the Common Elements appurtenant to such Unit from the lien of such assessment by payment of the Allocated Interest in Common Expense Liability attributable to such Unit. Subsequent to any such payment, discharge, or satisfaction, the Unit and the Allocated Interest in the Common Elements appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce his rights against any Unit and the Allocated Interest in the Common Elements appurtenant thereto not so paid, satisfied, or discharged.

10.6 Association Records and Funds

10.6.1 Records and Audits. The Association shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425 in providing resale certificates. All Books and Records of the Association (as defined in Section 1.8) shall be made reasonably available (at all reasonable hours of weekdays or under other reasonable circumstances) for examination and copying by Declarant, and any Owner, Mortgagee, insurer and guarantor of any Mortgage on any Unit, or their agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. If this Condominium consists of fifty or more Units, the financial statements of the Condominium shall be audited at least annually by a certified public accountant. If this Condominium consists of fewer than fifty Units, an annual audit is also required but may be waived annually by Owners (other than the Declarant) of Units to which sixty percent of the votes are allocated,

excluding the votes allocated to Units owned by the Declarant.

10.6.2 Fund Commingling. The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other Association, nor with the funds of any Manager of the Association or any other person responsible for the custody of such funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two persons who are officers or directors of the Association.

10.7 Association as Trustee. With respect to a third person dealing with the Association in the Association's capacity as a trustee, the existence of trust powers and their proper exercise by the Association may be assumed without inquiry. A third person is not bound to inquire whether the Association has power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the Association is exceeding or improperly exercising its powers, is fully protected in dealing with the Association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the Association in its capacity as trustee.

10.8 Common Elements; Conveyance; Encumbrance.

10.8.1 In General. Portions of the Common Elements which are not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association if the Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated, including eighty percent (80%) of the votes allocated to Units not owned by Declarant or an Affiliate of Declarant, agree to that action; but all the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Proceeds of the sale or financing are an asset of the Association.

10.8.2 Agreement. An agreement to convey Common Elements or subject them to a security interest must be evidenced by the execution of an agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Unit Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in every county in which a portion of the Condominium is situated and is effective only upon recording.

10.8.3 Conditions Precedent. The Association, on behalf of the Unit Owners, may contract to convey Common Elements or subject them to a security interest, but the contract is not enforceable against the Association until approved pursuant to Sections 10.8.1 and 10.8.2. Thereafter, the Association has all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

10.8.4 Void Transactions. Any purported conveyance, encumbrance, or other voluntary transfer of Common Elements, unless made pursuant to this Section, is void.

10.8.5 Support Right. A conveyance or encumbrance of Common Elements pursuant to this section shall not deprive any Unit of its rights of access and support.

10.8.6 Prior Encumbrances. A conveyance or encumbrance of Common Elements pursuant to this section shall not affect the priority or validity of preexisting encumbrances either on Units (and their Allocated Interest in Common Elements) or on Common Elements.

10.9 Termination of Contracts and Leases. If entered into before the Board elected by the Unit Owners pursuant to Section 10.2.2 takes office, (1) any management contract, employment contract, or lease or recreational or parking areas or facilities, (2) any other contract or lease between the Association and a Declarant or an Affiliate of a Declaration, or (3) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing may be terminated without penalty by the Association at any time after the Board elected by the Unit Owners pursuant to Section 10.2.2 takes office upon not less than ninety days' notice to the other party or within such lesser notice period provided for without penalty in the contract or lease. This Section does not

apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the real property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section.

10.10 Governmentally Required Maintenance, etc. Any insurance, maintenance, repair, replacement, alteration or other work, or the monitoring of such work, which is required by any governmental entity (including without limitation, federal, state or local government, public or private utility provider, local improvement district, or other governmental or quasi-governmental entity or agency), and regardless of whether such requirement is now or hereafter established, and whether imposed in connection with a building permit or other governmental approval or requirement, and whether involving land within public rights of way or subject to ownership or exclusive use of one owner, shall be the sole and exclusive responsibility of the Association (not the Declarant) and any cost incurred in connection therewith shall be a Common Expense. In furtherance of the generality of the foregoing, and not by way of limitation, such work shall include: maintenance of any grass-lined swales and proper disposal of clippings; maintenance of wetland plantings; replacement of wetland and landscape plantings that die during any required maintenance period; maintenance of public and private storm sewer and retention systems. Declarant shall have the right, but not the obligation, to perform any such work if the Association fails to do so. The Association shall promptly upon demand reimburse Declarant for any costs directly or indirectly incurred by declarant as a result of the Declarant performing, or the Association's failure to perform, such work (including any work necessary to obtain a release, or avoid a forfeiture, of any cash deposit or other bond made by Declarant.

10.11 Maintenance, Repair, Inspection and Warranty Procedure. The Association shall defend, indemnify and hold Declarant harmless from any expense or claim arising from or relating to any Association's failure to promptly and properly maintain, repair or inspect the Condominium (or any part thereof), or the Association's failure to promptly and properly make a claim (or comply with dispute resolution procedures) under any warranty obtained or issued by Declarant. Declarant shall not be liable under any express or implied warranty (including without limitation the Washington Condominium Act implied warranties) for loss or damage which the Association or Owners have not taken timely action to minimize, or which is caused or made worse by a failure to properly and promptly maintain, repair, or inspect (including without limitation failure to fully comply with any inspection, monitoring, maintenance or repair checklist, manual or recommendation provided by Declarant (or a contractor, subcontractor or manufacturer) to the Association or Owners.

10.12 Association Litigation.

10.12.1 The term "Legal Proceedings" as used herein shall include litigation, administrative, mediation, arbitration or other proceedings in the name of the Association on behalf of itself or two or more Unit Owners on matters affecting the Condominium.

10.12.2 The provisions of this Section 10.12 shall not apply to Legal Proceedings, as a result of which the Association could not be held responsible for costs of suit (including fees for attorneys, experts, witnesses, investigations and other costs of suit) in a aggregate amount of not more than \$5,000 (including without limitation fees contingent on a result), and which involve:

- (a) collection of delinquent regular or special Assessments, the enforcement of any Assessment lien, and interest and penalties in connection therewith;
- (b) collection of monies owed to the Association, or recovery of damages caused to the Association or Condominium (or any part thereof), when the principal amount to be recovered involves less than \$25,000;
- (c) enforcement of the provisions of the Declaration, Articles, Bylaws or rules and regulations of the Association;
- (d) defense of a claim against the Association, when the principal amount to be recovered involves less than \$25,000; or

(e) the filing of a complaint, answer or other pleading for the limited purpose satisfying a statute of limitation deadline, avoiding entry of a default order or judgement, or preventing personal injury or serious harm to the Condominium (if such purpose is certified in good faith by the Association's attorney), but except for this limited purpose the other conditions of Section 10.12 must be satisfied.

10.12.3 In order for the Association (or the Board acting on behalf of the Association) to institute, defend, or intervene in Legal Proceedings, and in order for the Association to become obligated in the aggregate sum in excess of \$5,000, to professionals, consultants or other experts in connection with Legal Proceedings, the following conditions must first be satisfied:

(a) the Board has received a detailed written summary ("Litigation Summary") concerning the substance of the proceeding, including: (i) agreements with lawyers, experts and consultants; issues involved; (ii) legal and factual basis of anticipated allegations on behalf of and against the Association; (iii) remedies to be sought on behalf of and against the Association; (iv) estimated amount to be sought on behalf of (and that could be sought from) the Association; (v) Association's estimated costs of suit (including fees for attorneys, experts, witnesses, investigations and other costs of suit) and any third-party costs of suit that the Association would pay if the Association does not prevail; (vi) reports and recommendations by any professionals or consultants retained by the Association (and by any opposing party, if available); (vii) any written demands or settlements offers made by an opposing party (the Board shall request that an opposing party make such demand and settlement offer); and (viii) any negative consequences that the Association, Condominium or Owners could suffer during such proceedings including required disclosures to prospective purchasers, impediments to Unit refinancing, or diminishment of Unit value.

(b) if the proceeding will involve a claim against the Declarant (or Declarant's contractor, subcontractors, vendors, suppliers or other professionals) concerning construction defects or other condition of the Condominium, the Litigation Summary will also include: a description of the construction defects or other condition (which shall also have been transmitted to the Declarant); and any written response from the Declarant concerning such defects (including any offer to settle by performing remedial work, payment of cash or a combination of both).

(c) A copy of the Litigation Summary shall be transmitted to all Owners, together with a written notice of the Owner's right of access to the Books and Records of the Association as provided in Section 10.6.1, and a written notice of a special Owners' meeting to be convened as provided in this Declaration, at which meeting the Declarant (and its representatives shall be entitled to attend and participate in on a non-voting basis).

(d) The Owners holding eighty percent (80%) of the total Association voting power must grant approval for the Association (or the Board acting on behalf of the Association) to institute, defend, or intervene in legal proceedings; provided, that under no circumstances may legal proceedings be commenced against Declarant (or Declarant's contractor, subcontractors, vendors, suppliers or other professionals) with respect to any alleged construction defect or other condition which Declarant has agreed in writing to remedy and is proceeding with reasonable due diligence to do so.

Article 11

USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY

11.1 Residential Units. The Units shall be used: for Residential Purposes only, including sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests and similar activities commonly conducted within a residential dwelling, without regard to whether the Unit Owner or occupant resides in the Unit as a primary or secondary personal residence, on an ownership, rental, lease or invitee basis; for such other reasonable ancillary purposes commonly associated with residential dwellings and otherwise in compliance with the Declaration and applicable law in residential dwellings; for the common social, recreational or other reasonable uses normally incident to such purposes; and for purposes of operating the Association and managing the Condominium.

11.2 Vehicle Parking Restrictions. Common Element and Limited Common Element parking spaces (other than fully enclosed garages) are restricted to use for parking of operable passenger motor vehicles such as automobiles, light trucks and passenger vans and other personal property may be parked or kept therein only subject to the provisions of

this section, Article 7 of the Declaration, and the rules and regulations of the Board. Boats, motor homes, trailers, campers or other recreational vehicles may not be stored in parking spaces or other limited common areas. The Board may require removal of any vehicle (and any other personal property) improperly stored in parking spaces. If the same is not removed, the Board shall cause removal at the risk and expense of the Owner thereof. Except as permitted by rules or regulation of the Board, personal property (other than an operable motor vehicle) may not be stored in a parking space (regardless of whether such space is a Limited Common Element or part of a Unit), or such parking space be used for a purpose other than parking, to an extent that would prevent the parking therein of any motor vehicle regularly used by a person occupying a Unit for more than seven (7) days in any calendar month.

11.3 Common Drive and Walks. Common drives, walks, corridors, stairways and other general Common Elements shall be used exclusively for normal transit and no obstructions and/or decorations or other items shall be placed thereon or therein except by express written consent of the Board.

11.4 Unit Maintenance. Subject to the provisions of Section 11.5:

11.4.1 Standard of Condition. Each Unit Owner shall, at his sole expense, have the right and the duty to keep the interior and exterior of his Unit and its structures, improvements, equipment, appliances, and appurtenances in good order, condition and repair. Each Owner shall be responsible for the construction, alteration, maintenance, repair or replacement of any structures, improvements, plumbing fixtures, water heaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected with his Unit.

11.4.2 Additional Rights and Duties. Without limiting the generality of the foregoing, each Owner shall have the right, at his sole cost and expense, to construct, alter, maintain, repair, paint, paper, panel, plaster, tile, and finish; the windows; window frames; doors; door frames and trim; and the ceilings, floors, and the perimeter walls and the bearing and non-bearing walls of any structures located within his Unit; and shall not permit or commit waste of his Unit or the Common Elements. Each Owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls. This Section shall not be construed as permitting any violation of any other provision of this Declaration or any interference with or damage to, or interference with the use and enjoyment of the Common Elements or of the other Units or any of them, nor shall it be construed to limit the powers or obligations of the Association or Board hereunder.

11.5 Alterations of Units. Subject to the provisions of Section 11.4 a Unit Owner:

11.5.1 Non-Structural. May make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any other Units or any portion of the Condominium;

11.5.2 Common Element. May not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association;

11.6 Limited Common Element Maintenance. Limited Common Elements, as defined in Article 7, are for the sole and exclusive use of the Units for which they are reserved or assigned; provided, that the use, condition and appearance thereof and of Units may be regulated under provisions of the Bylaws, rules or this Declaration including the following:

11.6.1 Decisions by Board. Decisions with respect to the standard of appearance and condition of Units and Limited Common Elements, and with respect to the necessity for, and manner of, caring for, maintaining, repairing, repainting or redecorating Units and Limited Common Elements ("Maintenance Work" herein), shall be made by the Board;

11.6.2 Performance of Work. Performance of such Maintenance Work shall be carried out by the Owner;

11.6.3 Board Approval. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective Units and Limited Common Elements without prior written approval of the Board;

11.6.4 Owner Pays Cost. Unit Owners will be responsible for the cost of such Maintenance Work for the Units and Limited Common Elements reserved for or assigned to their Units;

11.6.5 Multiple Owners. With respect to a Limited Common Element reserved for or assigned to more than one Unit for the mutual and joint use thereof, the cost of such Maintenance Work for such Limited Common Element shall be divided in equal shares among the Units for which such Limited Common Element is reserved;

11.7 Exterior Appearance. In order to preserve a uniform exterior appearance to the Unit, and the Common and Limited Common Elements visible to the public, the Board shall require and provide for the painting and other decorative finish of the Unit, lanais or patio/yard areas, or other Common or Limited Common Elements, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the Unit, lanais, patio/yard areas or other Common or Limited Common Elements undertaken or proposed by any Owner. This power of the Board extends to screens, doors, awnings, rails or other visible portions of each Unit. The Board may also require use of a uniform color and kind of Unit window covering (including draperies, blinds, shades, etc.) visible from the exterior or from Common Elements.

11.8 Effect on Insurance. Nothing shall be done or kept in any Unit or in the Common or Limited Common Element which will increase the rate of insurance on the Common Elements or Units without the prior written consent of the Board. No Owner and/or Purchaser shall permit anything to be done or kept in his Unit or in the Common or Limited Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common or Limited Common Elements, or which would be in violation of any laws.

11.9 Signs. No sign of any kind shall be displayed to the public view on or from any Unit or Common or Limited Common Element without the prior consent of the Board; provided, that the Board shall, by and subject to appropriate rule, permit temporary placement of a sign, at a space designated by the Board, indicating that a Unit is for sale or lease; and provided, that this section shall not apply to Declarant or Declarant's agents in exercising any Special Declarant Right reserved by Declarant under this Declaration.

11.10 Pets. Domestic household pets, such as dogs and cats, may be kept by Unit Owners; provided, that the keeping of pets shall be subject to such reasonable rules and regulations as the Board may from time to time adopt. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds disturbing other Unit Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. Animals which are generally perceived as being dangerous (such as pitbull dogs) are prohibited.

Pets will not be allowed on any Common Elements (or Limited Common Elements allocated for the use of more than one Unit) unless they are on a leash or being carried and are being walked to or from the Unit to a public walk or street. At all times the Common Elements shall be free of any pet debris, including food and feces matter. At no time is pet feces to be deposited in garbage. No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Condominium, nor may any animal be bred or used therein for any commercial purpose. Any outside facility for pets must be kept clean on a daily basis and no waste products or food be left in either the facility or on the Property.

11.11 Offensive Activity. No noxious or offensive activity shall be carried on in any Unit or Common or Limited Common Element, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners.

All occupants shall avoid making noises, and using musical instruments, radios, and amplifiers in such manner as may disturb other occupants. Owner shall also control their pets so that they do not disturb other occupants.

No garments, rugs or other objects shall be hung from the windows or facades, lanais of the project or otherwise displayed in public view. No rugs or other objects shall be dusted or shaken from the windows, lanais or doors of any Unit or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the project.

No refuse, garbage or trash of any kind shall be thrown, placed or kept on any Common Element of the project outside of the disposal facilities provided for such purposes.

Every Unit Owner and occupant shall at all times keep his Unit in a strictly clean and sanitary condition, free of rodents and pests, and observe and perform all laws, ordinances, rules and regulations, including kennel laws and animal control laws.

11.12 Common Element Alterations. Nothing shall be altered or constructed in, or (except for an Owner's personal property) removed from, the Common Element except upon the written consent of the Board and after procedures required herein or by law.

11.13 House Rules. The Board or the Association membership is empowered to pass, amend and revoke detailed, reasonable administrative rules and regulations, or "House Rules," necessary or convenient from time to time to insure compliance with the general guidelines of this Article. Such House Rules shall be binding on all Unit Owners, lessees, guests and invitees upon adoption by the Board or Association.

11.14 Rental Units. The Leasing or Renting of a Unit by its Owner shall be governed by the provisions of this Section 11.14:

11.14.1 No Transient Purposes. With the exception of a lender in possession of a Unit following a default in a Mortgage, a Foreclosure proceeding or any deed or other arrangement in lieu of a Foreclosure, no Unit Owner shall be permitted to Lease his Unit for hotel or transient purposes which shall be defined as Renting for any period less than thirty (30) days.

11.14.2 Entire Unit. No Unit Owner may Lease less than the entire Unit.

11.14.3 Written Leases. All Leasing or Rental agreements shall be in writing and be subject to this Declaration and Bylaws (with a default by the tenant in complying with this Declaration and/or Bylaws constituting a default under the Lease or Rental agreement).

11.14.4 Rent to Association. If a Unit 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 Unit as is required to pay any amounts due the Association hereunder, plus interest and costs if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner or purchaser and the Unit under this Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner; nor in derogation of any rights which a Mortgagee of such Unit may have with respect to such rents. Other than as stated in this Section 11.14, there is no restriction on the right of any Unit Owner to Lease or otherwise Rent his Unit.

11.15 Maintenance of View. Trees and vegetation planted in the Common Elements shall be pruned by the Association in a manner to preserve as much view as possible from each of the Units.

11.16 Timesharing. Timesharing, as defined in the Washington Timeshare Act, is prohibited.

11.17 Fences. Fences along the private yard of a dwelling shall be maintained by, and at the expense of, the dwelling owner in accordance with the rules and regulations of the Board. All other fences shall be maintained by the Association.

11.18 Fireplaces. All fireplaces within a dwelling structure must comply with the most stringent of the Federal, State or local laws in effect at the time the fireplace is installed.

Article 12
COMMON EXPENSES AND ASSESSMENTS

12.1 Estimated Expenses. Within sixty (60) days prior to the beginning of each calendar year, or such other fiscal year as the Board may adopt, the Board: shall estimate the charges including Common Expenses, and any special charges for particular Units to be paid during such year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as for maintenance, repair, replacement and acquisition of Common Elements; and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular monthly Assessments a reserve fund for replacement of those Common Elements which can reasonably be expected to require replacement or a major repair prior to the end of the useful life of the Buildings. The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace, or perform such major repair, to each Common Element covered by the fund at the end of the estimated useful life of each such Common Element. The initial Board, whether appointed by Declarant or elected by Unit Owners, may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including non-payment for any reason of any Owner's Assessment), the Board may at any time levy a further Assessment, which shall be assessed to the Owners according to Section 12.4. Similarly, if the sum estimated and budgeted, and being collected and/or already collected, at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in excess of current needs and required reserves) against future Assessments and/or refund such excess funds.

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

12.3 Commencement of Assessments. The Declarant in the exercise of its reasonable discretion shall determine when the Association shall commence making Assessments; provided, that in all events Assessments shall commence on a date within 60 days the date on which seventy-five percent (75%) of the Units which may be created have been conveyed to Owners (other than Declarant or an Affiliate of Declarant). Until the Association makes an Assessment, the Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Units, based on a budget adopted by the Association; provided, until a date within 60 days after the date on which seventy-five percent (75%) of the Units which may be created have been conveyed to Owners (other than Declarant or an Affiliate of Declarant):

- (a) the Board (whether appointed by Declarant or elected by Unit Owners) may elect not to collect monthly assessments calculated as provided in Section 12.1 and instead elect to collect and expend monthly assessments based on the actual costs of maintaining, repairing, operating and insuring the Common Areas; or
- (b) the Declarant may elect to pay all of certain of such actual costs and have Unit Owners pay a pro-rata share (based on each Unit's Allocated Interest) of the remainder of such costs.

