

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal,
hereby issue this

CERTIFICATE OF INCORPORATION

to

GLENGARRY CONDOMINIUM OWNERS ASSOCIATION

a/an WA Non-Profit Corporation. Charter documents are effective on the date indicated
below.

Date: 4/29/2004

UBI Number: 602-390-977

APPID: 79327



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital

Sam Reed, Secretary of State

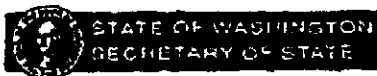
Apr 26 04 08:21a
Apr 26 04 11:15a

JACK WILLING
Lyle Homes Inc

7603459624
425 646 6313

P.2
P.2

04/29/2004 401719
\$0.00 Document
Only
Tracking ID: 708978
Doc No: 401719-001



Please PRINT or TYPE (check in)
Sign, date and return original and ONE COPY to:

CORPORATIONS DIVISION
801 CAPITOL WAY SOUTH - PO BOX 40234
OLYMPIA, WA 98504-0234

BE SURE TO INCLUDE FILING FEE. Checks
should be made payable to "Secretary of State"

APPLICATION TO FORM A NONPROFIT CORPORATION

(RCW Chapter 17.05)

FEE: \$30

EMPLOYER'S PAYROLL SERVICE AVAILABLE - SEE THE SECRETARY
FOR FILING AND WRITING "RESOLUTION" IN BOLD LETTERS
ON SEPARATE SHEET OF PAPER.

FOR OFFICE USE ONLY

FILED: 1 1 1 URL: 602 390 977
CORPORATION NUMBER:

IMPORTANT: Please do not forget about this filing

Kathy Bray

Office Phone Number (with area code)

425-646-6317

ARTICLES OF INCORPORATION

NAME OF CORPORATION	Any complete designations such as "Incorporated," "Limited," "Company," "Association," or "Trust" or the abbreviation "Corp.," "Inc.," "Co.," or "LLC."
EFFECTIVE DATE OF INCORPORATION	Check one: <input type="checkbox"/> Specific Date: <input checked="" type="checkbox"/> Upon filing by the Secretary of State
TERM OF EXISTENCE	Check one: <input type="checkbox"/> Perpetual <input type="checkbox"/> Years (please indicate number of years)
PURPOSE FOR WHICH THE NON-PROFIT CORPORATION IS ORGANIZED: (If necessary, attach additional information)	Homeowners Association
IN THE EVENT OF A VOLUNTARY DISSOLUTION, THE NET ASSETS WILL BE DISTRIBUTED AS FOLLOWS: (If necessary, attach additional information)	Equally amongst Homeowner

NAME AND ADDRESS OF WASHINGTON STATE REGISTERED AGENT	Name: Jack Willing
Street Address (Please print)	1601-114th Ave SE, Ste 100, Bellevue, WA 98004
PO Box (Optional - Must be in same city as street address)	ZIP (if different than street ZIP)
I consent to serve as Registered Agent for the State of Washington for the above named corporation. I understand it will be my responsibility to accept service of process on behalf of the corporation; to forward mail to the corporation; and to immediately notify the Office of the Secretary of State of any change in the Registered Office Address.	
Signature of Agent	Printed Name: Jack Willing Date: 4-12-04

NAME AND ADDRESS OF EACH INITIAL BOARD DIRECTOR (If necessary, attach additional names and addresses)	Name: Jack Willing
Address	1601-114th Ave SE, Ste 100, Bellevue, WA 98004

NAME AND ADDRESS OF EACH INCORPORATOR (If necessary, attach additional names, addresses and photographs of each individual incorporator)	Name: Jack Willing
Address	1601-114th Ave SE, Ste 100, Bellevue, WA 98004

SIGNATURE OF INCORPORATOR	This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.
Signature of Incorporator	Printed Name: Jack Willing Date: 4-12-04

CORPORATIONS INFORMATION AND ASSISTANCE - 360/763-7115 (TDD - 360/763-1485)

FILED
SECRETARY OF STATE
SAM REED

APRIL 29, 2004

STATE OF WASHINGTON

215-516-3990

Form **SS-4**

(Rev. December 2001)
Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

See separate instructions for each line. Keep a copy for your records.

EWI

41-2126119

Of 13 No. 1545-0003

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested
Glengarry Homeowners Association

2 Trade name of business (if different from name on line 1)

3 Executor, trustee, "care of" name

4a Mailing address (room, apt., suite no., and street, or P.O. box)
1601 114th Ave SE, Ste 100

4b City, state, and ZIP code
Bellevue WA 98004

5a Street address (if different) (Do not enter a P.O. box.)

