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DECLARATION

AND

**COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATIONS**

FOR

**GLENBROOK
A CONDOMINIUM**

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**DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATIONS
FOR
GLENBROOK, A 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), lessees or possessors 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 sale of Units under security instruments.

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 and assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

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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 or interests in the Property are filed of record.

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 (1982-84=100), prepared by the United States Department of Labor for the base period, January 1, 1990, 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 as of the date of recording of this Declaration.

1.8.2 "Allocated Interests" means the undivided interest in the Common Elements, the Common Expense Liability, and votes in the Association allocated to each Unit more particularly provided for in Article 8.

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

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

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1.8.5 "Board" means the board of directors of the Association provided for in Section 10.2.

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

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

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

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

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

1.8.11 "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.

1.8.12 "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.

1.8.13 "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 pursuant to Section 10.2 and Section 23.1.4.

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

1.8.15 "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; or (d) withdraw real property from the Condominium.

1.8.16 "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.

1.8.17 "Eligible Mortgagee" means the holder of a Mortgage on a Unit that has filed with the secretary of the Association a written request that it be given

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copies of notices of any action by the Association that requires the consent of Mortgagees.

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

1.8.19 "Identifying Number" means a symbol or address that identifies only one Unit in a Condominium.

1.8.20 "Limited Common Element" means a portion of the Common Elements allocated by this Declaration 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.

1.8.21 "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.

1.8.22 "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.

1.8.23 "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.

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

1.8.25 "Mortgagee of the Condominium" means the holder of a Mortgage on the Property which this Declaration affects, which Mortgage was recorded prior to the recordation of this Declaration. The term "Mortgagee of the Condominium" does not include Mortgagees of the individual Units.

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

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

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1.8.28 "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.

1.8.29 "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.

1.8.30 "Residential Purposes" means use for dwelling purposes.

1.8.31 "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 64.34.276;
- (f) make the Condominium subject to a master association under RCW 64.34.276; or
- (g) appoint or remove any officer of the Association or any master association or any member of the Board during any period of Declarant Control under Section 23.1.4.

1.8.32 "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.

1.8.33 "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to Article 4. "Separate ownership" includes leasing a Unit in a leasehold condominium under a lease that expires contemporaneously with any lease, the expiration or termination of which will remove the Unit from the Condominium.

1.8.34 "Unit Owner" means, subject to Section 1.9.5, a Declarant or other person who owns a Unit or leases a Unit in a leasehold condominium under a

lease that expires simultaneously with any lease, the expiration or termination of which will remove the Unit from the Condominium, but does not include a person who has an interest in a Unit solely as security for an obligation. "Unit Owner" means the vendee, not the vendor, of a Unit under a real estate contract.

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 1.8.34, the term "Unit Owner" in such context shall, unless the Declaration or Bylaws otherwise provide, be deemed to include any director, officer, management level employee, 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, management level employee, 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

3.1 Number of Units. Declarant has created and reserves the right to create 148 Units.

3.2 **Unit Number.** The Units created by the Declaration are each identified by a unique Identifying Number between 1 and 148, inclusive.

3.3 **Unit Description.** Each Unit consists of a parcel of vacant land between approximately 2,500 square feet and 4,400 square feet in size; more precise dimensions of each Unit are set forth in the Survey Map and Plans. Each Unit is designed to be improved with a manufactured home of the type(s) described in Exhibits B and C together with an asphalt parking pad for two cars. The manufactured home and any accessory structures, paving and landscaping located within the boundaries of a Unit shall be deemed a part of such Unit. Since the Units are vacant land, there are no bathrooms, bedrooms, fireplaces or heat service. However, Exhibit B states such amenities which are anticipated to exist with respect to the types of manufactured homes anticipated to be later installed on the Units. There are no levels of Units since all Units are at ground level.

3.4 **Access to Common Ways and Public Streets.** Each Unit has direct access to Common Element streets and all such Common Elements have direct access to public streets.

Article 4

BOUNDARIES

4.1 Unit Boundaries.

4.1.1 **Boundary Lines.** Each Unit is bounded at ground level by Common Elements or a common boundary with an adjoining Unit as shown in the Survey Map and Plans. The vertical boundaries of each Unit are the same boundaries that would exist if each Unit was, instead of being a part of a Condominium, owned by a fee title holder as a separate legal parcel not subject to this Declaration.

4.1.2 **Utilities.** If any sewer line, water line, power line, telephone cable, conduit, or any other utility lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to the Unit, any portion thereof serving only that Unit and one other Unit is a Limited Common Element allocated equally to such two Units, and any portion thereof serving more than two Units or any portion of the Common Elements is a part of the Common Elements. Any utility provider's ownership of or interest in such sewer line, water line, power line, telephone cable, conduit, or any other utility shall not be affected by the preceding sentence.

4.1.3 **Improvements, Etc.** Subject to the provisions of Sections 4.1.2 and 19.1, all improvements and fixtures within the boundaries of a Unit are a part of the Unit including but not limited to foundation, manufactured home, carport, paving and landscaping.

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4.2 Relocation of Boundaries; Adjoining Units.

4.2.1 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 of conveyance between them, and is recorded in the name of the grantor and the grantee.

4.2.2 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. Unless otherwise agreed to by the Unit Owners of the affected Units, the cost of compliance incurred by the Association shall be paid in equal shares by the Unit Owners of the Units of which the boundaries are altered.

Article 5

DESCRIPTION OF OTHER IMPROVEMENTS

Exhibits B and C attached hereto set forth the following:

- 5.1 Recreational Facilities.** A description of the recreational facilities, if any, included within the Condominium.
- 5.2 Parking.** The number of covered, uncovered or enclosed parking spaces.
- 5.3 Moorage Slips.** The number of moorage slips, if any.

Article 6

DESCRIPTION OF COMMON ELEMENTS

Except as otherwise specifically reserved, assigned or limited by the provisions of Section 4.1 and Article 7 hereof, the Common Elements consist of all portions of the Condominium except Units and include the following:

- 6.1** The streets, sidewalks, and guest parking areas on the Real Property described in Exhibit A and shown on the Survey Map and Plans.
- 6.2** Utilities for the common benefit of the Units such as: street lighting, sewer mains, water mains, central power supplies, gas mains; 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 yards, gardens, landscaped areas, and walkways which surround and provide access to the Units or are used for recreational purposes.

6.4 Open spaces, wetlands, detention ponds and entrance monuments on the Property.

6.5 The recreational facilities described in Exhibit B.

6.6 Premises for the lodging or use of persons in charge of, or maintaining, the Property, if any.

6.7 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 reserved for the exclusive use of the Owner or Owners of the Unit or Units to which they are adjacent or assigned and, in addition to any Limited Common Elements provided by law or other provisions of the Declaration including Section 4.1, consist of:

7.1.1 Miscellaneous. Such Limited Common Elements, if any, as may be described in Exhibit B attached hereto.

7.1.2 Boundary. If there is no fence, wall or other enclosure establishing the boundary of a Limited Common Element, then the boundary shall be as depicted on the Survey Map and Plans.

7.2 Limited Common Elements.

7.2.1 Reallocation Between Units. 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.

7.2.2 Common to Limited Common, Etc. Sixty-seven percent (67%) of the Unit Owners, including the Owner of the Unit to which the Limited Common

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Element will be assigned or incorporated, must agree to reallocate a Common Element as a Limited Common Element or to incorporate 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 C 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 Glenbrook Condominium 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 to such Unit to the new Owner of the Unit.