12.4 Allocated Liability. Except for Assessments under Sections 12.5, 12.6, 12.7 and 12.8, all Common Expenses must be assessed against all the Units in accordance with the allocations set forth in Exhibit C. Any past due Common Expense Assessment or installment thereof bears interest at the rate established by the Association pursuant to Section 12.12.11.

12.5 Limited Common Element. Any Common Expense associated with the operation, maintenance, repair, or replacement of a Limited Common Element shall be paid by the Owner of or assessed against the Units to which that Limited Common Element is assigned, equally.

12.6 Only Some Units Benefitted. The Board may elect that any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefitted.

12.7 Insurance Costs. The Board may elect that the costs of insurance must be assessed in proportion to risk.

12.8 Utility Costs. The Board may elect that the costs of utilities must be assessed in proportion to usage.

12.9 Assessments for Judgment. Assessments to pay a judgment against the Association pursuant to RCW 64.34.368(1) may be made only against the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Common Expense Liabilities at the time the judgment was entered.

12.10 Owner Misconduct. To the extent that any Common Expense is caused by the misconduct of any Unit Owner, the Association shall assess that expense against the Owner's Unit.

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

12.12 Lien For Assessments

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

12.12.2 Priority. A lien under Section 12.12 shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of the Declaration; (b) a Mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the Unit.

12.12.3 Mortgage Priority. Except as provided in Sections 12.12.4 and 12.12.5, the lien shall also be prior to the Mortgages described in Section 12.12.2(b) to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant to Section 12.1, which would have become due during the six months immediately preceding the date of the sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee, the date of a trustee's sale in a non-judicial foreclosure by a Mortgagee, or the date of recording of the Declaration of forfeiture in a proceeding by the vendor under a real estate contract.

12.12.4 Mortgagee Notice. The priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that the lien priority under Section 12.12.3 includes delinquencies which relate to a period after such holder becomes an Eligible Mortgagee or has given such request for notice and before the Association gives the holder a written notice of the delinquency. This Section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association.

12.12.5 Recording as Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessment under this section shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of any county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to in Section 12.12.3.

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

12.12.7 Foreclosure. The lien arising under Section 12.12 may be enforced judicially by the Association or its authorized representative in the manner set forth in chapter 61.12 RCW. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the

same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Section shall prohibit an Association from taking a deed in lieu of foreclosure.

12.12.8 Receiver. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this section, and a receiver shall not be appointed less than ninety days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

12.12.9 Mortgagee Liability. Except as provided in Section 12.12.3, the holder of a Mortgage or other Purchaser of a Unit who obtains the right of possession of the Unit through foreclosure shall not be liable for Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Unit Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale as provided in this Section.

12.12.10 Lien Survives Sale. The lien arising under Section 12.12 shall not be affected by the sale or transfer of the subject Unit except in the event of sale through foreclosure, as provided in Section 12.12.9.

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

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

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

12.16 Assessment Certificate. The Association, upon written request, shall furnish to a Unit Owner or a Mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Unit. The statement shall be furnished within fifteen days after receipt of the request and is binding on the Association, the Board, and every Unit Owner, unless and to the extent known by the recipient to be false.

12.17 Acceleration of Assessments. In the event any monthly Assessment or special charge attributable to a particular Unit remains delinquent for more than sixty (60) days, the Board may, upon fifteen (15) days' written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly Assessments and special charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.

12.18 Delinquent Assessment Deposit; Working Capital

12.18.1 Delinquent Assessment Deposit.

(a) A Unit Owner may be required by the Board or by the Manager, from time to time, to make and maintain a deposit not less than one (1) month nor in excess of three (3) months estimated monthly Assessment and charges, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent Assessments.

(b) 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 and charges. Said deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon said deposit as a result of a Unit Owner's delinquency in payment of any Assessments, said Owner shall continue to be responsible for the immediate and full payment of said delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of said deposit, and the Board shall continue to have all of the rights and remedies for enforcing such Assessment payment and deposit restoration as provided by this Declaration and by law.

(c) Upon the sale of a Unit, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, and the Unit Purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the Purchaser appropriate compensation therefor.

12.18.2 Working Capital Contribution. The first Purchaser of any Unit shall pay to the Association, in addition to other amounts due, an amount equal to two (2) months of monthly Assessments as a contribution to the Association's working capital. Such working capital contributions shall not be used to defray Declarant's expenses in completing the construction of the Condominium, to pay Declarant's contributions to Association reserves or to make up any deficits in the budget of the Association. Upon the election of the first Board by Unit Owners other than Declarant, Declarant shall pay to the Association as a working capital contribution an amount equal to two (2) months of monthly Assessments for each of the Units then owned by Declarant. When a Unit owned by Declarant is sold, Declarant may apply funds collected at closing from the Purchaser to reimburse itself for funds paid to the Association for such contribution with respect to that Unit.

Article 13

INSURANCE

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

13.1.1 Property insurance on the Condominium, which may, but need not, include structures, equipment, improvements, and betterments in a Unit installed by the Declarant or the Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall not be less than one hundred percent of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

13.1.2 Liability insurance, including medical payments insurance, in an amount determined by the Board but not less than One Million Dollars, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

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

13.1.4 Fidelity bonds naming the members of the Board, the Manager and its employees and such other persons

as may be designated by the Board as principals and the Association as obligee, in at least an amount equal to three months aggregate Assessments for all Units plus reserves, in the custody of the Association or Manager at any given time during the term of each bond. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression.

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

13.1.6 Such other insurance (including directors and officers liability) as the Board deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Unit within the project, except to the extent such coverage is not available or has been waived in writing by such agency.

13.2 Coverage Not Available. If the insurance described in Section 13.1 is not reasonable available, or is modified, canceled, or not renewed, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by first class United States mail to all Unit Owners, to each Eligible Mortgagee, and to each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. The Association in any event may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.

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

13.3.1 Provide that each Unit Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

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

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

13.3.4 Provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and that the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right of set-off, counterclaims, apportionment, proration, contribution or assessment by reason of, any other insurance obtained by or for any Unit Owner or any Mortgagee;

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

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

13.3.7 Contain, if available, an agreed amount and Inflation Guard Endorsement.

13.4 Claims Adjustment. Any loss covered by the property insurance obtained by the Association under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance

trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of Article 14, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated.

13.5 Owner's Additional Insurance. Each Owner at the Owner's expense shall be obligated to maintain adequate casualty and liability insurance with respect to the Unit and any improvements thereto or personal property located therein, which insurance shall comply with the requirements of the Declaration; provided, that, by a vote of the Owners holding not less than fifty-one percent (51%) of the total voting power, the Owners may elect to have the Association maintain such insurance as provided in this Article.

13.6 Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of Chapter 48.18 RCW pertaining to the cancellation or nonrenewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of the Act.

13.7 Notification on Sale of Unit. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under Article 13 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

Article 14

DAMAGE OR DESTRUCTION; RECONSTRUCTION

14.1 Definitions; Significant Damage; Repair; Emergency Work.

14.1.1 As used in this Article, the term "Significant Damage" means damage or destruction, whether or not caused by casualty, to any part of the Property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs; and (b) which has a significant adverse impact on the habitability of any Unit or the ability of an Owner or Owners to use the Property or any significant portion of the Property for its intended purpose.

14.1.2 As used in this Article, the term "Repair" means to repair, reconstruct, rebuild or restore the Building or improvements which suffered Significant Damage to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

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

14.2 Initial Board Determinations. In the event of Significant Damage to any part of the Condominium, the Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations with respect thereto employing such advice as the Board deems advisable:

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

14.2.2 A reasonably reliable estimate of the cost to Repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon a firm bid obtained from a responsible contractor.

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

14.2.4 The amount, if any, that the estimated cost of Repair exceeds the anticipated insurance proceeds therefor and the amount of Assessment to each Unit if such excess was paid as a Common Expense and specially assessed against all the Units in proportion to their Allocated Interest in the Common Elements.

14.2.5 The Board's recommendation as to whether such Significant Damage should be Repaired.

14.3 Notice of Damage or Destruction. The Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, provide each Owner, and each first Mortgagee with a written notice summarizing the initial Board determination made under Section 14.2. If the Board fails to do so within said thirty (30) days, then any Owner or Mortgagee may make the determination required under Section 14.2 and give the notice required under this Section.

14.4 General Provisions.

14.4.1 Duty to Restore. Any portion of the Condominium for which insurance is required under this Article which is Significantly Damaged shall be Repaired promptly by the Association unless: (a) the Condominium is terminated; (b) Repair would be illegal under any state or local health or safety statute or ordinance; or © eighty percent of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be Repaired, vote not to Repair. Even if the Significant Damage is not to be Repaired, the Board shall still have authority to perform Emergency Work. The cost of Repair in excess of insurance proceeds and reserves is a Common Expense.

14.4.2 Damage not Restored. If all or any portion of the damaged portions of the Condominium are not Repaired (regardless of whether such damage is Significant): (a) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (b) the insurance proceeds attributable to Units and Limited Common Elements which are not Repaired shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and © the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all the Units.

14.4.3 Reallocation. If the Unit Owners vote not to Repair any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article 15, and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

14.4.4 Restoration by Board. If the damage (regardless of whether such damage is Significant) is to be repaired pursuant to Section 14.4, then:

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

14.4.6 Insurance Trustee. The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

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

14.5 Restoration of Unit. In the event of damage or destruction by fire or other casualty to any Home or other improvements to the Lot, the Owner shall, regardless of the amount or availability of insurance proceeds, repair or rebuild such damage or destroyed portions of the Lot and improvements in a good workmanlike manner and in accordance with the provisions of the Declaration.

Article 15 CONDEMNATION

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

15.2 Partial Unit Condemnation. Except as provided in Section 15.1, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) That Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit, and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interests.

15.3 Common Element Condemnation. If part of the Common Elements is acquired by condemnation the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

15.4 Recording of Judgment. The court judgment shall be recorded in every county in which any portion of the Condominium is located.

15.5 Association to Represent Owners. The Association shall represent the Unit Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds shall be payable to the Association for the benefit of the Owners of affected Units and their Mortgagees. Should the Association not act on the Owners' behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf.

Article 16 COMPLIANCE WITH DECLARATION

16.1 Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, 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, 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 against the party (including an Owner or the Association) failing to comply. In the event of a dispute between the Declarant and the Association (or the Board or any Owner), each party shall be solely responsible for payment of all legal fees incurred by that party, regardless of the nature of the dispute or who may be the prevailing party.

16.2 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, 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 by the Board.

Article 17 LIMITATION OF LIABILITY

17.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to Article 13, neither the Association nor the Board nor the Manager shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), 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 places; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

17.2 No Personal Liability. So long as a Board member, Association committee member, or Association officer has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person and such person's evaluation of such information, no such person (and no Association manager acting pursuant to the directions of the Board) shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence, including any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity. Without limiting the generality of the foregoing, the term "discretionary decisions" shall include evaluating and deciding whether or not to act in response to reports, investigations or recommendations received by such person, and shall include deciding whether or not to commence, defend, continue, or settle lawsuits or arbitration/mediation or other legal proceedings involving the Association or Condominium (or any part thereof). 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 13.

17.3 Indemnification of Board Members. Each Board member or Association committee member, or Association officer, shall be indemnified by the Association against all expenses and liabilities, including attorneys' 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 at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful or intentional misconduct, a knowing violation of the law in the performance of his duties and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property or services to which said person is not legally entitled. Provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The Association and each Owner shall defend, indemnify and hold Declarant harmless from any claim, expense or liability based on the failure of the Association or such Owner to comply with applicable duties and obligations under: the Declaration, Association Articles or Bylaws, or Association rules and regulations; or under any warranty obtained or issued by Declarant; or under applicable law.

17.4 Legal Proceedings. The rights, powers, benefits, duties and obligations granted to and imposed upon parties subject to this Declaration (including without limitation the Declarant, Owners, Association, Board and Officers) shall not be restricted, diminished, or otherwise modified by threatened or pending legal proceedings (including without limitation litigation, administrative, mediation, or arbitration), which proceedings involve one or more of such parties.

Article 18 MORTGAGEE PROTECTION

18.1 Change in Manager. In the event that professional management is employed by the Association, at least thirty (30) days' notice of any contemplated change in the professional manager shall be given to any Eligible Mortgagee. The Association shall not elect to terminate professional management and assume self-management without the prior written approval of sixty-seven percent (67%) of the Owners and fifty-one percent (51%) of all Eligible Mortgagees; provided that such prior consent shall not be required to change from one professional manager to another professional manager.

18.2 Abandonment of Condominium Status. Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not: without prior written approval of sixty-seven percent (67%) of all Eligible Mortgagees and sixty-seven percent (67%) of the Owners of record of the Units, seek by act or omission to: abandon or terminate the condominium status of the project; or abandon, encumber, sell or transfer any of the Common Elements.

18.3 Partitions and Subdivision. The Association shall not combine nor subdivide any Unit or the appurtenant Limited Common Elements, nor abandon, partition, subdivide, encumber or sell any Common Elements, or accept any proposal so to do, without the prior written approval of fifty-one percent (51%) of all Eligible Mortgagees and sixty-seven percent (67%) of Owners of record of the Units, and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s), so affected.

18.4 Change in Percentages. The Association shall not make any Material Amendment (as defined in Section 21.7) to this Declaration or Bylaws (including changes in the percentages of interest in the Common Elements) without the prior written approval of fifty-one percent (51%) of all Eligible Mortgagees and sixty-seven percent (67%) of all Owners of record of the Units, and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s) for which the percentage(s) would be changed.

18.5 Copies of Notices. A Mortgagee of a Unit (and any insurer or guarantor of such Mortgage) shall be entitled to receive timely written notice: (a) that the Owner/Mortgagor of the Unit has for more than sixty (60) days failed to meet any obligation under the Condominium documents; (b) of all meetings of the Association and be permitted to designate a representative to attend all such meetings; (c) of any condemnation loss or casualty loss affecting a material portion of the Property or the Unit on which it holds a Mortgage; (d) of any lapse, cancellation or material modification of insurance policies or fidelity bonds maintained by the Association; and (e) of any proposed action that requires the consent of a specified percentage of Mortgagees. To be entitled to receive notices under this Section 18.5, the Mortgagee (or Mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guaranties) the Mortgage.

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

18.7 Insurance

18.7.1 Board Duties. With respect to a first Mortgagee of a Unit, the Board shall:

- (a) Cause any insurance carrier to include in the insurance policy a standard mortgage clause, naming any

mortgagee who makes written request to the Board to be so named;

(b) Furnish any such Mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the Unit on which such Mortgagee has a lien;

(c) Require any insurance carrier to give the Board and any and all insured (including such Mortgagees) at least thirty (30) days' written notice before canceling, reducing the coverage or limits, or otherwise substantially modifying any insurance with respect to the Property on which the Mortgagee has a lien (including cancellation for a premium non-payment);

(d) Not make any settlement of any insurance claims for loss or damage to any such Unit, Common or Limited Common Element exceeding Five Thousand Dollars (\$5,000) 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 14;

(e) Give such Mortgagee written notice of any loss or taking affecting Common Elements, if such loss or taking exceeds Ten Thousand Dollars (\$10,000);

(f) Give such Mortgagee written notice of any loss, damage or taking affecting any Unit or Limited Common Elements in which it has an interest, if such loss, damage or taking exceeds One Thousand Dollars (\$1,000);

18.7.2 Additional Policy Provisions. In addition, the insurance policy acquired shall:

(a) Provide that any reference to a Mortgagee in such policy shall mean and include any holders of Mortgages of any Unit or Unit lease, 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 Unit Owners or any persons claiming under any of them;

(c) Waive any provision invalidating such Mortgage clause by reason of: the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy; any requirement that the Mortgagee pay any premium thereon; and any contribution clause.

18.8 Inspection of Books. Declarant (and Declarant's agents), Owners, Mortgagees, insurers and guarantors of any Mortgage on any Unit shall be entitled: to inspect and copy at all reasonable hours of weekdays (or under other reasonable circumstances) all of the Books and Records of the Association (as defined in Section 1.8), within a reasonable time following request; and, upon written request of any holder, insurer or guarantor of a first Mortgage at no cost to the party so requesting (or if this project contains fewer than fifty (50) Units, upon the written request of the holders of fifty-one percent (51%) or more of first Mortgages at their expense if an audited statement is not otherwise available), to receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

Article 19 EASEMENTS

19.1 General. It is intended that in addition to rights under the Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Elements for: all support elements and utility, wiring, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan; and for the maintenance, repair and replacement of all improvements within each Unit. Each Unit as it is constructed is granted an easement (to which each other Unit and all Common and Limited Common Element is subject) for the location and maintenance of all the original equipment and facilities and utilities for such Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements reserved by law.

19.2 Utility, Etc., Easements. The Board, on behalf of the Association and all members thereof, shall have authority to grant utility, road and similar easements, licenses and permits under, through or over the Common Elements, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Property.

19.3 Association Functions. There is hereby reserved to the Association, or their duly authorized agents and representatives, such easements and rights of access over, across, under or into the Condominium (and any part thereof) as are necessary, for repairs, maintenance or replacement and/or to perform the rights, duties and obligations of the Association as are set forth, provided for or authorized in: this Declaration; or in the Articles, Bylaws or Association Rules.

19.4 Declarant Functions. There is hereby reserved to the Declarant (and its duly authorized agents, employees, contractors and representatives, such easements and rights of access over, across, under or into the Condominium (and any part thereof) as are necessary, for repairs, maintenance or replacement and/or to perform the rights, duties and obligations of the Declarant as are set forth, provided for or authorized in: this Declaration; Survey Map and Plans; Articles, Bylaws, or Association Rules; building or other governmental permits or approvals; and Purchase and Sale Agreement between Declarant and a Unit Purchaser; any express or implied warranty under which Declarant is obligated; or otherwise authorized or required by law.

19.5 Encroachments. Each Unit and all Common and Limited Common Element is hereby declared to have an easement over all adjoining Units and Common and Limited Common Element, for the purpose of accommodating any encroachment due to engineering errors, or errors in original construction, reconstruction, repair of any portion 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; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a Unit or Common or Limited Common Element is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Units and Common and Limited Common Elements 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 Unit. The provisions of this Section 19.4 are intended to supplement Article 4 and RCW 64.32.252 and, in the event of any conflict, the provisions of Article 4 and RCW 64.34.252 shall control.

Article 20

PROCEDURES FOR SUBDIVIDING OR COMBINING

20.1 Procedure. Subdivision and/or combining of any Unit or Units, are authorized as follows:

20.1.1 Owner Proposal. Any Owner of any Unit or Units may propose any subdividing or combining of any Unit or Units, and appurtenant Common Elements or Limited Common Elements in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to this Declaration, the Survey Map and Plans covering such subdividing or combining, to the Board, which shall then notify all other Unit Owners of the requested subdivision or combination.

20.1.2 Owner/Mortgagee Approval. Upon written approval of such proposal by sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the Eligible Mortgagees, and of all Eligible Mortgagee(s) and Owner(s) of the Unit(s) to be combined or subdivided, the Owner(s) 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 Units or Common Elements or reasonable deadlines for completion of the work be inserted in the contracts for the work.

20.1.3 Survey Map and Plans. 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 Article 21.

20.1.4 Allocated Interests. The Allocated Interests formerly allocated to the subdivided Unit shall be reallocated to the new Units in any reasonable and equitable manner prescribed by that Owner of the subdivided Unit. The Allocated Interests of the new Unit resulting from a combination of Units shall be the aggregate of the Allocated Interests formerly allocated to the Units being combined.

Article 21 AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

21.1 In General. Except in cases of amendments that may be executed by a Declarant (in the exercise of any Development Right), the Association (in connection with Sections 4.3 or 7.2.3, Articles 15 or 20, or termination of the Condominium), or certain Unit Owners (in connection with Article 4 or 7.2.3, or Article 20, or termination of the Condominium), and except as limited by Section 21.4, the Declaration, including the Survey Maps and Plans, may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated; provided, that the following Sections and Articles may be amended only by vote or agreement of Owners of Units to which one hundred percent (100%) of the votes in the Association are allocated, and only with the consent of the Declarant (so long as any right, duty or obligation of the Declarant continues under the Declaration or any express or implied warranty, agreement or law: Sections 1.8.6, 1.8.38, 10.2.2(c), 10.4.1(d), 10.6.1 10.10, 10.11, 10.12, 17.2, 17.3, 18.8, 19.4, 21.6 and 21.7, and Articles 23 and 24.