5b City, state, and ZIP code

6 County and state where principal business is located
King Washington

7a Name of principal officer, general partner, grantor, owner, or trustee
Jack willing

7b SSN, ITIN, or EIN

8a Type of entity (check only one box)

- ☐ Sole proprietor (SSN)
☐ Partnership
☐ Corporation (enter form number to be filed) ▶
☐ Personal service corp.
☐ Church or church-controlled organization.
☒ Other nonprofit organization (Specify)
Homeowners Association
- ☐ Estate (SSN of decedent)
☐ Plan administrator (SSN)
☐ Trust (SSN of grantor)
☐ National Guard
☐ Farmers' cooperative
☐ REMIC
☐ State/local government
☐ Federal government/military
☐ Indian tribal governments/enterprises

Group Exemption Number (GEN) ▶

8b If a corporation, name the state or foreign country (if applicable) where incorporated. State Foreign country

9 Reason for applying (check only one box)
☐ Started new business (specify type) ▶
☒ Banking purpose (specify purpose) ▶ Debit
☐ Charged type of organization (specify new type) ▶
☐ Purchased going business
☐ Created a trust (specify type) ▶
☐ Created a pension plan (specify type) ▶

☐ Hired employees (Check this box and see line 12.)
☐ Compliance with IRS withholding regulations
☐ Other (specify) ▶

10 Date business started or acquired (month, day, year) 07-2004

11 Closing month of accounting year 12

12 First date wages or annuities were paid or will be paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year)

13 Highest number of employees expected in the next 12 months. Note: If the applicant does not expect to have any employees during the period, enter "0."

14 Check one box that best describes the principal activity of your business.
☐ Construction ☐ Rental & leasing ☐ Transportation & warehousing ☐ Health care & social assistance ☐ Wholesale-retail/broker ☐ Retail
☐ Real estate ☐ Manufacturing ☐ Finance & insurance ☒ Accommodation & food service ☐ Wholesale-retail ☐ Other (specify)

15 Indicate principal line of merchandise sold; specific construction work done; products produced; or services provided.

16a Has the applicant ever applied for an employer identification number for this or any other business? Note: If "Yes," please complete lines 16b and 16c. ☐ Yes ☒ No

16b If you checked "Yes" on line 16a, give applicant's legal name and trade name shown on prior application if different from line 1 or 2 above.
Legal name ▶ Trade name ▶

16c Approximate date when, and city and state where, the application was filed. Enter previous employer identification number if known.
Approximate date when filed (mo., day, year) City and state where filed Previous EIN

17 Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.

Third Party Designee
Designee's name Kathy Bray
Address and ZIP code 1601 114th Ave SE, Ste 100, Bellevue WA 98004

Designee's telephone number (include area code) (251) 646-6313

Designee's fax number (include area code) (251) 646-6313

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ Kathy Bray

Signature ▶ Kathy Bray Date ▶ 2-11-04

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N

Form SS-4 (Rev. 12-2001)

0532756263

021704



Washington
Secretary of State
SAM REED

Corporations Division
James M. Dolliver Building
801 Capital Way South
PO Box 40234
Olympia, WA 98504-0234
Tel 360.753.7115
Fax 360.664.8781
TDD 360.753.1485
www.secstate.wa.gov/corps

Congratulations:

You have completed the initial filing to create a new business entity. **The next step in opening your new business is to complete a Master Business Application.** You may have completed this step already. The Master Business Application can be completed online or downloaded at: <http://www.dol.wa.gov/businesses.htm>

If you have any questions about the master application, or would like a master application package mailed to you, please call the Department of Licensing at 360-664-1400.

IMPORTANT

You have completed the initial filing to create a new entity. To keep your filing status active and avoid administrative dissolution, you must:

1. **File an Annual Report** and pay the annual license fee each year before the anniversary of the filing date for the entity. A notice to file your annual report will be sent to your registered agent. It is the corporation or LLC's responsibility to file the report even if no notice is received.
2. **Maintain a Registered Agent** and registered office in this state. You must notify the Corporations Division if there are any changes in your registered agent, agent's address, or registered office address. Failure to notify the Corporations Division of changes will result in misrouted mail, and possibly administrative dissolution.