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 from time to time and each Unit is allocated one vote.

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 is 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 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 Unit Owners 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. Bylaws may be made and amended by the Board as permitted in the Bylaws provided that all Bylaws made or amended by the Board may be amended, repealed or altered by those voting Owners holding a majority of the total voting power. 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 made a part hereof.

10.2 Election and Removal of Board.

10.2.1 Owner Election During Declarant Control. If the Declarant has reserved the right to exercise Declarant Control, then: (a) not later than sixty

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days after conveyance of twenty-five percent of the Units which may be conveyed to Unit Owners other than Declarant, at least one member and not less than twenty-five percent of the members of the Board must be elected by Unit Owners other than the Declarant; and (b) not later than sixty days after conveyance of fifty percent of the Units which may be conveyed to Unit Owners other than Declarant, not less than thirty-three and one-third percent of the members of the Board must be elected by Unit Owners other than the Declarant.

10.2.2 Owner Election After Declarant Control. Within thirty days after the termination of the period of Declarant Control, if any, the Unit Owners 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.

10.2.3 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, other than a member, if any, appointed by the Declarant. The Declarant may not remove any member of the Board elected by the Unit Owners. Prior to the termination of the period of Declarant Control, if any, the Unit Owners, other than the Declarant, may remove by a two-thirds vote, any director elected by the Unit Owners.

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: (a) if appointed by the Declarant, the care required of fiduciaries of the Units Owners; or (b) if elected by the Unit Owners, 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; 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.

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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) 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;
- (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, other than Limited Common Elements described in Section 4.1.2, 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 Elements 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.

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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 any 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.

10.5 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in Section 10.3.1, 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 such Unit's pro rata share of said borrowed funds. 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 maintain current copies of this Declaration, the Bylaws and the rules and regulations of the Association. The Association shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425 in providing resale certificates. All financial and other records shall be made reasonably available for examination by any Unit Owner, the Owner's authorized agents and all Mortgagees. 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. The financial statements of the Condominium shall be audited at least annually by a certified public accountant.

10.6.2 Fund Commingling. The funds of the Association 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.

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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.

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 of 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.

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 purposes permitted by 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. The parking spaces within the Units (except enclosed garages) are restricted to use for parking of operable passenger motor vehicles; other items and equipment including but not limited to trucks, trailers, or recreational vehicles, may be parked or kept therein only subject to the rules or regulations of the Board. The Board may require removal of any vehicle (and any other equipment or item) 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. Use of all Common Element parking areas may be regulated by the Board.

11.3 Common Streets and Walks. Common streets, 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. Parking of vehicles is prohibited on the Common Elements except for guest parking in areas designated as such on the Survey Map and Plans.

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11.4 Unit Maintenance.

Subject to the provisions of Section 11.12:

11.4.1 Standard of Condition. Each Unit Owner shall, at his sole expense, have the right and the duty to keep his Unit, including the lawn, landscaping, paving, improvements, and appurtenances in good order, condition and repair. Each Owner shall be responsible for the maintenance of the exterior and interior of improvements on his Unit and shall keep them in a clean and sanitary condition, free of rodents and pests, and shall do all redecorating and landscaping at any time necessary to maintain the good appearance and condition of the Unit. Each Unit Owner shall be responsible for the construction, alteration, maintenance, repair or replacement of any fixtures or equipment which serve that Unit only. Decisions with respect to the standard of appearance and condition of the exterior of Units shall be made by the Board, but performance of the work shall be carried out by the Unit Owner unless the Board has notified the Unit Owner that it will perform such work. The Unit Owner will be responsible for the cost of such work done to his Unit, and if the work is done by the Board, the cost thereof shall be levied as a special Assessment against the Unit. Unit Owners may not, however, without prior written approval of the Board, modify, paint, or otherwise decorate or in any way alter the exterior of improvements on the Units except as expressly permitted in this Declaration.

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; interior partitions; and the interior surfaces of improvements on the Unit; and shall not permit or commit waste of his Unit or the Common Elements. This Section shall not be construed as permitting any violation of any other provision of this Declaration 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 Interior. May make any improvements or alterations to the interior of enclosed improvements on Owner's Unit provided that the Board may require use of a uniform color and kind of window covering (including draperies, blinds, shades, etc.);

11.5.2 Exterior. May not materially change the exterior appearance of the improvements on the Unit without permission of the Board except for landscaping which may be freely changed so long as the landscaping is in compliance with the rules and regulations of the Association. The Board may establish standards for external appearance and installation of manufactured homes. In order to preserve the uniform appearance of the Condominium and its Common Elements, the Board may require or provide for the painting or repair of any structures or facilities located on the Condominium, including the manufactured homes, lanais and

patio/yard areas within Units, and prescribe the type and color of the surfaces and finishes. The Board may require its approval of a manufactured home before it can be placed on a Unit. The installation and location of the manufactured homes on a Unit may also be subject to the Board's approval or standards. The Board may prohibit, require or regulate any modification or decoration of the manufactured home or accessory structures within a Unit, including such items as screens, doors, awnings, rails or other portions of the manufactured home or accessory structures visible from the exterior. The Board may regulate and control the items stored or used within public view on any Unit.

11.5.3 Exterior Lighting. A street light is located on each Unit for exterior lighting to enhance the appearance and safety of the Condominium. Each Unit Owner shall at the Unit Owner's own expense maintain in good working order the street light located on his or her Unit (and any replacement street light) including but not limited to prompt replacement of light bulbs. The street lights may not be altered by any Unit Owner. Each Unit Owner shall cooperate with any modification, removal or replacement of the street lights at the direction of the Board; provided that if such modification, removal or replacement is general to all of the street lights in the Condominium, the cost shall be a Common Expense.

11.5.4 Common Elements. May not change the appearance of the Common Elements 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 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 Limited Common Elements, and with respect to the necessity for, and manner of, caring for, maintaining, repairing, repainting or redecorating 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 Board on behalf of the Owner or Owners of Units to which the Limited Common Element in question is assigned or reserved; provided, that by written notice, the Board may permit such Owner or Owners to perform such Maintenance Work themselves;

11.6.3 Board Approval. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective 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 Limited Common Elements reserved for or assigned to their Units;

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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;

11.6.6 Cost as Special Charge. With respect to any such Maintenance Work performed by the Board, the cost thereof (or the appropriate share thereof if the Limited Common Element in question has been assigned or reserved jointly to more than one Unit) shall be levied as a special charge against the Unit or Units (and the Owner or Owners thereof) to which such Limited Common Element is assigned or reserved.

11.7 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.

11.8 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.

11.9 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.

11.10 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.

11.11 Common Elements Alterations. Nothing shall be altered or constructed in, or removed from, the Common Elements except upon the written consent of the Board and after procedures required herein or by law.

11.12 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. Any reference in this Declaration to rules or regulations of the Board

or the Association shall include a reference to rules or regulations promulgated by either the Board or the Association.