21.2 Challenge to Validity. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.

21.3 Recording. Every amendment to the Declaration must be recorded in every county in which any portion of the Condominium is located, and is effective only upon recording. An amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. All amendments adding Units shall contain a cross-reference by recording number to the Survey Map and Plans relating to the added Units and set forth all information required by RCW 64.32.216(1).

21.4 General Limitations. Except to the extent expressly permitted or required by other provisions of the Act, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted, in the absence of the vote or agreement of the Owner of each Unit particularly affected and the Owners of Units to which at least ninety percent of the votes in the Association are allocated other than the Declarant.

21.5 Execution. Amendments to the Declaration required by the Act to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

21.6 Special Declarant/Development Rights. No amendment may restrict, eliminate, or otherwise modify any Special Declarant or Development Right, or any other right, power, benefit provided in the Declaration to Declarant (nor otherwise hinder the business activities or expectations of, or benefits provided hereunder to, the Declarant) without the consent of the Declarant and any Mortgagee of record (excluding Mortgagees of Units owned by persons other than the Declarant) with a security interest in the Special Declarant or Development Right or in any real property subject thereto.

21.7 Material Amendments. Any amendment to a provision of this Declaration establishing, providing for, governing or regulating the following (all of which shall be deemed "Material Amendments") shall require the consent of fifty-one percent (51%) of the Eligible Mortgagees: voting rights; Assessments, Assessment liens, or the priority of Assessment liens; reserves for maintenance, repair, and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the Common or Limited Common Elements, or rights to their use; redefinition of any Unit boundaries; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium, or the addition, annexation, or withdrawal of property to or from the Condominium;

insurance or fidelity bond; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self-management when professional management had been required previously by the Condominium's documents or by an Eligible Mortgage holder; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or any provisions that expressly benefit Mortgage holders, insurers, or guarantors. A Mortgagee who fails to respond within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request if such request was delivered by certified or registered mail with a return receipt requested.

21.8 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 this 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.

21.9 Lender Requirements. All Unit Owners covenant and agree, for themselves and their heirs, successors and assigns, to vote in favor of and implement any amendments hereto which may be necessary to satisfy the requirements of the Federal National Mortgage Association, Veteran's Administration and Federal Housing Administration.

Article 22 MISCELLANEOUS

22.1 Notices for All Purposes

22.1.1 Delivery of Notice. Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered 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 Unit shall be sufficient if mailed to the Unit of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Board has been constituted and thereafter shall be given to the President or Secretary of the Board.

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

22.1.3 Mortgagee's Acceptance

22.1.4 Priority of Mortgage. This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of said Declaration but rather shall be subject and subordinate to said Mortgage.

22.1.5 Acceptance Upon First Conveyance. Unless otherwise expressly approved by the Purchaser of a Unit, Declarant shall not consummate the conveyance of title of such Unit until said Mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements, in accordance with the Act, for partial release of Units with their appurtenant Limited Common Elements and Allocated Interest in Common Elements from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and the Condominium status of the Units remaining subject to its Mortgage as well as its acknowledgment that such appropriate arrangements for partial release of Units have been made; provided, that, except as to the Units (and their Allocated Interests in Common Elements) so released, said Mortgage shall remain in full effect as to the entire Property.

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

22.3 Conveyances: Notice Required. The right of a Unit Owner to sell, transfer, or otherwise convey the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An owner intending to sell a Unit shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: the Unit to be sold; the name and address of the Purchaser, of the closing agent, and of the title insurance company insuring the Purchaser's interest; and the estimated closing date. The Board shall have the right to notify the Purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. It is understood, however, that a violation of this Section shall not invalidate a sale, transfer or other conveyance of a Unit which is otherwise valid under applicable law.

22.4 Transfer of Declarant's Powers. It is understood that Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges and authority are in addition to those arising from Declarant's ownership of one or more Units and include Development Rights and Special Declarant Rights).

22.5 Effective Date. This Declaration shall take effect upon recording.

22.6 Reference to Survey Map and Plans. The Survey Map and Plans of the Condominium referred to herein consist of _____ sheets as prepared by _____, and were filed with the Recorder of _____, Washington, simultaneously with the recording of this Declaration under File No. _____ in Volume _____ of Condominiums, pages _____ through _____.

ARTICLE 23 SPECIAL DECLARANT RIGHTS DEVELOPMENT RIGHTS

23.1 Special Declarant Rights. As more particularly provided in this Article, Declarant, for itself and any successor Declarant, has reserved the following Special Declarant Rights:

23.1.1 Completion of Improvements. Declarant, its agents, employees, contractors and representatives shall have the right to complete, repair, replace or correct improvements and otherwise perform work as set forth, provided for or authorized in: this Declaration; Survey Map and Plans; Articles, Bylaws, or Association Rules; building or other governmental permits or approvals; and Purchase and Sale Agreement between Declarant and a Unit Purchaser; any express or implied warranty under which Declarant is obligated; or otherwise authorized or required by law. This Special Declarant Right shall continue so long as any right, duty or obligation of the Declarant continues under any express or implied warranty, agreement or law.

23.1.2 Sales Facilities of Declarant. Declarant, its agents, employees and contractors shall be permitted to establish and maintain in any Unit still owned by Declarant and in any of the Common Elements (other than Limited Common Elements assigned to Units not owned by Declarant), such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units and appurtenant interests, including but not limited to: business offices; management offices; sales offices; construction offices; storage areas; signs; model units; and parking areas for all agents, employees, contractors, prospective tenants or purchasers of Declarant. Any such facilities not designated a Unit by the Declaration is a Common Element and, if Declarant ceases to be a Unit Owner, the Declarant ceases to have any rights with regard thereto unless it is removed promptly from the Condominium, which Declarant shall have the right to do. Declarant may maintain signs on the Common Elements advertising the Condominium. The provisions of this Section are subject to the provisions of other state law and to local ordinances. The number, size, location, and relocation of such facilities shall be determined from time to time by Declarant in the

exercise of its sole discretion; provided, that the maintenance and use of such facilities shall not unreasonably interfere with a Unit Owner's use and enjoyment of: the Unit and appurtenant Limited Common Elements; and those portions of the Common Elements reasonably necessary to use and enjoy such Unit and Limited Common Elements.

23.1.3 Exercise of Development Rights. Declarant shall have the right to exercise Development Rights, if any, under this Declaration and the Act.

23.1.4 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the foregoing Special Declarant Rights shall continue so long as Declarant is completing improvements which are within or may be added to this Condominium, or Declarant owns any Units, or any Development Rights remain in effect; provided, that Declarant may voluntarily terminate any or all of such Rights at any time by recording an amendment to the Declaration, which amendment specifies which Right is thereby terminated.

23.2 Development Rights. As more particularly provided in this Article, the Declarant, for itself and any successor Declarant, has reserved the following Development Rights:

23.2.1 Parking/Storage Assignment.

(a) The total number of parking spaces which are anticipated for this Condominium are shown on Exhibit A attached hereto, and the general locations of such parking spaces and storage areas are depicted on the Survey Map and Plans.

(b) Unless the property does not have sufficient off-street parking and/or storage areas for each Unit, the Owner of each Unit has the unqualified right to use at least one parking space and storage area, either to be a part of the Unit, or to be allocated as provided in this Section 23.2.1.

(c) Declarant reserves the right to make the initial allocation of parking spaces, driving areas, and storage areas to each Unit such allocation being made pursuant to Section 7.1.2, 7.1.3 and 7.1.4 and Exhibits attached hereto (or by amendments thereto). With respect to each Unit, Declarant shall make such allocations prior to or contemporaneously with the closing of the sale of such Unit by Declarant.

(d) Until the approximate locations are shown on the Survey Map and Plans, and an allocation to Units is made by this Declaration or amendments thereto, such parking spaces, driving areas and storage areas shall continue as part of the Common Elements (but not as Limited Common Elements).

(e) Once the Declarant's right to make such allocations has expired, the balance of any parking spaces, driving areas, and storage areas, if any, not so allocated to specific Units shall continue as part of the Common Elements (not as Limited Common Elements) to be used in accordance with the rules and regulations established from time to time by the Board.

(f) If Declarant elects to reallocate parking or storage previously allocated to Units still owned by Declarant, Declarant shall comply with the provision of Section 7.2.2; such reallocation is expressly recognized as being authorized by and in compliance with this Declaration.

23.2.2 Development in Phases

(a) Right to Phase. This Condominium will be developed and established in more than one (1) phase. This Declaration provides a description of: the land within all phases; the general Common and Limited Common Elements for all phases; and the Units and Buildings for Phase 1 (and either herein or an amendment hereto, for the remainder of possible phases). The Survey Map and Plans, filed simultaneously herewith, depict certified as-built with respect to Phase 1 the following: a survey of the surface of the land for Phase 1 and all possible phases; the location of the Buildings for Phase 1; and the plans of the Buildings for Phase 1 showing as to each Unit in Phase 1 the vertical and horizontal boundaries, the location of all such Units, and the number and dimensions of all such Units. Said Survey Map

and Plans, or amendments thereto, shall show such data with respect to the remainder of phases. The provisions regarding Phase 1 shall be effective immediately to establish Phase 1 (including the Phase 1 land and all Units, Buildings and other improvements constructed thereon) as a Condominium under the Act. The provisions regarding subsequent phases shall not be effective to establish subsequent phases (including the land and all Units, Buildings and other improvements constructed thereon) as a Condominium under the Act until Declarant records an amendment to the Declaration (and an amendment to the Survey Map and Plans, if necessary) pursuant to subsection 23.2.5.

(b) Declaration, Survey Map and Plans Amendments. For each subsequent phase following Phase 1, the Declarant shall execute and record an amendment to this Declaration stating that said subsequent phase (including the subsequent phase land, and all Units, Buildings and other improvements thereon) is established as a Condominium under the Act. From and after the recording of said amendment, all of the land within Phase 1 and within subsequent phases for which such an amendment has been recorded, together with all Units, Buildings and other improvements constructed thereon, shall constitute a single Condominium pursuant to the Act and the provisions of this Declaration. In conjunction with said amendment to the Declaration, an updated or revised Survey Map, or Plans, or both, shall be filed if the previous Map and Plans filed affecting or describing said subsequent phase lack required detail, certification or other matters required under the Act. The Declarant is the Unit Owner of any Units thereby created. The amendment to the Declaration shall assign an Identifying Number to each new Unit created, and reallocate the Allocated Interests among all Units. The amendment must describe any Common Elements and any Limited Common Elements thereby created and, in the case of Limited Common Elements, designate the Unit to which each is allocated to the extent required by RCW 64.34.228. Development Rights may be reserved within any real property added to the Condominium if the amendment adding that real property includes all matters required by RCW 64.34.216 or 64.34.220, as the case may be, and the Survey Map and Plans include all matters required by RCW 64.34.232. This provision does not extend the time limit on the exercise of Development Rights imposed by this Declaration.

(c) Common Elements. All Common Elements for each phase will be utilized by Unit Owners of the next succeeding phase as it is established, and the additional Owners will, after the effective date of the subsequent phase, also share in the expenses of such Common Elements. Owners in a prior phase will utilize the Common Elements for the subsequent phases and also share in the expense thereof.

(d) Completion. Declarant shall complete subsequent phases in accordance with the plans and specifications prepared from time to time by or for Declarant and as approved from time to time by governmental authorities having jurisdiction thereof and by the lender or lenders financing the construction of subsequent phases. Improvements within subsequent phases will be reasonably consistent with improvements in prior phases in terms of quality of construction. Completion of subsequent phases will be pursued by Declarant as expeditiously as reasonably possible, subject to delays for reasons (including, but not limited to, financing availability, labor disputes, material shortages, and acts of God) reasonably beyond the control of Declarant. All improvements for subsequent phases shall be substantially completed before such phase is incorporated into the Condominium by amendment as provided in subsection 23.2.2(b) above.

(e) Allocated Interests. It is specifically covenanted that the Allocated Interests for Phase 1 are calculated with respect to the Units within Phase 1. At such time as additional phases are made effective by the filing of the above-described Declaration Amendment by Declarant, the Allocated Interests thereafter effective for all Units in Phase 1 and those added in each subsequent phase shall be reallocated as provided in Exhibit B attached hereto.

(f) Assessments Based on Allocated Interests for Phases. All Assessments for the various phases shall utilize and be based on the Allocated Interests stated for that phase until the succeeding phase is activated and commenced. The Declarant or Board may upon the activation of any phase, based on the reallocation of Allocation Interests, recompute the budget and the Assessments, and impose the revised Assessments.

(g) Easements for Phased Development.

(i) In addition to the general easements reserved by statute and by reference in other sections of this Declaration, there is reserved a non-exclusive easement in favor of Declarant (and Declarant's heirs, successors, assigns and purchasers) over and across the Phase 1 land (and across the land hereafter described in Exhibit A, as hereafter amended,

for any subsequently completed phase) for ingress and egress and over and across easements, roadways, and utility lines specified or established in and for completed phases, and the right to connect thereto is reserved. Such reservations are for the purpose either of completing subsequent phases, or otherwise developing portions of the land for other purposes if not completed as a Condominium phase.

(ii) The easements reserved under this Section shall entitle the Declarant (and Declarant's heirs, successors, assigns), for development of each successive phase of the Condominium, or for development and utilization of the lands to have been included in any phase if such lands are utilized for other purposes under the powers reserved to Declarant: to tie into water, sewer, storm sewer, electrical, gas, telephone or other utility lines of all varieties; to connect with roadways or utility systems developed and emplaced in the completed phases of the Condominium; and, to the extent as owners and occupants within the Condominium, utilize any recreational facilities developed in completed phases of the Condominium.

(iii) Declarant shall bear the cost of tie-ins to said utilities and roads and will not connect with said utilities in a manner that impairs or significantly reduces the quality of the utility service to the land described in Exhibit A as Phase 1 and for the land in a subsequently completed phase; provided, that if said tie-ins cause an increase in the cost of delivering affected utility services to Phase 1 and for land in any subsequently completed phase, that cost shall be borne by the Declarant.

(iv) Any land which is not developed as a subsequent phase of the Condominium and which utilizes and benefits from the utility, roadway easements and recreational facility reserved to Declarant hereunder, shall pursuant to an irrevocable covenant running with the land be obligated to pay a pro rata share (based on relative number of living units) of the costs of subsequent repairs, maintenance and operation of said utilities, roadways and recreational facilities.

(v) Declarant (and Declarant's heirs, successors and assigns) shall have a non-exclusive easement to construct and maintain (at any time and at Declarant's sole cost and expense and in the exercise of Declarant's sole discretion and at such locations within Phase 1 and within any subsequently completed phases of the Condominium as Declarant may determine) such signs as Declarant may deem necessary for the identification of the name, location and direction, and for the sale or renting, of Buildings and Units, regardless of whether such Buildings and Units are located on land which is within a subsequent phase of the Condominium or on land which the Declarant under powers reserved hereunder has elected not to develop as a phase of the Condominium.

(h) Liens Arising in Connection with Phases. At the time the amendment incorporating a subsequent phase into the Condominium is made, no lien arising in connection with the Declarant's ownership of, and construction of improvements upon, the subsequent phase land will adversely affect the rights of existing Unit Owners or the priority of first Mortgages on Units in the existing Condominium Property. All taxes, assessments, mechanics liens, and other charges affecting a subsequent phase land will be paid or otherwise satisfactorily provided for by the Declarant.

(i) Withdrawal of Subsequent Phases. If, despite the good faith efforts of Declarant, and for reasons (including, but not limited to, financing availability, labor disputes, material shortages and acts of God) beyond the reasonable control of Declarant, all or any of the subsequent phases are not completed and/or the amendment(s) provided for in this Section is not recorded, then Declarant at any time may elect not to incorporate all or some of such subsequent phases into the subject Condominium project and elect not to record the amendments provided on in this Section. To effectuate the foregoing, Declarant, upon its sole signature and without further consent of any of the other Owners being required, may file such amendment to this Declaration and to the Survey Map and Plans as is necessary to withdraw the land within such subsequent phases (and improvements constructed thereon) from the provisions of this Declaration and to relinquish Declarant's rights under this Section. In the event Declarant should exercise its rights under this Section to withdraw the land within such subsequent phases (and improvements thereon), from the provisions of this Declaration, or if the Declarant's right to add phases expires pursuant to Section 23.2.2(j)(iii), then: the phases in fact made a part of the Condominium shall thereafter continue to constitute a complete, fully operational Condominium; land within such subsequent phases (and improvements thereon) may be used for any other lawful purpose in Declarant's discretion; and the easements provided for in this Section (including without limitation Section 23.2.2(g)) shall continue for the benefit of land within such subsequent phases and Declarant (and its heirs, successors and assigns) for the development and

utilization of land within such subsequent phases.

(j) Limitation of Declarant's Rights.

(i) It is understood that the total project (if all phases are completed) shall include Condominium residential Units not exceeding in number 141.

(ii) At the time of recording this Declaration, Declarant may not have acquired title to or an interest in the land for some or all of the land for phases subsequent to Phase 1. Declarant shall not be entitled to exercise its rights to include the land for phases subsequent to Phase 1 (and improvements thereon) as a part of this Condominium until such time as Declarant has acquired title to or an interest in the land necessary for such subsequent phase.

(iii) Notwithstanding any other provision of this Declaration, Declarant's right to add phases by amendments under this Section shall expire seven (7) years after initial Declaration recording.

(k) Parking/Storage not in Condominium

(i) Some parking spaces, which are assigned for the exclusive use of a Unit within this Condominium, may be physically located within a phase which has not yet been made part of this Condominium. The owner of such Unit shall have a perpetual and exclusive easement to use such parking space for its intended purpose. Said parking space shall for all purposes be treated as a Limited Common Element subject to the provisions of this Declaration. At such time as the phase in which said parking space is located is recorded and made a part of this Condominium, said parking space shall be a Limited Common Element of the Unit to which it has been assigned.

(ii) Some parking spaces which are intended for the exclusive use of a Unit located in a phase which has not yet been made a part of this Condominium, may be physically located within this Condominium. The owner of such Unit (whether or not then constituting a condominium unit under the Act) shall have a perpetual and exclusive easement to use such parking space for its intended purposes. Such parking space shall for all purposes be subject to the provisions of this Declaration to the same extent as if such parking space was a Limited Common Element assigned to a Unit within the Condominium. At such time as the phase in which said Unit is located is recorded and made a part of this Condominium, said parking space shall be a Limited Common Element of the Unit to which it has been assigned.

23.2.3 Parking Assignment.

(a) The total number of parking spaces which are anticipated for this Condominium are shown on Exhibit C attached hereto, and the general locations of such parking spaces and storage areas are depicted on the Survey Map and Plans.

(b) Unless the property does not have sufficient off-street parking for each Unit, the Owner of each Unit has the unqualified right to use at least one parking space, either to be a part of the Unit, or to be allocated as provided in this Section 23.2.1.

(c) Declarant reserves the right to make the initial allocation of parking spaces to each Unit such allocation being made pursuant to Article 7 and Exhibits attached hereto (or by amendments thereto). With respect to each Unit, Declarant shall make such allocations prior to or contemporaneously with the closing of the sale of such Unit by Declarant.

(d) Until the approximate locations are shown on the Survey Map and Plans, and an allocation to Units is made by this Declaration or amendments thereto, such parking spaces shall continue as part of the Common Elements (but not as Limited Common Elements).

(e) Once the Declarant's right to make such allocations has expired, the balance of any parking spaces, if any, not so allocated to specific Units shall continue as part of the Common Elements (not as Limited Common Elements)

to be used in accordance with the rules and regulations established from time to time by the Board. For a period of twelve (12) months following the date on which title to the last Unit in the Condominium is conveyed by Declarant, Declarant shall continue to have the right to allocate parking spaces which have not been allocated to any Unit as a Limited Common Element.