If you have questions about report and registered agent requirements, please contact the Corporations Division at 360-753-7115 or visit our website at: <http://www.secstate.wa.gov/corps>

JACK WILLING
1601 114TH AVE SE #101
BELLEVUE, WA 98004

ARTICLES OF INCORPORATION
OF
GLEN GARRY 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 (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 (5) Members (not including a Board member designated by Declarant), 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

DECLARANT: Glengarry LLC
a Washington Limited Liability Company



Jack Willing, Member

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 (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 (5) Members (not including a Board member designated by Declarant), 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

DECLARANT: Glengarry LLC
a Washington Limited Liability Company



Jack Willing, Member

LAW OFFICES
JAMES C. MIDDLEBROOKS
315 NW 201st Place
Shoreline, Washington 98177
(206) 533-0805 Facsimile (206) 533-0744
Email: pete@jcmiddlebrooks.com

October 7, 2003

Jack Willing
1601 114th Ave. SE
Suite 100
Bellevue, WA 98004

Re: Glengarry Condominium

Dear Sir:

Enclosed please find the following documents:

- * The original Declaration and Covenants, Conditions, Restrictions and Reservations ("Declaration") between Glengarry LLC, as grantor, and Glengarry Condominium, as grantee, bearing Snohomish County recording number 200308140770;
- * The original Master Declaration between [Blank], as grantor, and Glengarry, as grantee, bearing Snohomish County recording number 200205290200;

The following is a reminder of your obligation under the Washington Condominium Act to deliver certain documents and records to the HOA.

CONDOMINIUM TRANSFER OF ASSOCIATION PROPERTY AND RECORDS

1. **Washington Condominium Act Requirements.** The Washington Condominium Act requires that the Declarant deliver to the Homeowners Association copies of the records and documents listed below. These documents must be delivered either to:
 - a. the Association's independent property manager (if any); or
 - b. the Association's president (elected by Unit owners), if there is no property manager.

Records and Documents Required to be Delivered to the Association:

- ☐ The Declaration and any amendments thereto.
- ☐ The Certificate of Incorporation and Articles of Incorporation of the association as filed with the Secretary of State.
- ☐ The Bylaws of the association.
- ☐ The minute books, including all minutes, if any, as well as other books and records of the association.
- ☐ Association Rules and Regulations which have been adopted, if any.
- ☐ Resignation of officers and members of the Board appointed or elected by Declarant who are required to resign because the declarant is required to relinquish control of the association.
- ☐ The financial records, including canceled checks, bank statements, and financial statements of the association, and source documents from the time of incorporation of the association through the date of transfer of control to the unit owners. Financial records also include the ☐ Association Balance Sheets, ☐ Association Income and Expense Statements, ☐ Association Current Budget, ☐ Association Bank Account Statement and Registers, ☐ Record of Unit Reserve or Working Capital Deposits; ☐ Record of Unit Assessment Delinquencies.
- ☐ Association funds or the control of the funds of the association.
- ☐ All tangible personal property of the association, represented by the declarant to be the property of the association or ostensibly the property of the association, and an inventory of the property;
- ☐ A copy of the declarant's plans and specifications utilized in the construction or remodeling of the condominium, with a certificate of the declarant or a licensed architect or engineer that the plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized by the declarant in the construction or remodeling of the condominium, except for alterations by Unit Owners.
- ☐ Insurance Policies or copies thereof for the condominium and association.
- ☐ Copies of any Certificates of Occupancy which may have been issued for the condominium.
- ☐ Any other permits issued by governmental bodies applicable to the condominium in force or issued within one year before the date of transfer of control to the unit owners.
- ☐ All written warranties that are still in effect for the common elements, or any other areas or facilities which the association has the responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals

- ☐ or instructions furnished to the declarant with respect to installed equipment or building systems;
- ☐ A roster of unit owners and eligible mortgagees (those mortgagees providing written notice) and their addresses and telephone numbers, if known, as shown on the declarant's records and the date of closing of the first sale of each unit sold by the declarant.
- ☐ Any leases of the common elements or areas and other leases to which the association is a party;
- ☐ Any employment contracts or service contracts in which the association is one of the contracting parties or service contracts in which the association or the units owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the person performing the service.
- ☐ All other contracts to which the Association is a party.

Please do not hesitate to give me a call if you have any question or comment regarding this transmittal.

Sincerely,



Will G. Middlebrooks

Enclosures

October 7, 2003

200205290200



200205290200

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,

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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: _____

By: *Glengary, LLC*
Its: *John Chilling*
Glengary members

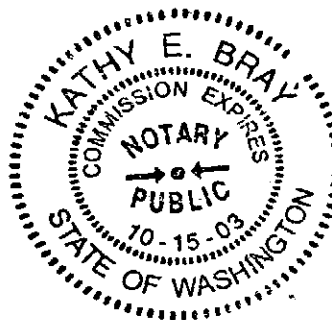
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STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 23rd day of May, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Joek Williams, to me personally known (or proven on the basis of satisfactory evidence) to be Managing Member of Glensary LLC, the _____ that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said _____

WITNESS my hand and seal hereto affixed the day and year in the certificate above written.