11.13 Owner Occupancy. In order to achieve a stabilized community of owner-occupied dwelling units, to avoid artificial inflation of prices caused by resales by speculators, to prevent scarcity caused by vacant homes awaiting resale by speculators, and to facilitate qualification of the Units for financing in light of secondary mortgage market requirements, all Unit Owners other than those expressly excluded shall comply with the following:

11.13.1 Each Unit Owner shall use and occupy his Unit as his principal place of residence promptly upon the closing of his purchase of the Unit and shall continue to so use and occupy his Unit continuously during his ownership of the Unit. No Unit Owner shall lease or rent his Unit at any time for any reason, provided that rent paying roommates are permitted so long as the Unit Owner continues to occupy the Unit as his or her principal place of residence.

11.13.2 This Section 11.13 shall continue in effect for a period of ten (10) years from the date of recording of this Declaration (exclusive of amendments) and shall be automatically renewed for successive ten (10) year periods; provided, however, this Section 11.13 shall be terminated at the conclusion of any ten (10) year period if during such tenth year the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated vote or agree to amend this Declaration to delete the provisions of this Section 11.13 and the Declaration is so amended.

11.13.3 The following Unit Owners and lenders are exempt from the provisions of this Section 11.13: The Housing Authority of the County of King and 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. In the event of a sale of a Unit by a Unit Owner exempt from the provisions of Section 11.13, the new Unit Owner will be bound by this Section 11.13 unless the new Unit Owner is itself exempt under the first sentence of this Subsection. All Unit Owners and lenders exempt from the provisions of this Section 11.13 shall comply with the provisions of Section 11.14.3.

11.13.4 Without limitation, Declarant may but is not obligated to enforce the provisions of this Section 11.13 for the entire period during which Section 11.13 remains effective without regard to whether Declarant remains a Unit Owner. Declarant shall be deemed a beneficiary of the covenants provided for in this Section 11.13 in its own right and also for the purposes of protecting the interests of the community. Declarant shall have the right, in the event of any breach of this Section 11.13, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach.

11.14 Rental Units. In the event this Declaration is amended to delete the provisions of Section 11.13 or the provisions of Section 11.13 are unenforceable for any reason, the Leasing or Renting of a Unit by its Owner shall be governed by the provisions of this Section 11.14:

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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. The Association may by resolution of the Board prohibit the Leasing of any Unit for a period of less than six (6) months.

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, the Bylaws and the rules and regulations of the Board (with a default by the tenant in complying with this Declaration, Board rules and regulations and/or Bylaws constituting a default under the Lease or Rental agreement). Each Lease or Rental agreement shall contain a provision substantially conforming with the preceding sentence.

11.14.4 Notice of Tenancy. Within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the management company or to an officer or director of the Association.

11.14.5 Enforcement by Association. If any Unit Owner or tenant is in violation of any of the provisions of this Declaration, the Bylaws or the rules and regulations of the Board, the Association may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is or has violated any of the provisions of this Declaration, the Bylaws or the rules and regulations of the Board, the court may find the tenant guilty of unlawful detainer despite the facts that the Unit Owner is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Unit Owner. The remedy provided by this Subsection is not exclusive and is in addition to any other remedies available to the Association. The Association shall be entitled to an award of its costs and attorneys fees in connection with any action under this Subsection which shall constitute a special Assessment against the Unit concerned. The Association shall give the tenant and the Unit Owner written notice of the nature of the violation, and twenty (20) days from the mailing of the notice in which to cure the violation before the Association may file for eviction.

11.14.6 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 under this Declaration of the Owner or purchaser of the Unit 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.

11.14.7 No Other Restrictions. Other than as stated in this Section 11.14, Section 11.13 or other written agreement signed by the Unit Owner, there is no restriction on the right of any Unit Owner to Lease or otherwise Rent his Unit.

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. 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 after the earlier of: (a) the date six (6) months after the date of first conveyance of a Unit to an owner (other than Declarant or an Affiliate of Declarant) or (b) the date on which seventy-five percent (75%) of the Units have

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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, for a period not to exceed twelve (12) months following the date of first conveyance of a Unit to an Owner other than Declarant or an Affiliate of Declarant, 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 Elements.

12.4 Allocated Liability. Except for Assessments under Sections 12.5, 12.6, 12.7, 12.8, 12.9 and 12.10, 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 12.12.12.

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(s) of or assessed against the Units to which that Limited Common Element is assigned, equally.

12.6 Only Some Units Benefited. 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 benefited.

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.

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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 12.12.4.

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.

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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.

12.12.11 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.

12.12.12 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 19.52.010 on the date on which the Assessments became delinquent.

12.12.13 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.

12.12.14 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.

12.13 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.

12.14 Delinquent Assessment Deposit; Working Capital.

12.14.1 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 Assessments 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 shall 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 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.

12.14.2 Working Capital Contribution. The first Purchaser of any Unit shall pay to the Association, in addition to other amounts due, an amount

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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 termination of the period of Declarant Control, 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 shall include all improvements on the Common Elements such as recreational facilities and may, but need not, include 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.

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 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 reasonably available, or is modified, cancelled, 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

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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 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.** An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for the Owner's own benefit.

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

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which the Board is responsible to maintain or repair: (1) 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 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

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(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 Allocated Interests in the Common Elements 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.

14.5 Restoration by Board. If the damage (regardless of whether such damage is Significant) is to be repaired pursuant to Section 14.4, then:

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

14.5.2 Insurance Trustee. The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or

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for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

14.6 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 improvements and clearing, filling and grading the real property), and the remaining funds, if any, and Property shall thereafter be held and distributed as provided in RCW 64.34.268.

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 Allocated 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.

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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 Owner's behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf. Ownership of condemnation proceeds, as between the Owners and Mortgagees of the affected Units, shall be controlled by the terms of the mortgage agreements between the respective Owners and their Mortgagees.

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.

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, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or 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 provisions 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 Property, or from any 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, no such person 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 (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; 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 intentional misconduct, or gross negligence or 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.

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 eighty percent (80%) 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 both sixty-seven percent (67%) of all Eligible Mortgagees and eighty percent (80%) 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 or 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

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Mortgagees and eighty percent (80%) of all 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 insureds (including such Mortgagees) at least thirty (30) days' written notice before cancelling, 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. Owners, Mortgagees, insurers and guarantors of any Mortgage on any Unit shall be entitled: to inspect at all reasonable hours of weekdays (or under other reasonable circumstances) all of the books and records of the Association including current copies of this Declaration, Bylaws and other rules governing the Condominium, and other books, records and financial statements of the Association (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.

18.9 Response to Notice. Whenever the consent or prior written approval of a Mortgagee is required by the terms of this Declaration, it shall be deemed given by a Mortgagee who fails to respond in writing within thirty (30) days of a written notice describing the matter subject to such consent or approval if such notice was

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delivered by certified or registered mail with a return receipt requested.

Article 19

EASEMENTS

19.1 General. It is intended that in addition to rights under the Act, each Unit and the Association has an easement over, under, across and through each other Unit and the Common and Limited Common Elements for all utilities and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan. To the extent any landscaping or other decorative improvements (such as entrance monuments) which are part of the Common Elements intrude into the setback area of any Unit, an easement for the portion of the Common Elements intruding shall be deemed to exist. 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 Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary, for emergency repairs and/or to perform the duties and obligations of the Association as are set forth in this Declaration, or in the Bylaws, and the Association Rules.