(f) If Declarant elects to reallocate parking previously allocated to Units still owned by Declarant, Declarant shall comply with the provision of Article 7; such reallocation is expressly recognized as being authorized by and in compliance with this Declaration.

23.2.4 Subdivision and Combination. Declarant shall have the right to subdivide or combine Units (owned by Declarant) or convert Units (owned by Declarant) into Common Elements. Whenever Declarant exercises a Development Right to subdivide, combine or convert a Unit previously created into additional Units, Common Elements, or both:

(a) If Declarant converts the Unit entirely to Common Elements, the amendment to the Declaration must reallocate all the Allocated Interests of that Unit among the other Units as if that Unit had been taken by condemnation under Article 15.

(b) If Declarant subdivides the Unit into two or more Units, whether or not any part of the Unit is converted into Common Elements, the amendment to the Declaration must reallocate all the Allocated Interests of the Unit among the Units created by the subdivision in any reasonable and equitable manner prescribed by the Declarant.

(c) If Declarant combines two or more Units, the amendment to the Declaration must reallocate to the new Unit all of the Allocated Interests formerly allocated to the Units so combined.

23.2.5 Different Parcels; Different Times

(a) Any Development Right may be exercised with respect to different parcels of Real Property at different times;

(b) No assurances are made as to final boundaries of such parcels or as to the order in which those parcels may be subjected to the exercise of each Development Right; and

(c) Even though a Development Right is exercised in any portion of the Real Property subject to that right, that right need not be exercised in all or in any other portion of the remainder of that Real Property.

23.2.6 Exercise of Development Right. To exercise any Development Right reserved under Section 23.2, the Declarant shall prepare, execute, and record an amendment to the Declaration under Article 21 and comply with RCW 64.34.232.

23.2.7 Termination of Development Rights. Except as otherwise provided in this Declaration, the foregoing Development Rights shall continue so long as Declarant is completing improvements which are within or may be added to this Condominium, or Declarant owns any Units, or any Special Declarant Rights remain in effect; provided, that Declarant may voluntarily terminate any or all of such Rights at any time by recording an amendment to the Declaration, which amendment specifies which Right is thereby terminated.

23.3 Boundaries of Limited Common Elements. Declarant shall have the right to establish, expand, contract or otherwise modify the boundaries of any Limited Common Element allocated to a Unit; provided, the prior consent will be required from the Owner of the Unit.

23.4 Liability for Damage. The Declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the Condominium, of any portion of the Condominium damaged by the exercise of

rights reserved by Declarant pursuant to or created by this Declaration or the Act.

23.5 Declarant's Easements. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights or Development Rights, whether arising under the Act or reserved in the Declaration.

Article 24 CONSTRUCTION OF UNIT STRUCTURES

A Unit Owner, (including Declarant) at its sole cost and expense, shall have the right to construct (in compliance with the provisions of this Declaration and all applicable laws, rules and regulations) and thereafter maintain, repair, alter and replace improvements within the Unit owned by such Owner. In connection therewith, a Unit Owner is granted the same easements as granted to the Declarant (subject to the same limitations and conditions as imposed on Declarant). In connection therewith, a Unit Owner, at its sole cost and expense, shall have the right and obligation to cause such amendments to this Declaration and the Survey Map and Plans to be prepared and recorded as may be required by law or requested by title insurers or mortgagees of the Unit. The Declaration Survey Map and Plans may be amended to show data pertaining to Unit Structures when completed.

Article 25 DISPUTE RESOLUTION

25.1 Policy - Mediation. The parties hope there will be no disputes arising out of their relationship. To that end, each commits to cooperate in good faith and to deal fairly in performing its duties under this Declaration in order to accomplish their mutual objectives and avoid disputes. But if a dispute arises, the parties agree to resolve all disputes by the following alternate dispute resolution process: (a) the parties will seek a fair and prompt negotiated resolution, but if this is not successful, (b) all disputes shall be resolved by binding arbitration, provided that during this process, © at the request of either party made not later than forty-five (45) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date). The parties confirm that by agreeing to this alternate dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

25.2 Binding Arbitration. Any claim between or among any party subject to this Declaration (including without limitation, the Declarant, Association Board or officers, Unit Owners, or their employees or agents) arising out of or relating to this Declaration, a Unit or Units, the Condominium or the Association shall be determined by Arbitration in the county in which the Condominium is located commenced in accordance with RCW 7.04.060; provided, that the total award by a single arbitrator (as opposed to a majority of the arbitrators) shall not exceed \$50,000, including interest, attorneys' fees and costs. If any party demands a total award greater than \$50,000, there shall be three (3) neutral arbitrators. If the parties cannot agree on the identity of the arbitrator(s) within ten (10) days of the arbitration demand, the arbitrator(s) shall be selected by the administrator of the American Arbitration Association (AAA) office in Seattle from its Large, Complex Case Panel (or have similar professional credentials). Each arbitrator shall be an attorney with at least fifteen (15) years' experience in commercial or real estate law and shall reside in the county in which the Condominium is located. Whether a claim is covered by the Article shall be determined by the arbitrator(s). All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding hereunder.

25.3 Hearing - Law - Appeal Limited. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ninety (90) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the arbitrator(s) written decision shall be made not later than fourteen (14) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by an arbitrator, the award and decision shall be final, and the judgement may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a

judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages; or to award attorneys' fees and costs to the prevailing party. The decision and award of the arbitrator(s) need not be unanimous; rather, the decision and award of two arbitrators shall be final.

25.4 Warranty Dispute Resolution. In the event Declarant has issued a warranty of quality to the initial purchasers of Units, and such warranty contains provisions governing the making of claims and governing the resolution of disputes, then the provisions of such warranty shall control over the provisions of this Article 24 with respect to all express and implied warranty claims (including without limitation the Washington Condominium Act implied warranties) involving Units and Common Elements (regardless of whether the Unit Owner, Association or Board is asserting the claim).

DECLARANT: GLENGARRY LLC
A Washington Limited Liability Company

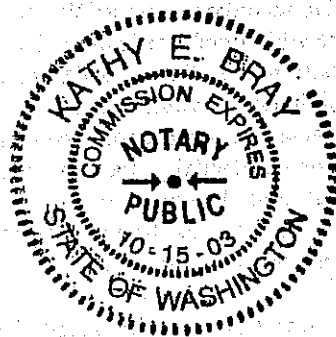

Jack Willing, Member

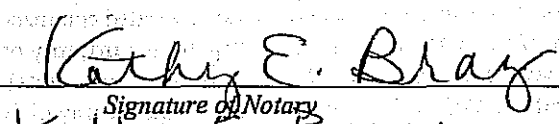
STATE OF WASHINGTON §

COUNTY OF King §

On this 11th day of August, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack Willing, to me personally known (or proven on the basis of satisfactory evidence) to be the managing member of Glengarry LLC, A Washington Limited liability company, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.




Signature of Notary
Kathy E. Bray
Printed Notary Name

NOTARY PUBLIC in and for the State of

Washington, residing in Reston

My commission expires: 10-15-03

**GLENGARRY CONDOMINIUM
EXHIBIT A
TO THE DECLARATION**

1. Description of Real Property included in Condominium:

a. Legal Description of All Possible Phases:

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE N 01° 28' 19" E, ALONG THE WEST LINE OF SAID SUBDIVISION, A DISTANCE OF 1,314.21 FEET TO THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE S 87° 24' 52" E, ALONG THE NORTH LINE OF SAID SUBDIVISION, A DISTANCE OF 1,322.64 FEET TO THE NORTHEAST CORNER OF SAID SUBDIVISION; THENCE S 87° 24' 38" E, ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, A DISTANCE OF 20.00 FEET TO THE NORTHEAST CORNER OF THE WEST 20 FEET OF SAID SUBDIVISION; THENCE S 01° 33' 13" W, ALONG THE EAST LINE OF SAID WEST 20 FEET, A DISTANCE OF 413.62 FEET TO THE NORTH LINE OF THE SOUTH 900 FEET OF SAID SUBDIVISION; THENCE N 87° 25' 28" W, ALONG SAID NORTH LINE, A DISTANCE OF 20.00 FEET TO THE EAST LINE OF SAID SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE S 01° 33' 13" W, ALONG SAID EAST LINE, A DISTANCE OF 445.07 FEET TO THE NORTHEAST CORNER OF THE SOUTH 455 FEET OF SAID SUBDIVISION; THENCE N 87° 25' 56" W, ALONG THE NORTH LINE OF SAID SOUTH 455 FEET, A DISTANCE OF 628.28 FEET TO THE EAST LINE OF THE WEST 693 FEET OF SAID SUBDIVISION; THENCE S 01° 28' 19" W, ALONG SAID EAST LINE, A DISTANCE OF 0.25 FEET TO THE SOUTH LINE OF THE NORTH 859 FEET OF SAID SUBDIVISION; THENCE N 87° 24' 52" W, ALONG SAID SOUTH LINE, A DISTANCE OF 168.95 FEET TO THE EASTERLY RIGHT-OF-WAY MARGIN OF 24TH DRIVE S.E.; THENCE N 01° 28' 26" E, ALONG SAID MARGIN, A DISTANCE OF 30.51 FEET; THENCE N 88° 31' 34" W, A DISTANCE OF 52.00 FEET TO THE WESTERLY MARGIN OF SAID RIGHT-OF-WAY; THENCE S 01° 28' 26" W, ALONG SAID MARGIN, A DISTANCE OF 29.50 FEET TO SAID SOUTH LINE OF THE NORTH 859 FEET; THENCE N 87° 24' 52" W, ALONG SAID LINE, A DISTANCE OF 76.10 FEET TO THE EAST LINE OF THE WEST 396 FEET OF SAID SUBDIVISION; THENCE S 01° 28' 19" W, ALONG SAID LINE, A DISTANCE OF 454.93 FEET TO THE SOUTH LINE OF SAID SUBDIVISION; THENCE N 87° 25' 56" W, ALONG SAID LINE, A DISTANCE OF 396.07 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF CONVEYED TO THE COUNTY OF SNOHOMISH BY DEEDS RECORDED UNDER AUDITOR'S FILE NO. 200101110114 AND 200304151040.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

2. Description of any Real Property which may be allocated subsequently by the Declarant as Limited Common Elements (other than Limited Common Elements specified in Sections 4.1.2 and 4.1.4):

See Paragraph 1 above.

3. Description of the Real Property to which any Development Right or Special Declarant Right applies:

See Paragraph 1 above.

4. Moorage Slips: None.

5. Recreational Facilities: None.

6. Parking:

a. Uncovered	Not yet determined
b. Covered	Not yet determined
c. Enclosed	Not yet determined
TOTAL	<u>Not yet determined</u>

7. **Private Front Yard Landscaping.** So long as Declarant has retained any Development Rights or Special Declarant Rights ("Declarant Rights"), and with respect to Units within which a dwelling has been completed and certificate of occupancy issued, the Association shall maintain and replace all landscaping that is within the front yards of the Units (including front yards within the boundaries of a Unit or otherwise for the exclusive use of a Unit) and the cost thereof shall be billed to and paid by the Unit. After the expiration or termination of all Declarant Rights, such landscaping shall continue to be performed by the Association unless a majority of Owners vote to have such landscaping performed by each Unit Owner.

**GLENGARRY CONDOMINIUM
DECLARATION EXHIBIT B - BUILDING/UNIT DATA**

UNIT #	UNIT DESCRIPTION								SQUARE FOOTAGE				*** ALLOCATED
									[X] construction plan estimate [] surveyor's "as-built"				INTEREST
	Unit Type	# of Bathrooms				# of Bdrms	# of FrPlcs	Other (den, etc.)	UNIT**	Total	Dwelling	Garage	Common Expense, Votes & Common Elements
		Full	3/4	1/2	1/4								
1	*	*	*	*	*	*	*	*	4279	*	*	*	1/141
2	*	*	*	*	*	*	*	*	3603	*	*	*	1/141
3	*	*	*	*	*	*	*	*	4467	*	*	*	1/141
4	*	*	*	*	*	*	*	*	3067	*	*	*	1/141
5	*	*	*	*	*	*	*	*	2896	*	*	*	1/141
6	*	*	*	*	*	*	*	*	3113	*	*	*	1/141
7	*	*	*	*	*	*	*	*	3882	*	*	*	1/141
8	*	*	*	*	*	*	*	*	2461	*	*	*	1/141
9	*	*	*	*	*	*	*	*	2891	*	*	*	1/141
10	*	*	*	*	*	*	*	*	3331	*	*	*	1/141
11	*	*	*	*	*	*	*	*	3131	*	*	*	1/141
12	*	*	*	*	*	*	*	*	3396	*	*	*	1/141
13	*	*	*	*	*	*	*	*	2809	*	*	*	1/141
14	*	*	*	*	*	*	*	*	3152	*	*	*	1/141
15	*	*	*	*	*	*	*	*	3343	*	*	*	1/141
16	*	*	*	*	*	*	*	*	3823	*	*	*	1/141
17	*	*	*	*	*	*	*	*	4893	*	*	*	1/141
18	*	*	*	*	*	*	*	*	3767	*	*	*	1/141
19	*	*	*	*	*	*	*	*	3044	*	*	*	1/141
20	*	*	*	*	*	*	*	*	2713	*	*	*	1/141
21	*	*	*	*	*	*	*	*	2415	*	*	*	1/141
22	*	*	*	*	*	*	*	*	2754	*	*	*	1/141
23	*	*	*	*	*	*	*	*	2796	*	*	*	1/141
24	*	*	*	*	*	*	*	*	2943	*	*	*	1/141
25	*	*	*	*	*	*	*	*	3167	*	*	*	1/141
26	*	*	*	*	*	*	*	*	3391	*	*	*	1/141
27	*	*	*	*	*	*	*	*	3615	*	*	*	1/141
28	*	*	*	*	*	*	*	*	3839	*	*	*	1/141
29	*	*	*	*	*	*	*	*	4809	*	*	*	1/141

UNIT #	UNIT DESCRIPTION								SQUARE FOOTAGE				*** ALLOCATED INTEREST
									[X] construction plan estimate [] surveyor's "as-built"				Common Expense, Votes & Common Elements
	Unit Type	# of Bathrooms				# of Bdrms	# of FrPlcs	Other (den, etc.)	UNIT**	Total	Dwelling	Garage	
		Full	3/4	1/2	1/4				(See Important NOTES Below)				
30	*	*	*	*	*	*	*	*	7721	*	*	*	1/141
31	*	*	*	*	*	*	*	*	4306	*	*	*	1/141
32	*	*	*	*	*	*	*	*	3828	*	*	*	1/141
33	*	*	*	*	*	*	*	*	3838	*	*	*	1/141
34	*	*	*	*	*	*	*	*	3746	*	*	*	1/141
35	*	*	*	*	*	*	*	*	3247	*	*	*	1/141
36	*	*	*	*	*	*	*	*	3045	*	*	*	1/141
37	*	*	*	*	*	*	*	*	3201	*	*	*	1/141
38	*	*	*	*	*	*	*	*	3245	*	*	*	1/141
39	*	*	*	*	*	*	*	*	3136	*	*	*	1/141
40	*	*	*	*	*	*	*	*	4129	*	*	*	1/141
41	*	*	*	*	*	*	*	*	4415	*	*	*	1/141
42	*	*	*	*	*	*	*	*	3842	*	*	*	1/141
43	*	*	*	*	*	*	*	*	4675	*	*	*	1/141
44	*	*	*	*	*	*	*	*	3418	*	*	*	1/141
45	*	*	*	*	*	*	*	*	2952	*	*	*	1/141
46	*	*	*	*	*	*	*	*	2793	*	*	*	1/141
47	*	*	*	*	*	*	*	*	2815	*	*	*	1/141
48	*	*	*	*	*	*	*	*	3875	*	*	*	1/141
A	*	*	*	*	*	*	*	*	**	*	*	*	93/141
TOTALS									170017				1

UNIT DATA

*Because the Unit boundaries are not based on the perimeter walls of dwelling structures, and because the Declaration and Survey Map and Plans may be recorded before any dwelling structures are constructed, no data regarding the dwelling structures is set forth above.

UNIT SQUARE FOOTAGE AREA NOTES

** Square footage of Unit will be based on a survey. This is not the area of a dwelling structure within a Unit

ALLOCATED INTEREST NOTES

*** The Allocated Interest of a Unit in Common Expense Liability, Association votes and Common Elements shall be a fraction, the numerator of which is the number of dwelling units that may legally be constructed within the Units, and the denominator of which is the total number of dwelling units that may be constructed within all Units.

WHEN RECORDED, RETURN TO



200403020465 10 PGS
03-02-2004 12:07pm \$28.00
SNOHOMISH COUNTY, WASHINGTON

GLENGARRY LLC
Jack Willing
1601 114th Ave SE, Suite 100
Bellevue, Washington, 98004

DOCUMENT TITLE(S):
FIRST AMENDMENT TO THE DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS GLENGARRY CONDOMINIUM

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED ~~NONE~~ 200308140770

GRANTOR(S) (DECLARANT)
GLENGARRY LLC

GRANTEE(S) (PROJECT NAME)
GLENGARRY CONDOMINIUM

LEGAL DESCRIPTION (SECTION, TOWNSHIP, RANGE)

SECTION 17, TOWNSHIP 27N, RANGE 5E, W M

☐ Additional legal is on Exhibit A of the document

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

☐ Additional legal is on Exhibit A of the document

DEPARTMENT OF ASSESSMENTS

Examined and approved this _____ day of _____, 2004

Assessor

Deputy Assessor

**FIRST AMENDMENT TO DECLARATION OF
GLENGARRY CONDOMINIUM**

THIS FIRST AMENDMENT to the Declaration of the above-named Condominium is made as of this 27th day of FEB, 2004

RECITALS

Whereas a condominium previously has been established by the recording of that certain Declaration of Covenants, Conditions, Restrictions and Reservations (the "Declaration"), filed and recorded under Snohomish County Recording Nos 200308140770, and that certain Survey Map and Plans (the "Plans") recorded under said County's Recording No 200308145003, upon the real property more particularly described in said Declaration

Whereas, it is desired to amend the Declaration in certain respects

Now, therefore, to accomplish the foregoing purposes, Declarant hereby publishes and declares this Amendment to the Declaration as follows:

- 1 UNIT A. The purpose of this First Amendment is to Sub-divide Unit A of the previously recorded Declaration of Glengarry Condominium into Units 49-141 (inclusive)
 - (a) The land in the Condominium is more particularly described in Paragraph 1b of the First Amended Exhibit A, and all Buildings, Units and Common Elements and Limited Common Elements located on said land are a part of the Condominium,
 - (b) The Floor Location, Unit Description and Unit Square Footage for all Units in the Condominium are set forth in the First Amended Exhibit B
 - (c) The Allocated Interests appurtenant to all Units which have been made a part of the Condominium shall be as set forth in the First Amended Exhibit B
- 3 EFFECTIVE DATE This Amendment shall take effect upon recording
- 4 OTHER PROVISIONS Except as modified specifically herein, all other provisions of the Declaration shall remain in effect

In witness whereof, the undersigned have executed this Amendment to the Declaration as of the date first above given

DECLARANT: Glengarry DLC

BY

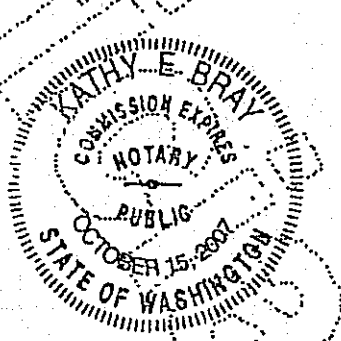

Jack Willing, Member

STATE OF WASHINGTON

COUNTY OF King

On this 21st day of Feb., 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack Willing to me personally known (or proven on the basis of satisfactory evidence) to be a member, of Glengarry LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said group

WITNESS my hand and seal hereto affixed the day and year in this certificate above written