Kathy E. Bray
NOTARY PUBLIC in and for the State of
Washington, residing in Renton, WA
My commission expires: 10-15-03
Print Notary Name: Kathy E. Bray



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**EXHIBIT A
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
GLENGARRY**

Legal Description of Property

200205290200

CHICAGO TITLE INSURANCE COMPANY

Order No.: 000365575

LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER 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 QUARTER OF THE SOUTHWEST QUARTER;
THENCE NORTH 01°28'19" EAST, ALONG THE WEST LINE OF SAID SUBDIVISION, A DISTANCE OF 1,314.21 FEET TO THE NORTHWEST CORNER OF SAID SUBDIVISION;
THENCE SOUTH 87°24'52" EAST, ALONG THE NORTH LINE OF SAID SUBDIVISION, A DISTANCE OF 1,322.64 FEET TO THE NORTHEAST CORNER OF SAID SUBDIVISION;
THENCE SOUTH 87°24'38" EAST, ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 20.00 FEET TO THE NORTHEAST CORNER OF SAID WEST 20 FEET OF SAID SUBDIVISION;
THENCE SOUTH 01°33'13" WEST, ALONG THE EAST LINE OF SAID WEST 20 FEET, A DISTANCE OF 414.26 FEET TO THE SOUTHEAST CORNER OF THE NORTH 414.19 FEET OF SAID WEST 20 FEET;
THENCE NORTH 87°24'38" WEST, ALONG THE SOUTH LINE OF SAID NORTH 414.19 FEET, A DISTANCE OF 20.00 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER;
THENCE SOUTH 01°33'13" WEST, ALONG SAID EAST LINE, A DISTANCE OF 444.44 FEET TO THE NORTHEAST CORNER OF THE SOUTH 455 FEET OF SAID SUBDIVISION;
THENCE NORTH 87°25'56" WEST, 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 SOUTH 01°28'19" WEST, ALONG SAID EAST LINE, A DISTANCE OF 0.25 FEET TO THE SOUTH LINE OF THE NORTH 859 FEET OF SAID SUBDIVISION;
THENCE NORTH 87°24'52" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 168.95 FEET TO THE EASTERLY RIGHT-OF-WAY MARGIN OF 24TH DRIVE S.E.;
THENCE NORTH 01°28'26" EAST, ALONG SAID MARGIN, A DISTANCE OF 30.51 FEET;
THENCE NORTH 88°31'34" WEST, A DISTANCE OF 52.00 FEET TO THE WESTERLY MARGIN OF SAID RIGHT-OF-WAY;
THENCE SOUTH 01°28'26" WEST, ALONG SAID MARGIN, A DISTANCE OF 29.50 FEET TO SAID SOUTH LINE OF THE NORTH 859 FEET;
THENCE NORTH 87°24'52" WEST, ALONG SAID LINE, A DISTANCE OF 76.10 FEET TO THE EAST LINE OF THE WEST 396 FEET OF SAID SUBDIVISION;
THENCE SOUTH 01°28'19" WEST, ALONG SAID LINE, A DISTANCE OF 454.93 FEET TO THE SOUTH LINE OF SAID SUBDIVISION;
THENCE NORTH 87°25'56" WEST, ALONG SAID LINE, A DISTANCE OF 396.07 FEET TO THE POINT OF BEGINNING;

EXCEPT ANY PORTION THEREOF, LYING WITHIN 196TH STREET S.E. (GRANNIS ROAD).

LEGAL/RDA/000

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WHEN RECORDED, RETURN TO:

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



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08-14-2003 02:31pm \$70.00
SNOHOMISH COUNTY, WASHINGTON

030803143
DOCUMENT TITLE(S):
DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR
GLENGARRY CONDOMINIUM

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

☐ Additional legal is on Exhibit A of the document

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER 27051700302000
27051700302200

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

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

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 © 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 simultaneously with or after the recordation of this Declaration. Unless the context requires otherwise, the term "Mortgagee of a Unit" shall also be deemed to include the Mortgagee of the Condominium.

1.8.27 "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 (c) 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 (c) 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



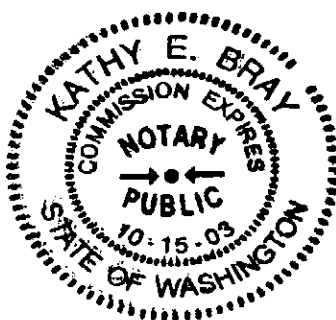
Jack Willing, Member


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 Renton

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 398.07 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 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**			(See important NOTES Below)					
		Full	3/4	1/2	1/4			Total	Dwelling	Garage						
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 [X] construction plan estimate [] surveyor's "as-built"					*** ALLOCATED INTEREST	
																Common Expense,	
	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.