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

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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 4.2.1 or 7.2.1, Articles 14, 15 or 20, or termination of the Condominium), or certain Unit Owners (in connection with Sections 4.2.1 or 7.2.1, 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 the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated; provided, however, if the provision being amended is a voting requirement of the Owners of Units to which more than sixty-seven percent (67%) of the votes in the Association are allocated, then such provision may be amended only by vote or agreement of the Owners of Units to which such greater percentage of the votes in the Association are allocated (for example eighty percent (80%) to amend Sections 18.1, 18.2 and 18.3).

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 64.34.216(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

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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 Rights. No amendment may restrict, eliminate, or otherwise modify any Special Declarant Right provided in the Declaration without the consent of the Declarant and any Mortgagee of record with a security interest in the Special Declarant Right or in any real property subject thereto, excluding Mortgagees of Units owned by persons other than the Declarant.

21.7 Material Amendments. Except in cases of amendments that may be executed by a Declarant (in the exercise of any Development Right), and except for amendments which require only the consent of the Owners of the affected Units and their Eligible Mortgagees, any amendment to a provision of the 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 or such higher percentage as may be expressly provided elsewhere in this Declaration: 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 Element, 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 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 Unit 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.

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.

22.2 Mortgagee's Acceptance.

22.2.1 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.

22.2.2 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 so released, said Mortgage shall remain in full effect as to the entire Property.

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22.3 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.

22.4 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.

22.5 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).

22.6 Effective Date. This Declaration shall take effect upon recording.

22.7 Reference to Survey Map and Plans. The Survey Map and Plans of the Condominium referred to herein consist of seven sheets as prepared by Northwest Engineering Company, and were filed with the Recorder of King County, Washington, simultaneously with the recording of this Declaration under File No. 9105021367 in Volume 103 of Condominiums, pages 89 through 95.

Article 23

SPECIAL DECLARANT RIGHTS DEVELOPMENT RIGHTS

23.1 Special Declarant Rights.

23.1.1 Completion of Improvements. Declarant, its agents, employees and contractors shall have the right to complete improvements and otherwise perform work: authorized by the Declaration; indicated on the Survey Map and Plans; authorized by building permits; provided for under any Purchase and Sale Agreement between Declarant and a Unit Purchaser; necessary to satisfy any express

or implied warranty under which Declarant is obligated; or otherwise authorized or required by 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 Declarant Control. Declarant, or persons designated by Declarant, shall have the right to appoint and remove without cause officers and members of the Board, which right is herein referred to as "Declarant Control." Notwithstanding the provisions of Section 23.2.5, the period of Declarant Control terminates no later than the earlier of: (a) Sixty days after conveyance of seventy-five percent of the Units which may be created to Unit Owners other than a Declarant; (b) two years after the last conveyance or transfer of record of a Unit except as security for a debt; (c) two years after any Development Right to add new Units was last exercised; or (d) the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to further appoint and remove officers and members of the Board. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the period provided for under (a), (b), and (c) of this Section, but in that event the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

23.1.5 Termination of Declarant Rights. The foregoing Special Declarant Rights shall continue so long as Declarant is completing improvements within the Condominium, or Declarant owns any Units, or any Development Rights remain in effect.

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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 Right to Add New Units. No Development Right to add new Units is reserved.

23.2.2 Subdivision and Combination. Declarant shall have the right to subdivide or combine Units (including the combination of portions of Units by alteration of the boundary lines between Units) or convert Units 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.

23.2.3 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.

23.2.4 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.

23.2.5 Termination of Development Rights. The foregoing Development Rights shall terminate five (5) years from the date of recording of the first conveyance of a Unit to an Owner other than Declarant; 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 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 damaged by the exercise of rights reserved by Declarant pursuant to or created by this Declaration or the Act.

23.4 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.

DATED 5-1-91

DECLARANT:

THE HOUSING AUTHORITY OF THE
COUNTY OF KING, a public corporation
formed pursuant to RCW 35.82.030

By Jim Wiley
Jim Wiley, Its Executive Director

STATE OF WASHINGTON
COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of The Housing Authority of the County of King, a public corporation formed pursuant to RCW 35.82.030, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated May 1, 1991

[Signature]
NOTARY PUBLIC, State of Washington
My appointment expires 10/15/93



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EXHIBIT A - Page 1

1. Description of Real Property included in Condominium:

PARCEL A:

The East 275 feet of the West 510 feet of the North 416 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 235 feet of the North 30 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 30 feet of the Northwest 1/4 of the Northwest 1/4, lying northerly of the South 910 feet thereof; all in Section 35, Township 22 North, Range 5 East W.M.;

Except the North 45 feet thereof conveyed for SE 272nd Street by deeds recorded under Recording Nos. 2621936 and 6207861, all in Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

PARCEL B:

Lot 4 of Short Plat No. 107811 revised according to the short plat recorded under King County Recording No. 8411301140, being a revision of short plat recorded under Recording No. 7904200908;

Together with an easement for roadway and utilities, as disclosed in said short plat;

Except that portion of said Lot 4 conveyed to King County for 152nd Avenue SE by deed recorded under Recording No. 8806080123;

Situate in the County of King, State of Washington;

PARCEL C:

Lot 2 of Short Plat No. 880081, according to the short plat recorded under King County Recording No. 8012300795;

Situate in the County of King, State of Washington.

PARCEL D:

The West 235 feet of the South 880 feet of the Northwest 1/4 of the Northwest 1/4 of Section 35, Township 22 North, Range 5 East W.M.;

and the East 275 feet of the West 510 feet of the South 494 feet of the Northwest 1/4 of the Northwest 1/4, Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

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EXHIBIT A - Page 2

2. Description of any Real Property (except Real Property subject to Development Rights) which may be allocated subsequently as Limited Common Elements (other than Limited Common Elements specified in Sections 4.1.2, 4.1.4, 7.2.2 and 7.2.3):

None.

3. Description of the Real Property to which any Development Right or Special Declarant Right applies:

Same as the description of Real Property included in Condominium set forth in paragraph 1 above.

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EXHIBIT B

1. Recreational Facilities:

Located in approximately the center of the Condominium is a recreational center consisting of a Community Building, Patio, Sports Court and Play Area. The Community Building is a former single family residence approximately 26-1/2 feet by 81 feet remodeled to accommodate community functions and activities. The Patio consists of large concrete tiles with cedar spacers and connects the Community Building with the Sports Court to the north. The Sports Court is a 30' by 60' basketball court with one hoop at each end. The Play Area is an octagonal area immediately south of the Community Building furnished with climbing/play equipment known as a "Big Toy."

2. Additional Limited Common Elements:

None.

3. Moorage Slips:

None.