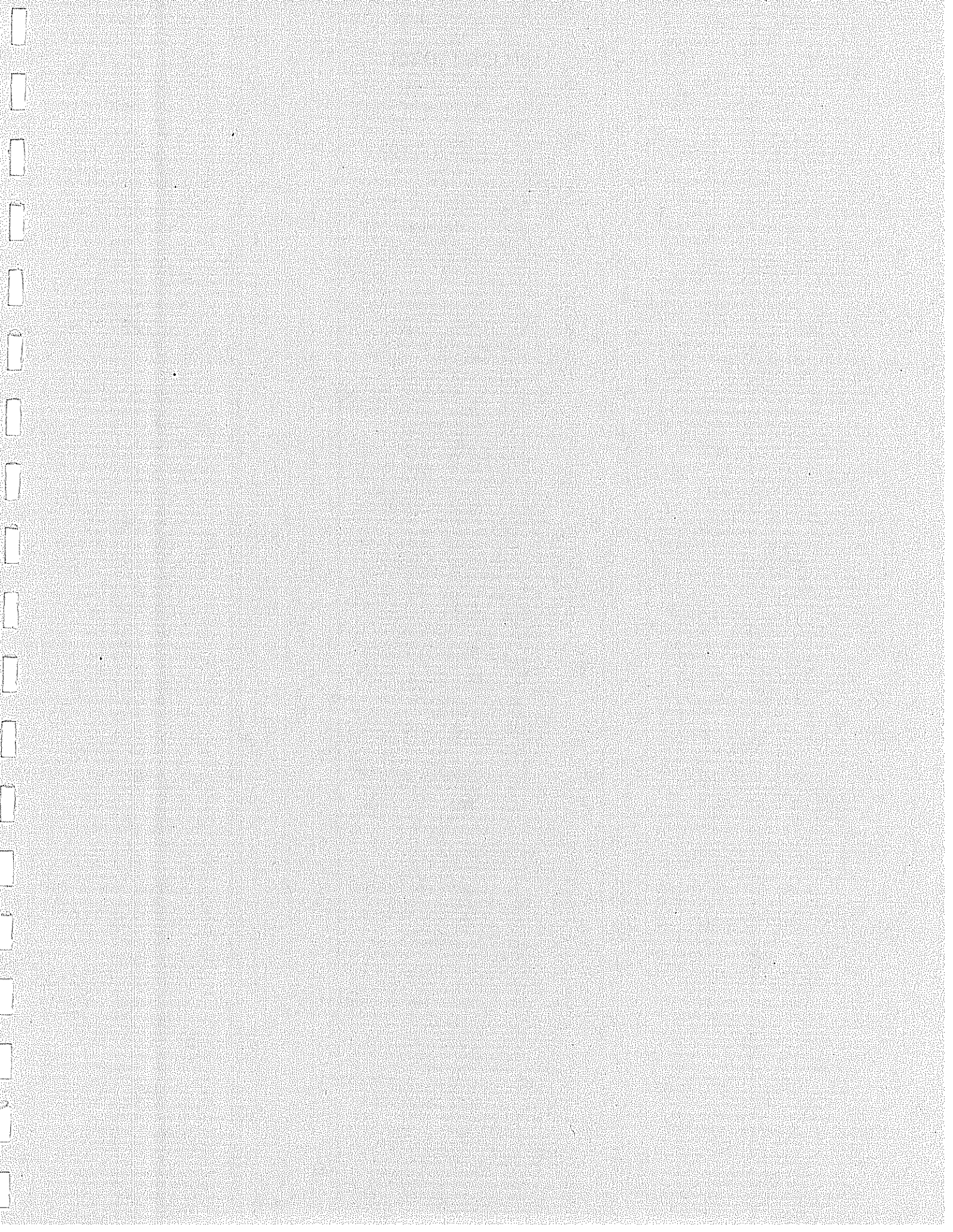


Kathy E. Bray
Signature of Notary
NOTARY PUBLIC in and for the State of
Washington, residing in Penton, WA
My commission expires 10-15-07
Print Notary Name Kathy E Bray

UNIT #	UNIT DESCRIPTION								SQUARE FOOTAGE				*** ALLOCATED INTEREST
									<input type="checkbox"/> construction plan estimate <input checked="" type="checkbox"/> surveyor's "as-built"				UNIT**
	Unit Type	# of Bathrooms				# of Bdrms	# of FrPlcs	Other (den, etc)					
		Full	3/4	1/2	1/4								
72	*	*	*	*	*	*	*	*	3,134	*	*	*	1/141
73	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
74	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
75	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
76	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
77	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
78	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
79	*	*	*	*	*	*	*	*	3,121	*	*	*	1/141
80	*	*	*	*	*	*	*	*	3,901	*	*	*	1/141
81	*	*	*	*	*	*	*	*	3,901	*	*	*	1/141
82	*	*	*	*	*	*	*	*	4,353	*	*	*	1/141
83	*	*	*	*	*	*	*	*	3,757	*	*	*	1/141
84	*	*	*	*	*	*	*	*	3,910	*	*	*	1/141
85	*	*	*	*	*	*	*	*	2,725	*	*	*	1/141
86	*	*	*	*	*	*	*	*	2,771	*	*	*	1/141
87	*	*	*	*	*	*	*	*	2,572	*	*	*	1/141
88	*	*	*	*	*	*	*	*	2,100	*	*	*	1/141
89	*	*	*	*	*	*	*	*	2,463	*	*	*	1/141
90	*	*	*	*	*	*	*	*	2,646	*	*	*	1/141
91	*	*	*	*	*	*	*	*	2,961	*	*	*	1/141
92	*	*	*	*	*	*	*	*	4,328	*	*	*	1/141
93	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
94	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
95	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
96	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
97	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
98	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141

UNIT #	UNIT DESCRIPTION								SQUARE FOOTAGE				*** ALLOCATED INTEREST
									<input type="checkbox"/> construction plan estimate <input checked="" type="checkbox"/> surveyor's "as-built"				Common Expense, Votes & Common Elements
	Unit Type	# of Bathrooms				# of Bdrms	# of FrPlcs	Other (den, etc.)	UNIT**	Total	Dwelling	Garage	
		Full	3/4	1/2	1/4				(See important NOTES Below)				
99	*	*	*	*	*	*	*	*	3,319	*	*	*	1/141
100	*	*	*	*	*	*	*	*	3,241	*	*	*	1/141
101	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
102	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
103	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
104	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
105	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
106	*	*	*	*	*	*	*	*	2,860	*	*	*	1/141
107	*	*	*	*	*	*	*	*	3,428	*	*	*	1/141
108	*	*	*	*	*	*	*	*	3,503	*	*	*	1/141
109	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
110	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
111	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
112	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
113	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
114	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
115	*	*	*	*	*	*	*	*	3,048	*	*	*	1/141
116	*	*	*	*	*	*	*	*	3,430	*	*	*	1/141
117	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
118	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
119	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
120	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
121	*	*	*	*	*	*	*	*	2,981	*	*	*	1/141
122	*	*	*	*	*	*	*	*	2,608	*	*	*	1/141
123	*	*	*	*	*	*	*	*	3,739	*	*	*	1/141
124	*	*	*	*	*	*	*	*	2,966	*	*	*	1/141
125	*	*	*	*	*	*	*	*	2,840	*	*	*	1/141

UNIT #	UNIT DESCRIPTION								SQUARE FOOTAGE				*** ALLOCATED INTEREST	
									<input type="checkbox"/> construction plan estimate <input checked="" type="checkbox"/> surveyor's "as-built"					
	Unit Type	# of Bathrooms				# of Bdrms	# of FrPlcs	Other (den, etc)	UNIT**	Total	Dwelling	Garage	Common Expense, Votes & Common Elements	
		Full	3/4	1/2	1/4				(See important NOTES Below)					
126	*	*	*	*	*	*	*	*	2,840	*	*	*	*	1/141
127	*	*	*	*	*	*	*	*	2,983	*	*	*	*	1/141
128	*	*	*	*	*	*	*	*	2,988	*	*	*	*	1/141
129	*	*	*	*	*	*	*	*	2,367	*	*	*	*	1/141
130	*	*	*	*	*	*	*	*	2,837	*	*	*	*	1/141
131	*	*	*	*	*	*	*	*	2,831	*	*	*	*	1/141
132	*	*	*	*	*	*	*	*	2,175	*	*	*	*	1/141
133	*	*	*	*	*	*	*	*	3,120	*	*	*	*	1/141
134	*	*	*	*	*	*	*	*	5,092	*	*	*	*	1/141
135	*	*	*	*	*	*	*	*	4,574	*	*	*	*	1/141
136	*	*	*	*	*	*	*	*	3,168	*	*	*	*	1/141
137	*	*	*	*	*	*	*	*	2,736	*	*	*	*	1/141
138	*	*	*	*	*	*	*	*	2,360	*	*	*	*	1/141
139	*	*	*	*	*	*	*	*	2,777	*	*	*	*	1/141
140	*	*	*	*	*	*	*	*	2,814	*	*	*	*	1/141
141	*	*	*	*	*	*	*	*	3,075	*	*	*	*	1/141
TOTALS									467,408					1





200403180198 3 PGS

03-18-2004 11:45am \$21.00

SNOHOMISH COUNTY, WASHINGTON

WHEN RECORDED, RETURN TO

GLENGARRY LLC

Jack Willing

1601 114th Ave SE, Suite 100

Bellevue, Washington, 98004

DOCUMENT TITLE(S):

SECOND AMENDMENT TO THE DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS, GLENGARRY CONDOMINIUM

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: ~~NONE~~

200308140770

GRANTOR(S). (DECLARANT)

GLENGARRY LLC

GRANTEE(S): (PROJECT NAME)

GLENGARRY CONDOMINIUM

LEGAL DESCRIPTION (SECTION, TOWNSHIP, RANGE)

SECTION 17, TOWNSHIP 27N, RANGE 5E, W M

☐ Additional legal is on Exhibit A of the document

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

☐ Additional legal is on Exhibit A of the document

DEPARTMENT OF ASSESSMENTS

Examined and approved this _____ day of _____, 2004

Assessor

Deputy Assessor

**SECOND AMENDMENT TO DECLARATION OF
GLENGARRY CONDOMINIUM**

THIS SECOND AMENDMENT to the Declaration of the above-named Condominium is made as of this ____ day of _____, 2004

RECITALS

Whereas a condominium previously has been established by the recording of that certain Declaration of Covenants, Conditions, Restrictions and Reservations (the "Declaration"), filed and recorded under Snohomish County Recording Nos. 200308140770 and 200403020465, and that certain Survey Map and Plans (the "Plans") recorded under said County's Recording No. 200308145003 and 200403025003, upon the real property more particularly described in said Declaration

Whereas, it is desired to amend the Declaration in certain respects

Now, therefore, to accomplish the foregoing purposes, Declarant hereby publishes and declares this Amendment to the Declaration as follows

- 1 **SURVEY MAP AND PLANS** The purpose of this Second Amendment is to reflect the recording of the Restated Glengarry Phase 2 Survey Map and Plans which entirely replaces and supercedes the Survey Map and Plans recorded under Snohomish County Recording number 200403025003
- 2 **REFERENCE TO SURVEY MAP AND PLANS** The Restated Survey Map and Plans of the Condominium referred to herein consist of ____ sheets as prepared by _____, and were filed with the Recorder of Snohomish County Washington, simultaneously with the recording of this Amendment to the Declaration under File No. 200403185084 in Volume ____ of Condominiums, pages ____ through ____
- 3 **EFFECTIVE DATE** This Amendment shall take effect upon recording
- 4 **OTHER PROVISIONS** Except as modified specifically herein, all other provisions of the Declaration shall remain in effect

In witness whereof, the undersigned have executed this Amendment to the Declaration as of the date first above given

DECLARANT: Glengarry LLC

BY _____

Jack Willing, Member

STATE OF WASHINGTON

COUNTY OF King

On this 16th day of March, 2004, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack Willing to me personally known (or proven on the basis of satisfactory evidence) to be a member, of Glengarry LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said group

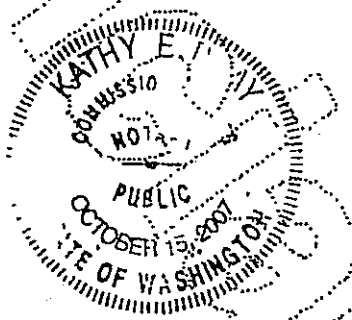
WITNESS my hand and seal hereto affixed the day and year in this certificate above written

Kathy E. Bray
Signature of Notary

NOTARY PUBLIC in and for the State of
Washington, residing in Renton, WA

My commission expires 10-15-07

Print Notary Name Kathy E. Bray



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GLENGARRY CONDOMINIUM

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 100'
100 0 100 200

BASIS OF BEARING

BASIS OF BEARING: PLAT OF REINSTEAD FARMS,
V. 48, PDS. 85-87

HELD PLAT BEARING OF N 87°35' 36" W BETWEEN
MONUMENTS FOUND AT THE S. 1/4 CORNER AND
THE S.W. SECTION CORNER OF SEC. 17, T. 27 N.,
R. 5 E. W.M.

EQUIPMENT USED: 3.0 SEC. THEODOLITE,
ELECTRONIC DISTANCE METER,
METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-130-D60

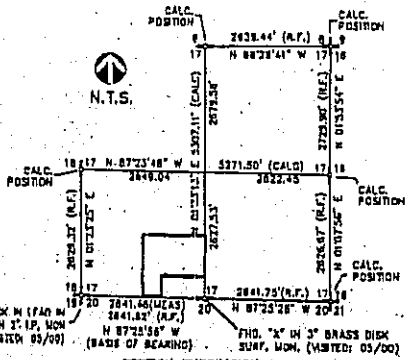
LINE	BEARING	DISTANCE
L1	N 87°24'57" W	74.10'
L2	N 01°20'24" E	28.80'
L3	N 88°31'34" W	42.00'
L4	N 01°28'18" E	30.51'
L5	N 87°35'36" W	20.00'
L6	N 87°24'35" W	20.00'

LEGEND

- FOUND PROPERTY CORNER AS NOTED
- FOUND MONUMENT AS NOTED
- WHITE FENCE



N.T.S.



SECTION SUBDIVISION
SEC. 17, T. 27 N., R. 5 E., W.M.
HELD PER PLAT OF REINSTEAD FARMS (N.P.),
V. 48, PDS. 85-87



GLENGARRY CONDOMINIUM
A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

12606 BISHO AVE. N.E.
KIRKLAND, WA 98034
(425) 814-8487

GLENGARRY CONDOMINIUM

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 50'
50 0 50 100

LEGEND

- STANDARD SNOHOMISH COUNTY ROAD MONUMENT IN CASE, STAMPEL NO. 19281, TO BE SET AS CONSTRUCTION IS COMPLETED
- SET 1/2" X 24" REBAR & PLASTIC CAP "58 LS 29281"
- FND. MONUMENT AS NOTED
- FND. PROPERTY CORNER AS NOTED
- + SET MASONRY NAIL IN WASHER, "LS 29281"

BASE OF BEARING

PLAT OF ADJUSTED PARCEL, V. 48, PGS. 83-87
FIELD PLAT BEARING OF N 87°25' 54" W BETWEEN MONUMENTS FOUND AT THE S.E. 1/4 CORNER AND THE S.W. SECTION CORNER OF SEC. 17, T. 27 N., R. 5 E., W.M.

EQUIPMENT USED: 5 SEC. THEODOLITE, ELECTRONIC DISTANCE METER.

METHOD: FIELD TRAVEL

ACCURACY: MEETS OR EXCEEDS STANDARDS SET BY W.A.C. 332-133-090

CURVE TABLE				
CURVE	DELTA	LENGTH	ABSCISSA	TANGENT
C1	35°15'21"	20.37	20.00	10.41
C2	32°24'54"	16.87	16.00	8.41
C3	28°13'14"	10.11	10.00	5.05
C4	32°25'01"	23.82	23.00	12.28
C5	48°13'18"	31.28	30.00	17.08
C6	17°12'25"	5.07	5.00	2.50
C7	15°37'04"	18.78	18.00	9.45
C8	24°10'04"	21.72	21.21	10.80
C9	85°31'14"	18.28	18.00	24.52
C10	81°03'18"	18.21	18.00	25.27
C11	11°02'11"	32.80	32.00	17.00
C12	8°08'34"	20.31	20.00	10.08

CURVE PLUG TABLE		
LOT/TRACT NOS.	DIST. FROM FRONT LOT COR. TO CURVE PLUG ALONG LOT LINE EXTENDED	
1/2	4.88	
2/3	5.35	
3/4	5.35	
4/5	4.82	
5/6	4.93	
7/8	4.88	
8/9	4.83	
9/10	11.83	
10/11	12.26	
894/892	11.73	
11/896	12.24	
12/898	12.21	
899/892	12.53	



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N81°17'25"E	13.44
L2	N81°17'25"E	13.44
L3	N74°16'33"W	15.04
L4	N88°33'09"W	28.80
L5	N48°18'36"W	58.73
L6	N11°33'49"W	12.80
L7	N82°33'18"W	45.82
L8	N85°24'51"E	24.14
L9	N81°17'25"E	7.82
L10	N33°23'18"E	5.88
L11	N78°22'12"E	19.44
L12	N01°18'50"E	18.47
L13	N33°17'53"W	28.10
L14	N18°21'41"E	12.28
L15	N81°17'25"E	7.82
L16	N84°42'50"E	3.00
L17	N01°18'50"E	1.74
L18	N11°18'18"E	1.63
L19	N84°42'50"E	3.83
L20	N01°18'50"E	28.80
L21	N71°18'12"W	28.00
L22	N83°18'07"W	33.48
L23	N81°18'04"W	24.14
L24	N64°12'53"W	18.64
L25	N73°33'05"E	37.23
L26	N01°18'50"E	18.47
L27	N41°03'15"W	11.48
L28	N83°18'07"W	11.48
L29	N88°22'18"W	24.88
L30	N01°18'50"E	31.50
L31	N01°18'43"E	6.50
L32	N88°22'18"W	12.01
L33	N01°18'43"E	31.50
L34	N01°18'50"E	28.00
L35	N01°18'50"E	28.00
L36	N01°18'50"E	10.04
L37	N88°33'10"W	42.28
L38	N01°18'50"E	18.00
L39	N01°18'28"E	28.50
L40	N88°33'10"W	31.00
L41	N01°18'50"E	31.48
L42	N77°26'12"E	27.84
L43	N88°44'03"W	18.34
L44	N88°40'51"W	13.21
L45	N00°44'28"E	36.74
L46	N88°56'57"W	4.70
L47	N01°18'50"E	6.50
L48	N11°18'18"E	6.50
L49	N00°18'23"E	6.54
L50	N88°33'10"W	33.14
L51	N70°11'30"E	10.51
L52	N01°18'28"E	30.51

GLENGARRY CONDOMINIUM

PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE S.W. 1/4 OF THE S.E. 1/4 OF SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON

Summit Surveying

12804 82ND AVE. N.E.
KIRKLAND, WA. 98033
(425) 814-8487

GLENGARRY CONDOMINIUM

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 50'
50 0 50 100

BASIS OF BEARING

PLAT OF REINSTEIT FARMS, V. 48, P. 63-67

FIELD PLAT BEARING OF N 87°25' 58" W BETWEEN
MONUMENTS FOUND AT THE S. 1/4 CORNER AND
THE S.W. SECTION CORNER OF SEC. 17, T. 27 N.,
R. 5 E., W.M.

EQUIPMENT USED: 5 SEC. THEODOLITE,
ELECTRONIC DISTANCE METER.

METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-130-080

UNIT A

UNIT A

UNIT A

TRACT 997

TRACT 998

TRACT 999

TRACT 996

CURVE	B/LTA	LENGTH	RADIUS	TANGENT
C1	0°22'53"	1.88	178.00	2.84
C2	8°24'57"	38.29	18.00	25.32
C3	10°10'00"	28.82	150.00	13.34
C4	2°33'31"	21.25	182.00	18.73
C5	1°11'58"	2.72	180.00	1.86
C6	6°15'18"	15.32	180.00	8.17
C7	10°29'24"	11.81	150.00	6.70
C8	8°18'03"	38.85	25.00	28.88
C9	8°20'18"	33.80	25.00	21.76
C10	5°28'35"	13.18	144.00	8.70
C11	11°23'01"	24.30	128.00	12.44
C12	31°24'31"	13.78	25.00	7.07
C13	8°55'41"	28.43	15.00	18.82
C14	5°35'15"	13.38	144.00	6.70
C15	7°29'18"	20.08	144.00	10.04
C16	8°58'52"	32.24	25.00	24.82
C17	7°28'18"	24.12	173.00	12.68
C18	21°1'39"	8.63	173.00	3.31
C19	3°47'37"	17.48	173.00	8.78
C20	12°28'12"	32.88	224.00	28.45
C21	12°53'17"	32.82	173.00	27.17
C22	1°1'11"	1.88	178.00	2.84

LEGEND

- STANDARD SNOHOMISH COUNTY
ROAD MONUMENT IN CASE
STAMPED IN NO. 58291
TO BE SET AS CONSTRUCTION
IS COMPLETED.
- SET 1/2" X 24" REBAR & PLASTIC CAP
"581 LS 29291"
- END. MONUMENT AS NOTED
- END. PROPERTY CORNER AS NOTED
- WOOD FENCE

DETAIL
N.T.S.



LOT NOS.	DIST. FROM FRONT LOT COR. TO CURB PLUG LONG LOT LINE EXTENDED
996/12	12.21
12/13	11.56
13/14	11.55
14/15	11.62
15/16	11.68
17/18	4.72
18/19	5.42
19/20	4.87
20/21	4.78
21/22	4.38
40/41	4.43
41/42	5.06
42/43	4.01
44/45	11.78
45/46	11.84
46/47	11.77
47/48	11.70
48/998	12.78

LINE	BEARING	DISTANCE
L1	N 80°44'29"E	38.75
L2	N 88°55'17"W	8.82
L3	N 80°33'11"W	8.82
L4	N 89°44'44"W	8.82
L5	N 80°33'23"E	8.82
L6	N 88°55'57"W	33.14
L7	N 80°11'30"E	4.72
L8	N 80°11'30"E	8.82
L9	N 80°11'30"E	8.82
L10	N 88°44'08"W	18.32
L11	N 80°14'45"E	6.32
L12	N 80°12'28"E	7.81
L13	N 88°20'15"W	4.88
L14	N 88°15'10"W	27.08
L15	N 88°33'10"W	13.80
L16	N 88°33'54"W	29.18
L17	N 88°50'23"W	8.82
L18	N 88°34'58"W	22.35
L19	N 88°33'10"W	8.82
L20	N 88°15'08"W	13.36
L21	N 88°18'08"W	6.88
L22	N 88°18'08"W	18.72
L23	N 88°15'08"W	8.82
L24	N 80°24'24"E	7.81
L25	N 80°07'30"E	4.88
L26	N 88°17'08"W	37.11
L27	N 88°28'18"W	12.25
L28	N 88°28'18"W	26.81
L29	N 78°47'08"E	13.69
L30	N 88°33'54"W	15.38
L31	N 88°17'08"E	43.28
L32	N 88°17'11"E	18.85
L33	N 80°33'28"E	15.47
L34	N 88°15'10"W	10.52
L35	N 80°33'51"W	12.12
L36	N 78°34'18"W	28.39
L37	N 88°33'54"W	43.28
L38	N 80°33'51"W	30.82
L39	N 88°33'28"E	26.39
L40	N 80°33'11"W	47.72
L41	N 88°40'51"W	47.17
L42	N 80°12'28"E	30.81
L43	N 88°33'54"W	22.00
L44	N 80°12'28"E	28.80
L45	N 88°33'11"E	24.48
L46	N 78°28'18"E	27.18

GLENGARRY CONDOMINIUM
A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
SURVEYING

12004 BEND AVE. N.E.
REDMOND, WA 98073
781-6666

GLENGARRY CONDOMINIUM

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 50'
50 0 50 100

LEGEND

- STANDARD SNOHOMISH COUNTY ROAD MONUMENT IN CASE TO BE SET AS CONSTRUCTION IS COMPLETED.
- 1" X 24" REBAR & PLASTIC CAP
- PHO. MONUMENT AS NOTED
- PHO. PROPERTY CORNER AS NOTED
- WOOD FENCE

SEE SHEET 2

BASIS OF BEARING

PLAT OF RICHSTEDT FARMS, V. 48, PGS. 65-67
HELD PLAT BEARING OF N 87°25' 36" W BETWEEN MONUMENTS FOUND AT THE S. 1/4 CORNER AND THE N.W. SECTION CORNER OF SEC. 17, T. 27 N., R. 5 E., W.M.

EQUIPMENT USED: 0.5 SEC. THEODOLITE, ELECTRONIC DISTANCE METER.

METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS SET BY W.A.C. 332-130-080

LINE	BEARING	DISTANCE
L1	N87°25'36"W	8.81
L2	N87°25'36"W	13.78
L3	N87°25'36"W	13.18
L4	N87°25'36"W	25.00
L5	N87°25'36"W	3.21
L6	N87°25'36"W	17.64
L7	N87°25'36"W	3.20
L8	N87°25'36"W	3.31
L9	N87°25'36"W	10.00
L10	N87°25'36"W	18.30
L11	N87°25'36"W	6.47
L12	N87°25'36"W	19.48
L13	N87°25'36"W	13.03
L14	N87°25'36"W	28.53
L15	N87°25'36"W	5.37
L16	N87°25'36"W	10.79
L17	N87°25'36"W	16.17
L18	N87°25'36"W	11.80
L19	N87°25'36"W	8.73
L20	N87°25'36"W	18.48
L21	N87°25'36"W	8.01
L22	N87°25'36"W	35.00
L23	N87°25'36"W	8.85
L24	N87°25'36"W	8.34
L25	N87°25'36"W	12.70
L26	N87°25'36"W	19.16
L27	N87°25'36"W	18.83
L28	N87°25'36"W	24.16
L29	N87°25'36"W	43.03
L30	N87°25'36"W	17.84
L31	N87°25'36"W	23.87
L32	N87°25'36"W	7.82
L33	N87°25'36"W	51.71
L34	N87°25'36"W	32.78

LOT/TRACT	DIST. FROM FRONT LOT COR. TO CURB PLUS ALONG LOT LINE EXTENDED
20/21	6.78
21/22	4.84
22/23	4.80
23/24	6.92
24/25	4.88
25/26	4.84
26/27	4.89
27/28	4.82
28/29	4.83
29/30	4.82
30/31	7.71
31/32	10.81
32/33	4.46
33/34	4.52
34/35	4.44
35/36	4.50
36/37	4.54
37/38	4.57
38/39	4.58
39/40	4.50

CURVE	DELTA	LENGTH	RADIUS	TANGENT
C1	45°00'00"	12.58	160.00	8.30
C2	171°34'36"	3.78	160.00	1.67
C3	22°02'36"	19.28	30.00	5.78
C4	11°23'36"	7.84	30.00	1.60
C5	18°15'12"	16.11	30.00	3.31
C6	22°48'11"	20.82	40.00	10.63
C7	19°38'02"	31.84	45.00	18.81
C8	22°02'36"	8.17	160.00	3.07
C9	22°17'28"	7.48	160.00	3.74
C10	21°25'00"	14.88	160.00	7.49

GLENGARRY CONDOMINIUM
A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

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KINGLAND, WA 98034
(425) 814-8487

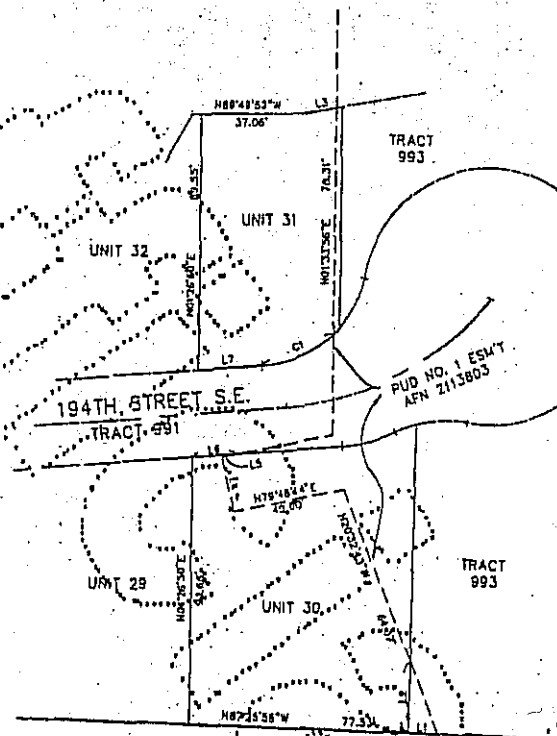
SHEET 5 OF 6



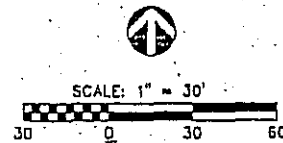
A.F. NO. 800308147003

GLENGARRY CONDOMINIUM

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



PUD EASEMENT DETAIL



LINE	BEARING	DISTANCE
L1	N47°24'36"W	18.39'
L2	N92°11'37"E	25.79'
L3	N82°27'40"E	11.12'
L4	N10°13'48"W	20.00'
L5	N78°48'14"E	7.21'
L6	N88°14'18"E	12.22'
L7	N88°14'49"E	22.72'

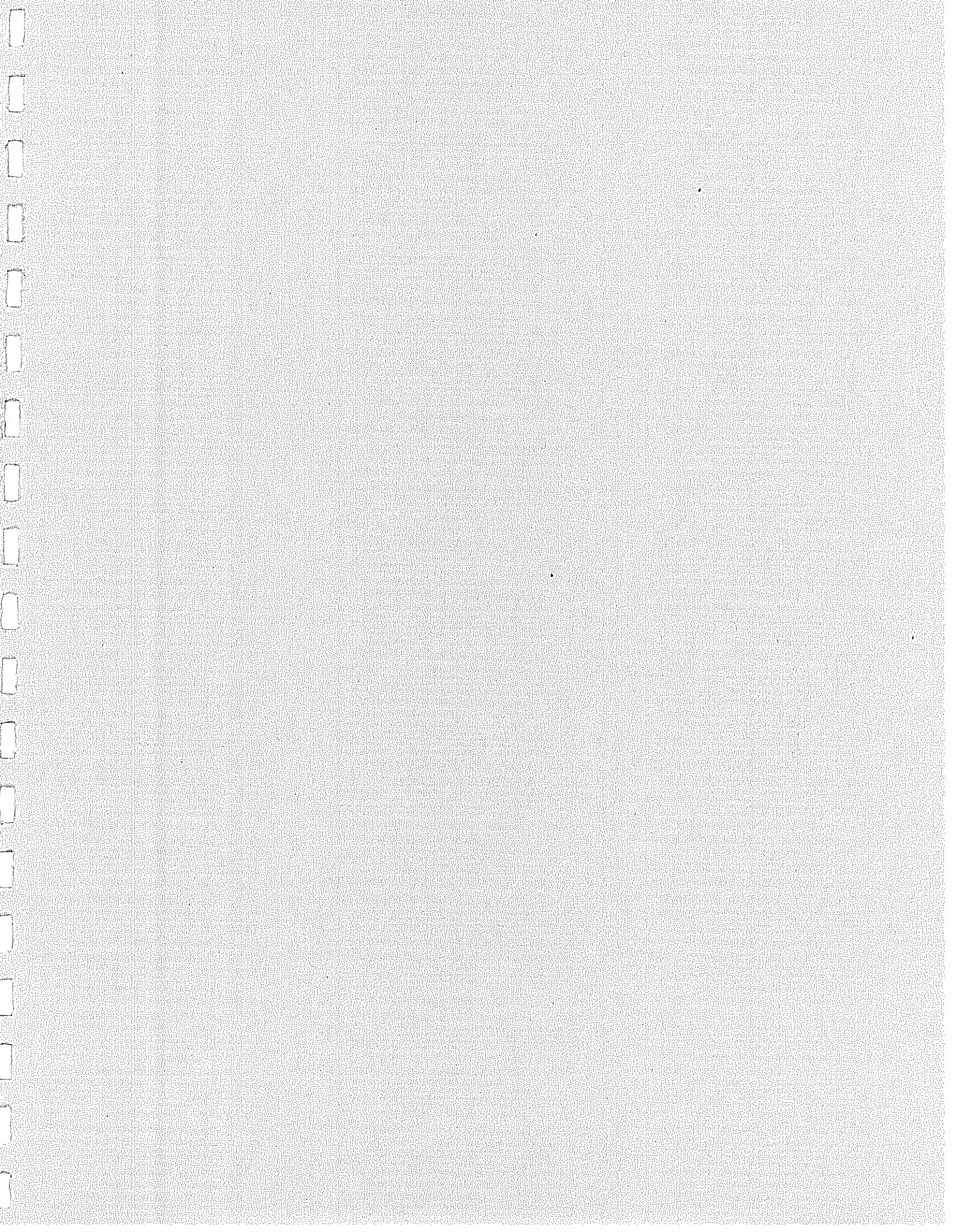
CURVE	DELTA	LENGTH	RADIUS
C1	42°51'31"	38.87'	40.00'



GLENGARRY CONDOMINIUM
A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

12808 82ND AVE. N.E.
KIRKLAND, WA 98034
(425) 814-8887



(THIS SURVEY ENTIRELY RESTATES AND SUPERSEDES THAT SURVEY RECORDED UNDER AF# 200403025003.) A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE

LEGAL DESCRIPTION

UNIT A OF GLENGARRY CONDOMINIUM RECORDED UNDER SHONOWISH COUNTY AUDITOR'S FILE NUMBER 200308145003. SHONOWISH COUNTY, WASHINGTON.

PUBLIC UTILITY EASEMENT DECLARATION

THE DECLARANT HEREBY REQUESTS AND CONSENTS TO EACH UTILITY COMPANY OF MUNICIPAL UTILITY SERVICE PROVIDING UTILITY SERVICE TO THE CONDOMINIUM FOR THE INSTALLATION OF UNITS IN THE CONDOMINIUM PERMANENT, NON-EXCLUSIVE EASEMENTS FOR THE INSTALLATION, CONSTRUCTION, MAINTENANCE, REPAIR AND RECONSTRUCTION OF ALL UTILITIES AND SERVICES INCLUDING WITHOUT LIMITATION WATER, SANITARY SEWER, STORM SEWER, ELECTRICITY, CABLE AND TELEPHONE OVER, UNDER AND THROUGH THE HIGHWAYS AND OTHER COMMON ELEMENTS AND UNITED COMMON ELEMENTS, IF ANY, OF THE CONDOMINIUM, TOGETHER WITH THE RIGHT TO ENTER UPON SAID EASEMENTS AT ALL TIMES FOR THE PURPOSES STATED.

THE EASEMENTS GRANTED HEREIN ARE SUBJECT TO THE ASCERTAINING OF GRANTEES TO COMPENSATE GRANTOR (OR GRANTOR'S SUCCESSORS AND ASSIGNS) FOR ANY DAMAGE TO AFFECTED PROPERTY CAUSED BY THE EXERCISE OF GRANTEES' EASEMENT RIGHTS. TO USE REASONABLE CARE IN CARRYING OUT ANY CONSTRUCTION OR REPAIR IN THE GRANTED AREAS AND TO RESTORE SUCH AREAS TO THE EXTENT REASONABLY PRACTICABLE, TO THE CONDITION THEY WERE IMMEDIATELY PRIOR TO SUCH WORK, AND TO INDEMNIFY AND HOLD HARMLESS GRANTOR (AND GRANTOR'S SUCCESSORS AND ASSIGNS) FROM ANY AND ALL CLAIMS FOR THE REPAIRS THEREON GRANTED.

UTILITY EASEMENT PROVISIONS

[illegible]

STATE OF WASHINGTON
COUNTY OF King

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT Jack Wellington THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT HE SIGNED THIS INSTRUMENT, ON OATH STATED THAT HE SIGNED IT WAS WHOLLY AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE FREE AND VOLUNTARY ACT OF CHANGELARY LLC, A WASHINGTON LIMITED LIABILITY COMPANY TO BE THE FREE AND VOLUNTARY ACT OF THIS PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

DATE THIS 17th DAY OF March 2004.

DESIGNED: Gordon E. Bray
PUBLISHED IN AMERICAN FOR THE LEAVY OF MICHIGAN

PRINTED NAME: Kathy E. Bray

ADDRESS AT: Reston, VA.

SECRET

1000

[illegible]

A.F. NO. 20407185088

GLENGARRY PHASE 2 RESTATED CONDOMINIUM
A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., WAL-
SHOUGH COUNTY, WASHINGTON.

Summit
Surveying

SHEET 1 OF 6

GLENGARRY PHASE 2 RESTATED

CONDOMINIUM

(THIS SURVEY ENTIRELY RESTATES AND SUPERSEDES
THAT SURVEY RECORDED UNDER AF# 200403025003.)

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 100'
100 0 100 200

BASIS OF BEARING

PLAT OF ROHNSTEDT FARMS, V. 48, PGS. 65-67

HOLD PLAT BEARING OF N 87°25' 56" W BETWEEN
MONUMENTS FOUND AT THE S. 1/4 CORNER AND
THE S.W. SECTION CORNER OF SEC. 17, T. 27 N.,
R. 5 E., W.M. AS SHOWN ON GLENGARRY CONDOMINIUM,
AFN 200308145003

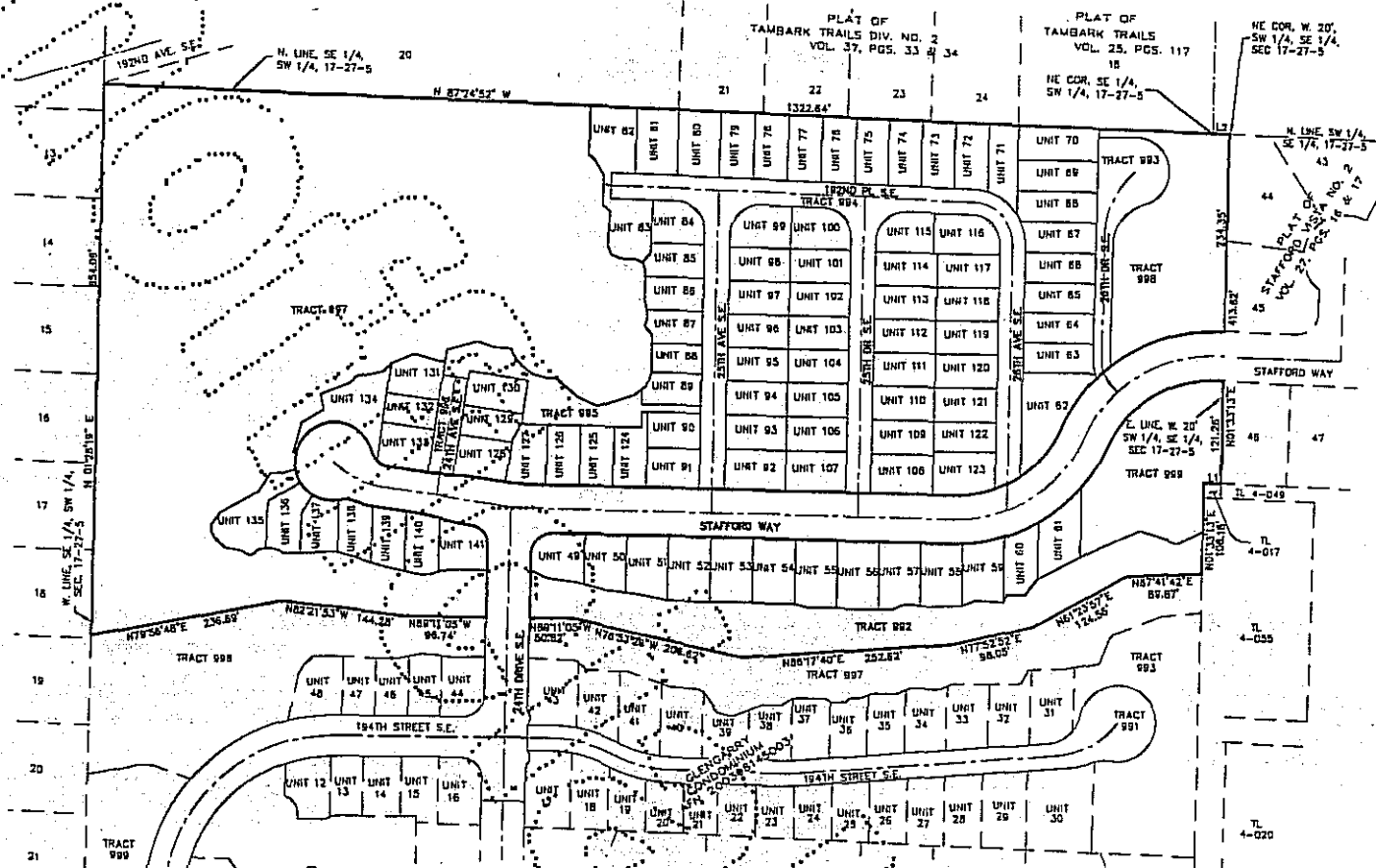
EQUIPMENT USED: 3 SEC. THEODOLITE,
ELECTRONIC DISTANCE METER.

METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-130-090

NOTE: REFERENCE GLENGARRY CONDOMINIUM, PER
AFN 200308145003, FOR SECTION SUBDIVISION.

LINE	BEARING	DISTANCE
L1	N87°25'22"W	70.00
L2	N87°24'38"W	20.00



GLENGARRY PHASE 2 RESTATED CONDOMINIUM

A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

12608 82ND AVE. N.E.
KIRKLAND, WA 98034
(425) 814-6487

GLENGARRY PHASE 2 RESTATED CONDOMINIUM

(THIS SURVEY ENTIRELY RESTATES AND SUPERSEDES THAT SURVEY RECORDED UNDER A.F. NO. 200403025003.)

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON

PLAT OF TAUBARK TRAILS DIV. NO. 2 VOL. 37, PGS. 33 & 34

N. LINE SE 1/4, SW 1/4, 17-37-5

152ND AVE. SE.

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GLENGARRY PHASE 2 RESTATED

CONDOMINIUM

(THIS SURVEY ENTIRELY RESTATES AND SUPERSEDES
THAT SURVEY RECORDED UNDER AF# 200403025003.)

A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE
S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 50'
50 0 50 100

PLAT OF

TAMBAK TRAILS DIV. NO. 2
VOL. 37, PGS. 33 & 34

HOLD PLAT BEARING OF N 87°25' 36" W BETWEEN
MONUMENTS FOUND AT THE S. 1/4 CORNER AND
THE S.W. SECTION CORNER OF SEC. 17, T. 27 N.,
R. 5 E., W.M. AS SHOWN ON GLENGARRY CONDOMINIUM,
AF# 200308145003

EQUIPMENT USED: 5 SEC. THEODOLITE,
ELECTRONIC DISTANCE METER

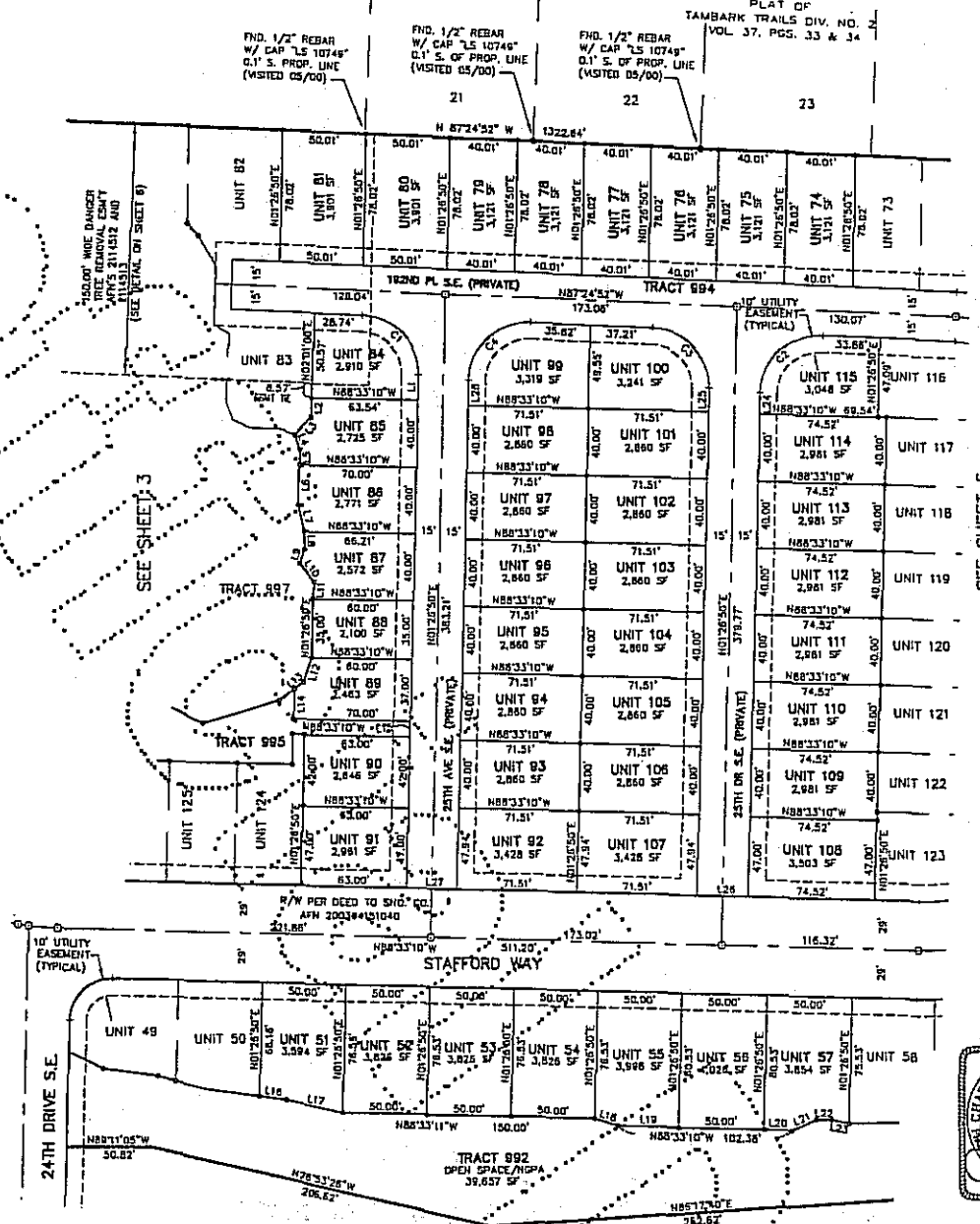
METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-136-090

LEGEND

- STANDARD SNOHOMISH COUNTY
ROAD MONUMENT IN CASE
STAMPED LS NO. 729291
TO BE SET AS CONSTRUCTION
IS COMPLETED.
- SET 1/2" X 24" REBAR & PLASTIC CAP
"SS" LS 29201
- END PROPERTY CORNER AS NOTED
- NHPA NATIVE GROWTH PROTECTION AREA

LOT/TRACT NOS.	DIST. FROM FRONT LOT COR. TO CURB PLUG ALONG LOT LINE EXTENDED
50/51	10.89
51/52	10.60
52/53	10.63
53/54	10.71
54/55	10.50
55/56	10.72
56/57	10.81
57/58	10.80
58/59	4.33
59/60	4.31
60/61	4.38
61/62	4.35
62/63	4.35
63/64	4.35
64/65	4.35
65/66	4.35
66/67	4.35
67/68	4.35
68/69	4.35
69/70	4.35
70/71	4.35
71/72	4.35
72/73	4.35
73/74	4.35
74/75	4.35
75/76	4.35
76/77	4.35
77/78	4.35
78/79	4.35
79/80	4.35
80/81	4.35
81/82	4.35
82/83	4.35
83/84	4.35
84/85	4.35
85/86	4.35
86/87	4.35
87/88	4.35
88/89	4.35
89/90	4.35
90/91	4.35
91/92	4.35
92/93	4.35
93/94	4.35
94/95	4.35
95/96	4.35
96/97	4.35
97/98	4.35
98/99	4.35
99/100	4.35
100/101	4.35
101/102	4.35
102/103	4.35
103/104	4.35
104/105	4.35
105/106	4.35
106/107	4.35
107/108	4.35
108/109	4.35
109/110	4.35
110/111	4.35
111/112	4.35
112/113	4.35
113/114	4.35
114/115	4.35
115/116	4.35



LINE	BEARING	DISTANCE
L1	N01°26'31"E	15.00'
L2	N02°01'00"E	11.43'
L3	N02°27'48"E	14.80'
L4	N02°40'06"W	8.07'
L5	N01°50'31"E	8.93'
L6	N01°26'31"E	74.48'
L7	N02°14'45"W	16.00'
L8	N00°32'42"W	10.91'
L9	N01°24'14"E	8.86'
L10	N02°34'34"W	13.80'
L11	N01°26'31"E	10.14'
L12	N01°53'30"E	15.83'
L13	N03°04'19"E	6.80'
L14	N01°26'31"E	17.63'
L15	N01°26'31"E	9.20'
L16	N01°26'31"E	18.29'
L17	N02°34'34"W	32.44'
L18	N02°45'01"W	14.58'
L19	N01°53'30"E	35.66'
L20	N01°53'30"E	16.52'
L21	N01°53'30"E	15.78'
L22	N01°26'31"E	9.04'
L23	N01°26'31"E	10.41'
L24	N01°26'31"E	12.77'
L25	N01°26'31"E	13.81'
L26	N01°26'31"E	30.00'
L27	N01°26'31"E	30.00'
L28	N01°26'31"E	15.27'

CURVE	DELTA	LENGTH	RADIUS	TANGENT
C1	88°31'43"	54.78'	35.00'	34.31'
C2	81°08'18"	55.67'	35.00'	35.70'
C3	88°31'43"	54.78'	35.00'	34.31'
C4	81°08'18"	55.67'	35.00'	35.70'



GLENGARRY PHASE 2 RESTATED CONDOMINIUM

A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

12606 82ND AVE. N.E.
KIRKLAND, WA 98034
(425) 814-8467

GLENGARRY PHASE 2 RESTATED

CONDOMINIUM

(THIS SURVEY ENTIRELY RESTATES AND SUPERSEDES
THAT SURVEY RECORDED UNDER AF# 200403025003.)
A PORTION OF THE S.E. 1/4 OF THE S.W. 1/4 AND THE

S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



SCALE: 1" = 50'
50 0 50 100

BASIS OF BEARING

PLAT OF REINSTEAD FARMS, V. 48, PGS. 65-67

HOLD PLAT BEARING OF N 87°25' 56" W BETWEEN
MONUMENTS FOUND AT THE S. 1/4 CORNER AND
THE S.W. SECTION CORNER OF SEC. 17, T. 27 N.,
R. 5 E., W.M. AS SHOWN ON GLENGARRY CONDOMINIUM,
AFN 200309145003

EQUIPMENT USED: 5 SEC. THEODOLITE,
ELECTRONIC DISTANCE METER.

METHOD: FIELD TRAVERSE

ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-130-090

LEGEND

○ STANDARD SNOHOMISH COUNTY
ROAD MONUMENT IN CASE
STAMPED LS NO. 29291
TO BE SET AS CONSTRUCTION
IS COMPLETED.

• SET 1/2" X 24" REBAR & PLASTIC CAP
"59 LS 29291"

○ FND. MONUMENT AS NOTED

• FND PROPERTY CORNER AS NOTED

— WIRE FENCE

— CHAIN LINK FENCE

LOT/TRACT NOS.	STREET	DIST. FROM FRONT LOT COR. TO CURB PLUG ALONG LOT LINE EXTENDED
57/58	STAFFORD WAY	10.60'
58/59	STAFFORD WAY	10.76'
59/60	STAFFORD WAY	11.17'
60/61	STAFFORD WAY	12.58'
61/62	STAFFORD WAY	17.43'
62/63	26TH AVE S.E.	4.23'
62/63	26TH DR S.E.	0.00'
63/64	26TH AVE S.E.	4.23'
63/64	26TH DR S.E.	0.00'
64/65	26TH AVE S.E.	4.26'
64/65	26TH DR S.E.	0.00'
65/66	26TH AVE S.E.	4.33'
65/66	26TH DR S.E.	0.00'
66/67	26TH AVE S.E.	4.40'
66/67	26TH DR S.E.	0.00'
67/68	26TH AVE S.E.	5.74'
67/68	26TH DR S.E.	0.00'
68/69	26TH DR S.E.	0.00'
69/70	26TH DR S.E.	0.00'
70/71	26TH DR S.E.	0.00'
71/72	26TH AVE S.E.	10.42'
72/73	192ND PL S.E.	4.24'
73/74	192ND PL S.E.	4.33'
115/116	192ND PL S.E.	4.14'
116/117	26TH AVE S.E.	4.31'
117/118	26TH AVE S.E.	4.39'
118/119	26TH AVE S.E.	4.34'
119/120	26TH AVE S.E.	4.33'
120/121	26TH AVE S.E.	4.35'
121/122	26TH AVE S.E.	4.24'
122/123	26TH AVE S.E.	4.35'
123/108	STAFFORD WAY	10.76'

LINE	BEARING	DISTANCE
L1	N01°28'50"E	6.98'
L2	N87°28'50"E	11.20'
L3	N87°28'50"E	17.53'
L4	N85°17'37"W	33.80'
L5	N72°28'43"E	11.02'
L6	N85°17'37"W	21.38'
L7	N37°16'33"E	23.77'
L8	N83°01'12"E	27.69'
L9	N84°20'37"E	33.51'
L10	N87°28'50"W	20.00'
L11	N41°58'28"W	15.02'
L12	N01°33'28"E	10.00'
L13	N87°28'50"W	7.82'
L14	N87°28'50"W	8.34'
L15	N87°28'50"W	8.85'

CURVE	DELTA	LENGTH	RADIUS	TANGENT
C1	15°36'57"	17.70'	65.00'	8.50'
C2	7°43'35"	8.77'	65.00'	4.39'
C3	26°31'00"	30.10'	65.00'	15.35'
C4	26°31'00"	49.77'	135.00'	24.62'
C5	14°58'43"	33.97'	135.00'	17.98'
C6	5°28'01"	21.78'	193.95'	10.50'
C7	39°00'00"	44.24'	85.00'	23.02'
C8	37°53'35"	11.05'	194.00'	5.53'
C9	43°37'28"	26.60'	35.00'	13.95'
C10	8°31'24"	3.12'	45.00'	2.54'
C11	18°37'51"	19.83'	45.00'	7.28'
C12	18°37'51"	4.78'	25.00'	2.37'
C13	73°34'13"	64.30'	50.00'	37.35'

SEE SHEET 4



GLENGARRY PHASE 2 RESTATED CONDOMINIUM

A PORTION OF
THE S.E. 1/4 OF THE S.W. 1/4 AND
THE S.W. 1/4 OF THE S.E. 1/4 OF
SECTION 17, T. 27 N., R. 5 E., W.M.,
SNOHOMISH COUNTY, WASHINGTON

Summit
Surveying

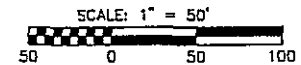
12806 82ND AVE. N.E.
KNOXLAND, WA. 98034
(425) 814-8487

SHEET 5 OF 6

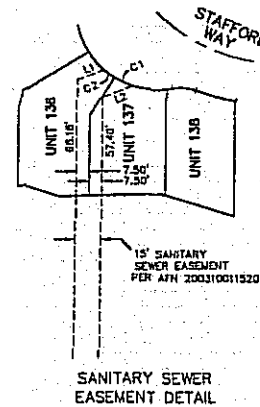
A.F. NO. 200403185088

CONDOMINIUM

S.W. 1/4 OF THE S.E. 1/4, SECTION 17, T. 27 N., R. 5 E., W.M., SNOHOMISH COUNTY, WASHINGTON



ACCURACY: MEETS OR EXCEEDS STANDARDS
SET BY W.A.C. 332-130-090

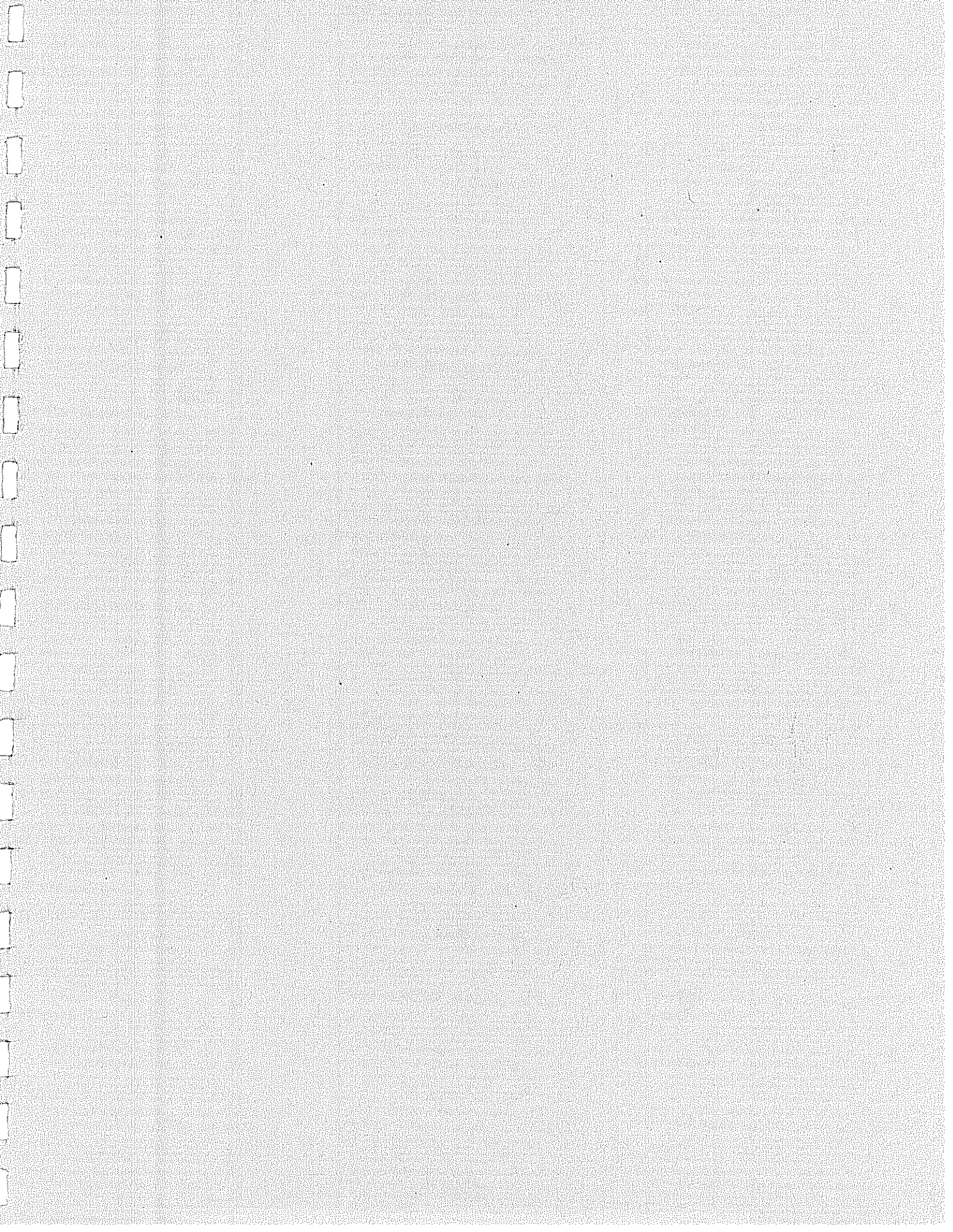


DETAIL OF PUD NO. 1
EASEMENT AFN 2113803

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N86°23'26"E	18.35'
L2	N86°23'26"E	18.61'
L3	N87°24'52"W	34.18'
L4	N01°26'19"E	41.64'
L5	N01°33'13"E	28.25'

Summit
Surveying 

12506 82ND AVE. N.E.
KIRKLAND, WA 98034
(425) 814-8487



**ARTICLES OF INCORPORATION
OF
GLENGARRY CONDOMINIUM OWNERS ASSOCIATION**

The undersigned, for the purpose of forming a corporation under the nonprofit laws of the State of Washington, RCW 24.03, and as required by the Washington Condominium Act, RCW 64.34 ("Act"), hereby adopts the following Articles of Incorporation.