4. Parking:

	Guest Parking on Common Element	Parking on Units
a. Uncovered	<u>75</u>	<u>148</u>
b. Covered	<u>-0-</u>	<u>148</u>
c. Enclosed	<u>-0-</u>	<u>-0-</u>
TOTAL	<u>75</u>	<u>296</u>

GRAND TOTAL 371

5. Description of Unit Types:

All Units are of the same type, i.e. bare land. Each Unit is designed to accommodate one manufactured home which when installed shall be deemed part of the Unit. The manufactured homes are anticipated to be 14 to 28 feet wide and 40 to 66 feet long (averaging 24 feet by 48 feet). It is anticipated that each manufactured home will contain the following:

i.	No. of Bathrooms:	<u>1-2</u>
ii.	No. of Bedrooms:	<u>2-4</u>
iii.	No. of Fireplaces:	<u>-0-</u>
iv.	Type of Heat:	electric forced air

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EXHIBIT C - Page 1

Unit No. ¹	Common Elements	Allocated Interests		Vote	Approx. Sq. Ft. (Unit)
		Common	Common		
		Elements	Expenses		
1	1/148		1/148	1	3571
2	1/148		1/148	1	3705
3	1/148		1/148	1	3705
4	1/148		1/148	1	3705
5	1/148		1/148	1	3631
6	1/148		1/148	1	3881
7	1/148		1/148	1	4400
8	1/148		1/148	1	4400
9	1/148		1/148	1	4400
10	1/148		1/148	1	4400
11	1/148		1/148	1	4400
12	1/148		1/148	1	4400
13	1/148		1/148	1	4637
14	1/148		1/148	1	3641
15	1/148		1/148	1	3408
16	1/148		1/148	1	3408
17	1/148		1/148	1	3408
18	1/148		1/148	1	3408
19	1/148		1/148	1	3755
20	1/148		1/148	1	3787
21	1/148		1/148	1	3787
22	1/148		1/148	1	3408
23	1/148		1/148	1	3787
24	1/148		1/148	1	3787
25	1/148		1/148	1	3787
26	1/148		1/148	1	3642
27	1/148		1/148	1	3609
28	1/148		1/148	1	3790
29	1/148		1/148	1	3790
30	1/148		1/148	1	3790
31	1/148		1/148	1	3790
32	1/148		1/148	1	3411
33	1/148		1/148	1	3411
34	1/148		1/148	1	3411

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¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

EXHIBIT C - Page 2

Unit No. ¹	Common Elements/	<u>Allocated Interests</u> Common Expenses/	Vote	Approx. Sq. Ft. (Unit)
35	1/148	1/148	1	3411
36	1/148	1/148	1	3643
37	1/148	1/148	1	3653
38	1/148	1/148	1	3787
39	1/148	1/148	1	3787
40	1/148	1/148	1	3787
41	1/148	1/148	1	3408
42	1/148	1/148	1	3787
43	1/148	1/148	1	3787
44	1/148	1/148	1	3755
45	1/148	1/148	1	3408
46	1/148	1/148	1	3408
47	1/148	1/148	1	3408
48	1/148	1/148	1	3408
49	1/148	1/148	1	3641
50	1/148	1/148	1	3641
51	1/148	1/148	1	3408
52	1/148	1/148	1	3408
53	1/148	1/148	1	3408
54	1/148	1/148	1	3408
55	1/148	1/148	1	3755
56	1/148	1/148	1	3787
57	1/148	1/148	1	3787
58	1/148	1/148	1	3408
59	1/148	1/148	1	3787
60	1/148	1/148	1	3787
61	1/148	1/148	1	3787
62	1/148	1/148	1	3653
63	1/148	1/148	1	3641
64	1/148	1/148	1	3787
65	1/148	1/148	1	3787
66	1/148	1/148	1	3787
67	1/148	1/148	1	3408
68	1/148	1/148	1	3787
69	1/148	1/148	1	3787
70	1/148	1/148	1	3755
71	1/148	1/148	1	3408
72	1/148	1/148	1	3408
73	1/148	1/148	1	3408

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

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EXHIBIT C - Page 3

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Unit No. ¹	Common Elements/	<u>Allocated Interests</u> Common Expenses/	Vote	Approx. Sq. Ft. (Unit)
74	1/148	1/148	1	3408
75	1/148	1/148	1	3635
76	1/148	1/148	1	3860
77	1/148	1/148	1	2800
78	1/148	1/148	1	2812
79	1/148	1/148	1	3680
80	1/148	1/148	1	2552
81	1/148	1/148	1	3276
82	1/148	1/148	1	3410
83	1/148	1/148	1	3410
84	1/148	1/148	1	3410
85	1/148	1/148	1	3410
86	1/148	1/148	1	3410
87	1/148	1/148	1	3410
88	1/148	1/148	1	3679
89	1/148	1/148	1	3789
90	1/148	1/148	1	3789
91	1/148	1/148	1	3789
92	1/148	1/148	1	3655
93	1/148	1/148	1	3674
94	1/148	1/148	1	3789
95	1/148	1/148	1	3789
96	1/148	1/148	1	3789
97	1/148	1/148	1	3679
98	1/148	1/148	1	3734
99	1/148	1/148	1	3410
100	1/148	1/148	1	3410
101	1/148	1/148	1	3410
102	1/148	1/148	1	3410
103	1/148	1/148	1	3410
104	1/148	1/148	1	3248
105	1/148	1/148	1	3286
106	1/148	1/148	1	3420
107	1/148	1/148	1	3515
108	1/148	1/148	1	3751
109	1/148	1/148	1	3751
110	1/148	1/148	1	3594
111	1/148	1/148	1	3650

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

25 x 10

32 x 10

EXHIBIT C - Page 4

Unit No. ¹	Common Elements/	Allocated Interests Common Expenses/	Vote	Approx. Sq. Ft. (Unit)
112	1/148	1/148	1	3797
113	1/148	1/148	1	3786
114	1/148	1/148	1	3398
115	1/148	1/148	1	2839
116	1/148	1/148	1	3750
117	1/148	1/148	1	3675
118	1/148	1/148	1	3675
119	1/148	1/148	1	3675
120	1/148	1/148	1	3675
121	1/148	1/148	1	3675
122	1/148	1/148	1	4050
123	1/148	1/148	1	3825
124	1/148	1/148	1	3675
125	1/148	1/148	1	3751
126	1/148	1/148	1	4235
127	1/148	1/148	1	4279
128	1/148	1/148	1	3764
129	1/148	1/148	1	3750
130	1/148	1/148	1	3760
131	1/148	1/148	1	3693
132	1/148	1/148	1	3348
133	1/148	1/148	1	3421
134	1/148	1/148	1	3429
135	1/148	1/148	1	2910
136	1/148	1/148	1	2925
137	1/148	1/148	1	3622
138	1/148	1/148	1	3600
139	1/148	1/148	1	3600
140	1/148	1/148	1	3600
141	1/148	1/148	1	3600
142	1/148	1/148	1	3413
143	1/148	1/148	1	3275
144	1/148	1/148	1	3275
145	1/148	1/148	1	3420
146	1/148	1/148	1	3837
147	1/148	1/148	1	3868
148	1/148	1/148	1	3800
Totals	100%	100%	148	3800

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

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WHEN RECORDED RETURN TO:

Camille Taylor Ralston
Montgomery, Purdue,
Blankinship & Austin
58th Floor Columbia Center
701 Fifth Avenue
Seattle, WA 98104

THIS SPACE PROVIDED
FOR RECORDER'S USE

BYLAWS OF GLENBROOK
CONDOMINIUM OWNERS' ASSOCIATION

91/08/14 #0552 1B
RECD F 24.00
REC FEE 2.00
GRSHSI ***26.00
55

26

RECEIVED

32x10

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**BYLAWS OF GLENBROOK
CONDOMINIUM OWNERS' ASSOCIATION**

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BYLAWS OF GLENBROOK

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 the attached Exhibit A ("Property") which is incorporated into these Bylaws by this reference. The Property has been submitted to the provisions of the Washington Condominium Act by a Declaration entitled "Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook, a Condominium," recorded under King County Department of Records & Elections No. 9105021367 and the Survey Map and Plans recorded under King County Department of Records & Elections No. 9105021366 establishing a plan for condominium ownership of units (hereinafter collectively 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 Condominium in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Condominium units (hereinafter referred to as "Units") in the Condominium 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," "Unit Owners" and "Members" as used herein shall be synonymous. For purposes of qualification to serve as a Board member, the term "Unit Owner" shall 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.

ARTICLE 2

MEMBERSHIP, VOTING, MEETINGS AND ADMINISTRATION

2.1 Membership.

2.1.1 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.

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ATTACHMENT

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2.1.2 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 to such Unit to the new Owner of the Unit.

2.2 Voting.

2.2.1 Number of Votes. The total voting power of all Owners shall be equal to the total number of Units from time to time and each Unit is allocated one vote.

2.2.2 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 is 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.

2.2.3 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. 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.

2.2.4 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.

2.2.5 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 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.

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2.3 Meetings, Notices and Quorums.

2.3.1 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.

2.3.2 Quorums. A quorum is present throughout any meeting of the Association if Unit Owners 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.

2.4 Additional Administrative Provisions.

2.4.1 Majority of Owners. As used in these Bylaws the term "majority of owners" shall mean those Owners of more than fifty percent (50%) of the undivided ownership of the Common Elements.

2.4.2 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 and by the Owners 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 the date

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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. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or elsewhere in these Bylaws for the matter in question.
- (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 2.4.2.

2.4.3 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.

2.4.4 Order of Business. The order of business at all meetings of the Members 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

BOARD OF DIRECTORS

3.1 In General. The affairs of the Association shall be governed by a Board which shall be composed of no less than three (3) members nor more than nine (9). The Members at any meeting may change the number of directors within those limits, but shall not reduce the number in such a manner as to deny an incumbent director (unless removed for cause) a full term of office. After the termination of the period of Declarant Control, all Board members shall be Unit Owners at the time elected except for the Declarant who may be elected to one position on the Board even after the Declarant owns no Unit. If a corporation is a Unit Owner, any one of its officers, directors or shareholders may be elected to the Board; if a partnership is a Unit Owner, any one partner of such partnership may be elected to the Board.

3.2 Election and Removal.

3.2.1 Owner Election During Declarant Control. If the Declarant has reserved the right to exercise Declarant Control, as defined in Section 1.8.13 of the Declaration, then: (a) not later than sixty days after conveyance of twenty-five percent of the Units which may be conveyed to Unit Owners other than Declarant, at least one member and not less than twenty-five percent of the members of the Board must be elected by Unit Owners other than the Declarant; and (b) not later than sixty days after conveyance of fifty percent of the Units which may be conveyed to Unit Owners other than Declarant, not less than thirty-three and one-third percent of the members of the Board must be elected by Unit Owners other than the Declarant. Elections may be held at any regular or special meeting of Unit Owners at which a quorum is present.

3.2.2 Owner Election After Declarant Control. Within thirty days after the termination of the period of Declarant Control, if any, the Unit Owners, at any regular or special meeting at which a quorum is present, shall elect a Board of at least three members ("Owners First Full Election"). The Board shall elect the officers.

3.2.3 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, other than a member, if any, appointed by the Declarant. The Declarant may not remove any member of the Board elected by the Unit Owners. Prior to the termination of the period of Declarant Control, if any, the Unit Owners, other than the Declarant, may remove by a two-thirds vote, any director elected by the Unit Owners.

3.2.4 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 selected shall be a Board member until a successor is elected for the remainder of the term of the vacant position at the next annual meeting of the Association. Vacancies caused by removal of a Board member by a vote of the Unit Owners pursuant to Section 3.2.3 above, may be filled

by majority vote of the voting power of the Association present and entitled to vote at the same meeting in which the removal occurred.

3.3 Term of Office.

3.3.1. Board members appointed by Declarant during the period of Declarant Control shall serve until removed by Declarant or until the earlier of the date replaced by Board members elected by Unit Owners other than Declarant or by Board members elected at the Owners First Full Election.

3.3.2. Board members elected by Unit Owners other than Declarant during the period of Declarant Control shall serve until their successor takes office. The successor shall be elected at the third annual meeting of the Association held after such Board member was elected or, if earlier, at the Owners First Full Election.

3.3.3. After the Owners First Full Election, Board members will be elected at the annual meeting of the Association. The normal term of office for directors will be for three years and until their successors are elected and take office.

3.3.4. To provide for staggered terms upon termination of the period of Declarant Control, at the Owners First Full Election one-third of the number of directors (or the whole number nearest to one-third) shall be elected for one year, the same number shall be elected for two years, and the remainder shall be elected for three years. If the Owners First Full Election does not take place at the annual meeting of the Association, there will be added to the term of each Board member elected at the Owners First Full Election the partial year between the date of the Owners First Full Election and the next annual meeting of the Association.

3.4 Powers and Duties of Board. The Board shall have the duties and powers specified in the Act, the Declaration and in these Bylaws, including but not limited to the following:

A. Suspend the voting rights of a Member during any period in which said Member shall be in default in the payment of any assessment levied by the Association;

B. Conduct, manage and control the affairs and business of the Association and to make such rules and regulations therefor not inconsistent with law, or with the Declaration or these Bylaws, as they may deem best;

C. Hire and discharge or contract with managing agents and other employees, agents and independent contractors;

D. Create, from time to time, special committees from among the Owners or the Board members, to perform a singular function or functions to assist the Board in the management of the Association;

E. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by twenty-five percent (25%) of the Unit Owners entitled to vote;

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F. Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

G. Procure and maintain adequate liability and hazard insurance on property owned by the Association and the Common Elements;

H. Cause the properties owned by the Association and the Common Elements to be maintained; and

I. The powers and authority enumerated in Sections 10.4 and 10.5 of the Declaration as amended. For convenience, a copy of the current Sections 10.4 and 10.5 of the Declaration is attached as Exhibit B. In the event of any amendment to Sections 10.4 or 10.5, Exhibit B shall be amended accordingly.

J. The Board shall have all other power necessary for the administration of the affairs of the Association and may do all such acts and things as are not prohibited by statute or required by the Declaration to be done in another manner.

K. The Board may delegate its powers to a Manager appointed by the Board.

L. 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.

3.5 Organization 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.

3.6 Regular Meetings. 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 including one (1) such meeting 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 facsimile, at least three (3) days prior to the day named for such meeting.

3.7 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 facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) Board members.

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3.8 Budget Approval Meetings. 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 (which may be the annual meeting of the Owners or a special meeting) 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.

3.9 Waiver of Notice. Before, at or after any meeting of the Board, any Board member may waive notice of such meeting. Such waiver shall be in writing and 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.

3.10 Quorum. At all meetings of the Board, a majority of the number of directors fixed in the manner provided by these Bylaws shall constitute a quorum for the transaction of business, and the acts of the majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.11 Fidelity Bonds. 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, shall be maintained 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.

3.12 Assessment Certificate. The Board shall designate an officer or agent of the Association to sign and furnish to a Unit Owner or a Mortgagee, upon written request, a statement 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.