Article 1

NAME

The name of the corporation is Glengarry Condominium Owners Association, hereinafter called the "Association."

Article 2

REGISTERED OFFICE AND AGENT

The name of the initial Registered Agent of the Association is Jack Willing. The street address of the Registered Office, which is also the address of the Registered Agent, is 1601 114th Ave SE #100, Bellevue, WA 98004

Article 3

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and management of the Condominium created by the recording of that certain Declaration of Covenants, Conditions and Restrictions ("Declaration") recorded with the County in which the property is located, and to promote the health, safety and welfare of the owners of Units within said Condominium and any additions thereto as may be brought within the jurisdiction of this Association, and for this purpose to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Act as amended from time to time, and the Declaration, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; and any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Washington by law may now or hereafter have or exercise.

Article 4

MEMBERSHIP AND VOTING

Provisions for the qualification and voting rights of members of the Association are as set forth in the Declaration and the Bylaws of the Association, as the same may be amended from time to time.

Article 5

BOARD OF DIRECTORS

The affairs of the Association shall initially be governed by a Board composed of at least one (1) but not more than three (3) members as determined by Declarant. Commencing with the first Association meeting at which the Unit Owners are to elect the entire Board pursuant to the terms of Article 10 of the Declaration (other than a meeting held when Declarant still owned all of the units), and unless the Bylaws are amended at that meeting, the Board shall be composed of three (3) Members, a majority of whom must be Owners of Units in the Condominium. The address and name(s) of the person(s) who shall initially serve in the capacity of directors until the selection of their successors is: Jack Willing, 1601 114th Ave SE #100, Bellevue, WA 98004;

Article 6

LIABILITY

Provisions limiting the liability of Board members and other persons participating in the management of the Association, and providing for indemnification of such persons by the Association, are as set forth in the Declaration, as the same may be amended from time to time, and shall apply to any initial Board elected by Declarant as well as to any Board elected by Unit Owners other than Declarant.

Article 7
DISSOLUTION

The Association may be dissolved by removal of the Property from the provisions of the Act, by the procedures outlined in RCW 64.34.268, as amended, and in the Declaration, as amended. In the event of such dissolution, then, unless members of the Association having at least 80% of the total votes in the Association elect to sell the assets of the Association as prescribed in the Act, the assets of the Association shall be owned by all members of the Association as tenants in common according to their percentages of undivided interest in common areas and facilities, as set forth in the Declaration, as amended.

Article 8
DURATION

The corporation shall exist perpetually.

Article 9
INCORPORATOR

The name and address of the incorporator is Jack Willing, 1601 114th Ave SE #100, Bellevue, WA 98004.

The undersigned incorporator has signed these Articles of Incorporation as duplicate signed originals dated as of October 18, 2000, under penalty of perjury.

Jack Willing, Incorporator

**CONSENT TO APPOINTMENT AS REGISTERED AGENT
OF GLENGARRY CONDOMINIUM OWNERS ASSOCIATION**

Jack Willing hereby consents to serve as Registered Agent, in the State of Washington, for the above-named Association. The undersigned understands that as agent for the Association, it will be his or her responsibility to receive Service of Process in the name of the Association; to forward all mail to the Association; and to immediately notify the Office of the Secretary of State in the event of resignation by the undersigned, or of any change in the Registered Office address of the Association.

DATED: September 10, 2003

Jack Willing

Address of Registered Agent: 1601 114th Ave SE #100, Bellevue, WA 98004

**BYLAWS OF
GLENGARRY CONDOMINIUM OWNERS ASSOCIATION**

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**BYLAWS OF
GLENGARRY CONDOMINIUM
OWNERS ASSOCIATION**

**Article 1
OBJECT AND DEFINITIONS**

1.1 Purpose. The purpose for which this Association is formed is to govern the Condominium Property which is described in Schedule A attached to the following described Declaration, and which Property has been submitted to the provisions of the Washington Condominium Act by a Declaration entitled "Declaration and Covenants, Conditions, Restrictions and Reservations" establishing a plan for condominium ownership of Units within the above-referenced Condominium (hereinafter referred to as the "Declaration").

1.2 Assent. All present or future Owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws and in the Declaration. The mere acquisition or rental of any of the Units (hereinafter referred to as "Units") in the project or the mere act of occupancy of any of said Units shall constitute ratification of these Bylaws.

1.3 Definitions. Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration. The terms "Owners" and "Members" as used herein shall be synonymous.

**Article 2
MEMBERSHIP, VOTING, MEETINGS AND ADMINISTRATION**

2.1 Matters Governed by Declaration. With regard to various matters including membership, meetings and voting, reference is made to the Declaration.

2.2 Additional Administrative Provisions.

2.2.1 Voting by Mail. The Board may decide that voting of the Members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) In the case of election of Board Members by mail, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least fifty (50) days after such advice is given by which all votes are to be received. The Secretary within five (5) days after such advice is given shall give written notice of the number of Board members to be elected and of the names of the nominees to all Owners. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date, the Secretary shall give written notice to all Owners, stating the number of Board members to be elected, stating the names of all persons nominated by the Board members to be elected, stating the names of all persons nominated by the Board and by the Members on or before said specified date, stating that each Owner may cast a vote by mail and stating the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Board members pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice to all Owners, which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than twenty (20) days

after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the Association. Votes received after that date shall not be effective.

(c) Delivery of a vote in writing to the principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 2.2.1.

2.2.2 Adjourned Meeting. If any meeting of the Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

2.2.3 Order of Business. The order of business at all meetings of the Owners of Units shall be as follows:

- A. Roll Call.
- B. Proof of Notice of meeting or waiver of notice.
- C. Reading of Minutes of preceding meeting.
- D. Reports of officers.
- E. Reports of committees.
- F. Election of Board members (annual meeting only).
- G. Unfinished business.
- H. New business.

Article 3 MANAGEMENT OF CONDOMINIUM

3.1 In General. The affairs of the Association shall initially be governed by a Board composed of at least one (1) but not more than three (3) members as determined by Declarant. Commencing with the first Association meeting at which the Unit Owners are to elect the entire Board pursuant to the terms of Article 10 of the Declaration (other than a meeting held when Declarant still owned all of the units), and unless the Bylaws are amended at that meeting, the Board shall be composed of three (3) Members (not including a Board member designated by Declarant), a majority of whom must be Owners of Units in the Condominium; provided, the Declarant (or a representative of Declarant) shall have the right (which may not be terminated by amendment to the Declaration or Bylaws, and which shall continue so long as any Special Declarant Rights or Developments remain in effect or Declarant has any obligation or liability of any express or implied warranty) to serve as a full non-voting member of the Association Board (with all of the rights and powers of a Board member except for the right to vote).

3.2 Additional Provisions Regarding Board

3.2.1 Election and Term of Office. The members of the first Board elected entirely by the Unit Owners (other than by an election held when Declarant still owned all of the Units) shall serve terms of office as follows: one (1) director shall serve for a term of one year, one (1) for a term of two years, and (1) for a term of three years (the Board members determining by whatever method they deem appropriate the terms of each initial member). At each annual meeting after the initial Board is elected, the Association members shall elect to a three-year term one new director for each director whose term shall have expired that year. The number of directors or their term of office may be changed by amendment of these Bylaws.

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

3.2.3 Organizational Meeting. The first meeting of a newly elected Board shall be held immediately following the annual meeting and no notice shall be necessary to the newly elected Board Members in order legally to constitute such

meeting, provided a majority of the whole Board shall be present.

3.2.4 Regular Meeting. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members, but at least two (2) such meetings shall be held during each fiscal year and one (1) such meeting shall be held immediately following the annual meeting of Owners. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

3.2.5 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board members.

3.2.6 Waiver of Notice. Before, at or after any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.2.7 Board Fees. Each Board member shall receive such sum, as the Owners may from time to time determine, for attendance at a regular or special meeting of the Board.

Article 4 OFFICERS

4.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board, annually.

4.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice President need not be filled. The Board may elect officers from among its members, or otherwise.

4.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed from his position as an officer but not as a Board member, with or without cause, and his successor elected at any regular or special meeting of the Board called for such purpose.

4.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board. He shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit association including, but not limited to, the powers to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5 Vice President. A Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

4.6 Secretary. The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their registered mailing addresses. Such list shall also show opposite each Member's name the number or other appropriate designation of the Apartment owned by such Member. Such list shall be opened to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

4.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

4.8 Assistant Secretary. The Board may appoint one (1) or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

4.9 Assistant Treasurer. The Board may appoint one (1) or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

Article 5 ADOPTION OF BYLAWS AND AMENDMENTS

Bylaws (and amendments thereto) for the administration of the Association and the Property, and for other purposes not inconsistent with the Act or with the intent of the Declaration, shall be adopted by the Association by concurrence of those voting Owners holding majority of the total voting power. Notice of the time, place and purpose of such meeting shall be delivered to each Unit Owner at least ten (10) days prior to such meeting.

Article 6 EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND REQUIRED PROXIES

6.1 Proof of Ownership. Any person on becoming an Owner of a Unit shall furnish to the Manager or Board a photocopy of a copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association; provided, that a failure to meet this requirement shall not invalidate an otherwise valid transfer of an Unit.

6.2 Registration of Mailing Address. The Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Unit Owner or Owners shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Unit shall be the registered address until another registered address is furnished as permitted under this Section. Registered addresses may be changed from time to time by similar designation.

Article 7 NONPROFIT ASSOCIATION

This Association is not organized for profit. No Member, member of the Board, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member or Manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any Member or Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

Article 8
FISCAL YEAR

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

DATED as of September 10, 2003

SUCCESSOR DECLARANT: Lyle Homes, Inc
A Washington Corporation

By Jack Willing,

GLENGARRY CONDOMINIUM

ASSOCIATION RULES AND REGULATIONS

Declarant believes that the provisions of the Declaration, Association Bylaws and general principals of law adequately provide for the proper administration of the Condominium. Consequently, no Rules and Regulations have as yet been adopted for the Association.

ASSOCIATION BALANCE SHEET

Association assessments do not have to be collected from Unit Owners so long as the Declarant is paying all Association Common Expenses. Because Association Assessments have not been collected for a period of 90 days or more, no balance sheet has as yet been prepared for the Association.

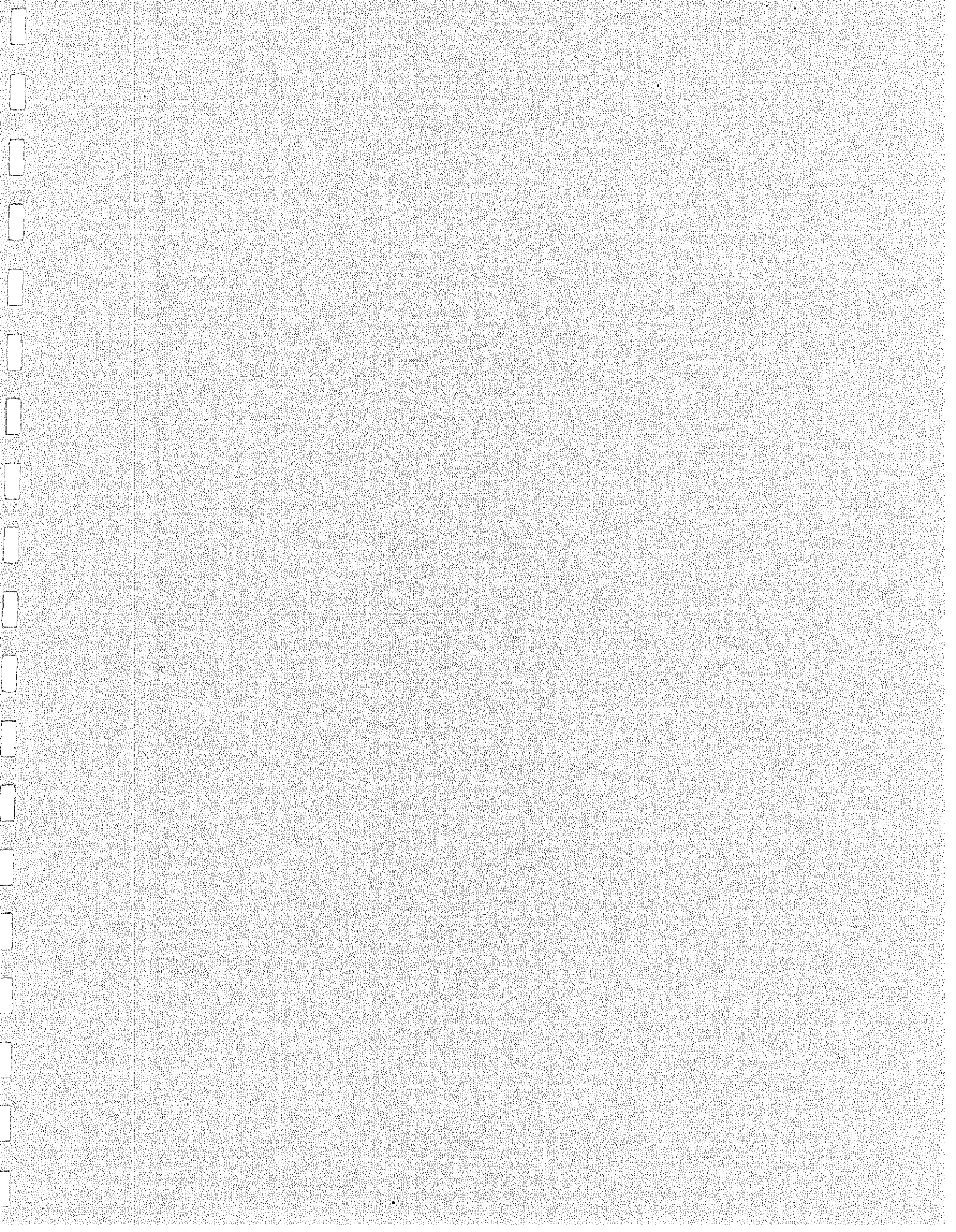
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ANALYSIS OF ANNUAL INCOME & EXPENSES - OPERATING BUDGET				
(FHLMC Form 465 Addendum B/FNMA Form 1073-A)				
Project Name: Glengarry Address: Bothell Everett Hgwy., Snohomish Coouty, WA				
STATEMENT OF ANNUAL PROJECT OPERATING BUDGET				
& RESERVES FOR YEAR 2003				
Budget is for entire project				
ADMINISTRATIVE EXPENSES				
Legal & audit				500
OPERATING EXPENSES				
REPAIR & MAINTENANCE				
Private street maintenance & repairs (annual cleaning of streets & reserve for resurfacing)				2,000
Landscape Maintenance (including wetlands, open space, entrance, street trees, tot lot)				15,000
Storm Drainage System (maintenance & cleaning of catch basins & detention ponds every five years)				2,000
Misc./Contingency				2,700
FIXED EXPENSES				
Insurance premiums				3,000
TOTAL EXPENSES & RESERVES				25,200
ANNUAL ASSESSMENT PER HOME				179
This estimated Association annual budget:				
(1) is based on an assumption that all improvements are completed, that all estimated expenses are being incurred, and that reserves are being collected;				
(2) is only a good faith estimate based on expenses actually known by Declarant at the time of budget preparation, and may not include expenses (including without limitation charges and assessments required by governmental and quasi-governmental agencies) of which Declarant has not received written notice as to the nature and/or amount.				
Pursuant to Declaration Article 12, initial assessments may be based on actual expenses only.				
If the Condominium may be created in phases, Declarant in good faith believes that, prior to the completion of all phases, the estimated Association annual budget at any time will be a fraction of the foregoing budget, the numerator of which fraction is the number of Units then in the Condominium and the denominator of which is the total number of Units that may be in the condominium.				

**GLENGARRY CONDOMINIUM
PUBLIC OFFERING STATEMENT/WARRANTY ADDENDUM**

(Purchase/ Sale Agreement not binding unless this Addendum, signed by the Buyer, is delivered to Seller)

This addendum is entered into this _____ day of _____, 20____ by and between the undersigned Buyer and the undersigned Seller with respect to Unit _____ of the above named condominium. Other than as herein modified, the terms of the Purchase and Sale Agreement entered into between Buyer and Seller, dated _____, 20____ ("the Agreement") shall remain in full force and effect. This Addendum shall control any conflict between the Agreement and this Addendum.

I. DISCLOSURE DOCUMENTS.

- A. Delivery of POS. Selling Agent and Buyer hereby acknowledge delivery and receipt of the following (all of which are collectively referred to herein as the "POS."): Public Offering Statement; Warranty; Declaration; Survey Map and Plans; Association Articles of Incorporation; Association Bylaws; Association Rules and Regulations (if any) and Association Balance Sheet (if any); and Association Budget
- B. Draft Form. These documents may be in draft form and are subject to modification as provided in the Agreement.
- C. Cancellation Right. Buyer may cancel the Agreement by delivering written cancellation notice to Seller within seven days after first receiving the POS.
- D. Written Agreements. The only representations, warranties and agreements on which Buyer may rely are those contained in the: Agreement; POS. (and the other documents listed above); and any other written document signed by Seller. Buyers are not entitled to rely upon the statements made by listing or selling agents or contained in brochures, advertisements or other documents not signed by the Seller.
- E. Documents Binding. The POS is only a summary of some of the significant aspects of purchasing a unit in this condominium. The condominium documents are complex, contain other important information, and (unless the contract of purchase is canceled within the 7-day period) are legally binding obligations of the Buyer. Buyers should consider seeking the assistance of legal counsel. By signing this Addendum, the Buyer is agreeing that the provisions of the POS and the documents referenced above are a part of the basis of the parties' bargain and are binding upon the Buyer.

II. CONDOMINIUM WARRANTIES.

- A. Receipt of Warranty. Buyer received a full and complete copy of the Warranties described in the POS ("Warranties").
- B. Intent/Purpose. The intent and purpose of the Warranties is to provide the Owner and Declarant, prior to the consummation of a transaction, with a clear and predictable understanding of their rights, duties and obligations.
- C. Buyer Review. Buyer will read the Warranties prior to the expiration of the 7-day cancellation period. Buyer's failure to read the Warranties and to obtain any needed assistance of legal counsel in understanding the Warranties shall not in any way change Buyer's or Declarant's rights, duties or obligations under the Warranties. Failure to strictly adhere to the Warranty provisions (including timely notice of defect claims and claims procedures) may void insurance coverage and severely impair buyer's rights and remedies.
- D. Election Not To Cancel. Each party has had full and fair opportunity to negotiate, carefully review, seek legal advice with respect to, and understand the effect, purpose and economic consequences of the provisions of the Warranties. Neither party has knowingly taken advantage of the inability of the other party reasonably to protect his or her interests by reason of physical or mental infirmity, illiteracy, or inability to understand the language of the Warranties or similar factors; and that Buyer will use due care and deliberation in electing not to exercise the right to cancel the purchase contract.
- E. Exclusion Of Others Warranties. The Warranties, and the obligations of Declarant and the rights of Buyer thereunder, are given by Declarant and accepted by Buyer: (a) in lieu of and to the exclusion of all other express or implied warranties (including without limitation any implied warranty of habitability, merchantability or fitness for a particular use); and (b) in lieu of and to the exclusion of all other legal or equitable rights, remedies or causes of action.
- F. Implied Warranties. The Warranties are not intended to be in addition to any implied warranties provided by law, but rather that such implied warranties are to be interpreted and enforced in accordance with the provisions of the Warranties.
- G. Inducement To Seller. Buyer's acceptance of the Warranties is a direct and material inducement to Declarant's agreement to sell the Unit for the agreed price, and has been relied upon by Declarant (and Declarant's contractor, subcontractors, vendors, suppliers and other professionals).
- H. Binding On Buyer. That Buyer's acknowledgment and agreement shall be binding upon Buyer in Buyer's capacity as a Home Owner and Association Officer and Board member, and with respect to the Unit and Common Elements.

SELLER:

Date: _____

Glengarry LLC

By: _____

Its: _____

SELLING AGENT:

Date: _____

By: _____

BUYER:

Date: _____

Date: _____

Its: _____