3.13 Compensation. No compensation shall be paid to Board members for their services as members of the Board. The Board may pay reasonable compensation to any member of the Board or Unit Owner who performs substantial services for the Condominium in carrying out the management duties of the Board. The Board's decision to compensate a member of the Board shall not become final until 60 days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meetings of the Association, and such

decision may be reversed by the Members at a meeting duly called and held within 60 days after the notice of the decision was given.

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, 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 and shall preside at all meetings of the Association and the Board. The President 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 power to appoint committees from among the Owners from time to time as he/she may in his/her 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/her 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/she shall have charge of such books and papers as the Board may direct; and he/she 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 Unit owned by such Member. Such list shall be open 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/She 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.

4.10 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.

ARTICLE 5

INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS

Each Board member or Association committee member, or Association officer, shall be indemnified by the Association to the fullest extent permitted by current or future law, 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 intentional misconduct, or gross negligence or 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. Nothing contained herein shall, however, be deemed to obligate the Association to indemnify any Unit Owner who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Unit Owner.

ARTICLE 6

OBLIGATIONS OF OWNERS

6.1 In General. Each Owner shall comply strictly with the provisions of these Bylaws, the Declaration 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 these Bylaws, the Declaration and administrative rules and regulations. Without limiting the generality of the foregoing, particular reference is made to Articles 11 and 12 of the Declaration. 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 or appointed Manager on behalf of the Owners), or by the aggrieved Owner on his own against the party

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(including an Owner or the Association) failing to comply.

6.2 Assessments. All Owners are obligated to pay assessments imposed by the Association to meet the common expenses of the Condominium as provided in the Declaration.

6.3 Use of Common Elements and Limited Common Elements. Each Owner shall use the Common Elements and the Limited Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners, and in accordance with the House Rules, if any, promulgated by the Board or Association pursuant to Article 11 of the Declaration. Each Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Elements or facility damaged through that Owner's fault.

6.4 Right of Entry.

6.4.1 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 and paid for as a Common Expense if the entry was due to any 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.

6.4.2 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 have the duty to 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 Elements 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.

ARTICLE 7

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws adopted by the Board or by the Members holding a majority of the total voting power. Material Amendments, as defined in the Declaration, shall be subject to such greater voting requirements as may be provided in the Declaration. All Bylaws made by the Board may be amended, repealed or altered by the Members holding a majority of the total voting power.

ARTICLE 8
MORTGAGES

8.1 Notice to Association. An Owner who mortgages his/her Unit shall notify the Association through the Manager, if any, or the President of the Board, giving the name and address of his/her Mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units."

8.2 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 8.2 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.

ARTICLE 9

**EVIDENCE OF OWNERSHIP, REGISTRATION OF
MAILING ADDRESS AND REQUIRED PROXIES**

9.1 Proof of Ownership. Any person on becoming an Owner of a Unit shall furnish to the Manager or Board a copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association.

9.2 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 Owner(s) 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.

9.3 Completed Requirement. The requirements contained in this Article shall be first met before an Owner of a Unit shall be deemed in good standing and entitled to vote at any annual or special meeting of Members.

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ARTICLE 10

ASSOCIATION RECORDS AND FUNDS

10.1 Records and Audits. The Association shall maintain current copies of the Declaration, these Bylaws and the rules and regulations of the Association. The Association shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425 in providing resale certificates. All financial and other records shall be made reasonably available for examination by any Unit Owner, the Owner's authorized agents and all Mortgagees. 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. The financial statements of the Condominium shall be audited at least annually by a certified public accountant.

10.2 Fund Commingling. The funds of the Association 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.

ARTICLE 11

CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Washington Condominium Act and the Declaration. If any of these Bylaws conflict with the provisions of the Act or Declaration, the provisions of the Act and Declaration will apply.

ARTICLE 12

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 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, Board 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

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expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE 13

FISCAL YEAR

The fiscal year of the Association shall begin on January 1, and end on December 31.

These Bylaws are adopted by Declarant under its authority to adopt initial Bylaws under Section 9.5.1 of the Declaration and are effective upon recording of the Declaration and filing with the Secretary of State of the Association's Articles of Incorporation.

DATED this 5th day of June, 1991.

DECLARANT:

THE HOUSING AUTHORITY OF THE
COUNTY OF KING, a public corporation
formed pursuant to RCW 35.82.030

By Jim Wiley
Jim Wiley, Its Executive Director

STATE OF WASHINGTON
COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of The Housing Authority of the County of King, a public corporation formed pursuant to RCW 35.82.030, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated June 6, 1991.

Notary Public
NOTARY PUBLIC, State of Washington
My appointment expires 8-28-94

**BYLAWS OF GLENBROOK
EXHIBIT A - Page 1**

Description of Real Property included in Condominium:

PARCEL A:

The East 275 feet of the West 510 feet of the North 416 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 235 feet of the North 30 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 30 feet of the Northwest 1/4 of the Northwest 1/4, lying northerly of the South 910 feet thereof; all in Section 35, Township 22 North, Range 5 East W.M.;

Except the North 45 feet thereof conveyed for SE 272nd Street by deeds recorded under Recording Nos. 2621936 and 6207861, all in Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

PARCEL B:

Lot 4 of Short Plat No. 107811 revised according to the short plat recorded under King County Recording No. 8411301140, being a revision of short plat recorded under Recording No. 7904200908;

Together with an easement for roadway and utilities, as disclosed in said short plat;

Except that portion of said Lot 4 conveyed to King County for 152nd Avenue SE by deed recorded under Recording No. 8806080123;

Situate in the County of King, State of Washington;

PARCEL C:

Lot 2 of Short Plat No. 880081, according to the short plat recorded under King County Recording No. 8012300795;

Situate in the County of King, State of Washington.

PARCEL D:

The West 235 feet of the South 880 feet of the Northwest 1/4 of the Northwest 1/4 of Section 35, Township 22 North, Range 5 East W.M.;

and the East 275 feet of the West 510 feet of the South 494 feet of the Northwest 1/4 of the Northwest 1/4, Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

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**BYLAWS OF GLENBROOK
EXHIBIT B - Page 1**

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) 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;
- (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, other than Limited Common Elements described in Section 4.1.2, 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

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BYLAWS OF GLENBROOK
EXHIBIT B - Page 2

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 Elements 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

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BYLAWS OF GLENBROOK
EXHIBIT B - Page 3

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 any 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.

10.5 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in Section 10.3.1, 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 such Unit's pro rata share of said borrowed funds. 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.

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Upon recording return to:
Camille Taylor Balston
Montgomery, Purdue, Blankinship & Austin
5890 Columbia Center
701 Fifth Avenue
Seattle, WA 98104

Name of Condominium: Glenbrook, A Condominium
Recording Number: Declaration was recorded in King
County under recording number
9105021367

FIRST AMENDMENT TO DECLARATION AND COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR GLENBROOK CONDOMINIUM

This First Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium is executed this 1st day of March, 1993, by the Glenbrook Condominium Owners' Association. The original Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium (the "Declaration") was recorded in King County under recording number 9105021367, together with a survey map and plans recorded under recording number 9105021366.

The Declaration is hereby amended as follows:

Subsection 11.13.3 of the Declaration is hereby deleted and the following new Subsection 11.13.3 substituted in its place:

11.13.3 The following Unit Owners and lenders are exempt from the provisions of this Section 11.13: (i) The Housing Authority of the County of King, (ii) any member of the military forces of the United States of America who has been reassigned to a duty location more than thirty (30) miles away from the Unit owned by such member, for a period of time longer than thirty (30) days, for the duration of such reassignment, (iii) 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, and (iv) any Unit Owner for whom the provisions of this Section 11.13 would work a financial hardship including but not limited to a Unit Owner who is temporarily absent from the Unit, a Unit Owner whose Unit is for sale, and a Unit Owner who is refinancing or a prospective Unit Owner who is purchasing his or her Unit and whose lender (or the lender's successor in interest or insurer) requires that the Unit Owner or prospective Unit Owner be exempt from the

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provisions of this Section 11.13. In the event of a sale of a Unit by a Unit Owner exempt from the provisions of Section 11.13, the new Unit Owner will be bound by this Section 11.13 unless the new Unit Owner is itself exempt under the first sentence of this Subsection. All Unit Owners and lenders exempt from the provisions of this Section 11.13 shall comply with the provisions of Section 11.14.

Except as specifically amended hereby, the Declaration remains in full force and effect.

GLENBROOK CONDOMINIUM OWNERS'
ASSOCIATION

By Jim Wiley
Jim Wiley, President

STATE OF WASHINGTON)
COUNTY OF KING) ss.

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of the Glenbrook Condominium Owner's Association to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3/01/93

Mary Sullivan
NOTARY PUBLIC, State of Washington
My appointment expires 8-30-94

9304010275

CERTIFICATIONS OF PRESIDENT AND SECRETARY OF
ASSOCIATION

I certify that the foregoing amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association.

Dated this 4th day of March, 1993.

By *Jim Wiley*
Jim Wiley, President

I certify that (1) a meeting of the Glenbrook Condominium Owners' Association was duly noted and held on March 02, 1993, (2) a quorum was present at that meeting, (3) that the amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association, and (4) that Jim Wiley is the duly elected and acting President of the Glenbrook Condominium Owners' Association.

Dated this 4th day of March, 1993.

By *John P. Callies*
John P. Callies, Secretary

9304010275

WHEN RECORDED RETURN TO: Carnille Taylor Ralston 58th Floor, Columbia Center 701 Fifth Avenue Seattle, WA 98104	THIS SPACE PROVIDED FOR RECORDER'S USE
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Name of Condominium: Glenbrook, A Condominium
 Recording Number: Declaration was recorded in King County under recording number 9105021367

SECOND AMENDMENT TO DECLARATION AND COVENANTS,
 CONDITIONS, RESTRICTIONS AND RESERVATIONS
 FOR GLENBROOK CONDOMINIUM

This Second Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium is executed this 21st day of November, 1993, by the Glenbrook Condominium Owners' Association. The original Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium (the "Declaration") was recorded in King County under recording number 9105021367, together with a survey map and plans recorded under recording number 9105021366. The First Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium was recorded in King County under recording number 9304010275.

The Declaration is hereby further amended as follows:

Subsection 12.13 of the Declaration is hereby deleted

Except as specifically amended hereby, the Declaration remains in full force and effect.

GLENBROOK CONDOMINIUM OWNERS'
 ASSOCIATION

By Jim Wiley
 Jim Wiley, President

STATE OF WASHINGTON)
 COUNTY OF KING)

ss.

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Glenbrook Condominium Owners' Association to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated: November 24, 1993.

Name Henry H. H. H.
 NOTARY PUBLIC, State of Washington
 My appointment expires 8-30-94

SECOND AMENDMENT TO DECLARATION AND COVENANTS
 attached as exhibit

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9312011983

CERTIFICATIONS OF PRESIDENT AND SECRETARY OF
ASSOCIATION

I certify that the foregoing amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association.

Dated this 24th day of November, 1993.

By Jim Wiley
Jim Wiley, President

I certify that (1) a meeting of the Glenbrook Condominium Owners' Association was duly noted and held on November 24, 1993, (2) a quorum was present at that meeting, (3) that the amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association, and (4) that Jim Wiley is the duly elected and acting President of the Glenbrook Condominium Owners' Association.

Dated this 24th day of November, 1993.

By John F. Caffes
John F. Caffes, Secretary

9312011983

SECOND AMENDMENT TO DECLARATION AND COVENANTS
c:\back2\second

DEPARTMENT OF ASSESSMENTS
Examined and approved this 27 day of APRIL 1994
Scott Deane C. N. [illegible]
Assessor Deputy Assessor
OK dm

Upon recording return to:
Camille Taylor Reiston
Montgomery, Purdue, Blankinship & Austin
5800 Columbia Center
701 Fifth Avenue
Seattle, WA 98104

Name of Condominium: Glenbrook, A Condominium
Recording Number: Declaration was recorded in King
County under recording number
9105021367

FIRST AMENDMENT TO DECLARATION AND COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR GLENBROOK CONDOMINIUM

This First Amendment to Declaration and Covenants,
Conditions, Restrictions and Reservations for Glenbrook
Condominium is executed this 1st day of March, 1993, by
the Glenbrook Condominium Owners' Association. The original
Declaration and Covenants, Conditions, Restrictions and
Reservations for Glenbrook Condominium (the "Declaration")
was recorded in King County under recording number
9105021367, together with a survey map and plans recorded
under recording number 9105021366.

The Declaration is hereby amended as follows:

Subsection 11.13.3 of the Declaration is hereby deleted and
the following new Subsection 11.13.3 substituted in its
place:

11.13.3 The following Unit Owners and lenders are
exempt from the provisions of this Section 11.13: (i) The
Housing Authority of the County of King, (ii) any member of
the military forces of the United States of America who has
been reassigned to a duty location more than thirty (30)
miles away from the Unit owned by such member, for a period
of time longer than thirty (30) days, for the duration of
such reassignment, (iii) 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,
and (iv) any Unit Owner for whom the provisions of this
Section 11.13 would work a financial hardship including but
not limited to a Unit Owner who is temporarily absent from
the Unit, a Unit Owner whose Unit is for sale, and a Unit
Owner who is refinancing or a prospective Unit Owner who is
purchasing his or her Unit and whose lender (or the lender's
successor in interest or insurer) requires that the Unit
Owner or prospective Unit Owner be exempt from the

FIRST AMENDMENT TO DECLARATION AND COVENANTS

provisions of this Section 11.13. In the event of a sale of a Unit by a Unit Owner exempt from the provisions of Section 11.13, the new Unit Owner will be bound by this Section 11.13 unless the new Unit Owner is itself exempt under the first sentence of this Subsection. All Unit Owners and lenders exempt from the provisions of this Section 11.13 shall comply with the provisions of Section 11.14.

Except as specifically amended hereby, the Declaration remains in full force and effect.

GLENBROOK CONDOMINIUM OWNERS'
ASSOCIATION

By Jim Wiley
Jim Wiley, President

STATE OF WASHINGTON)
COUNTY OF KING)

ss.

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of the Glenbrook Condominium Owner's Association to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 3/01/93

Mary Hallum
NOTARY PUBLIC, State of Washington
My appointment expires 8-30-94

394010275

9405061397

CERTIFICATIONS OF PRESIDENT AND SECRETARY OF
ASSOCIATION

I certify that the foregoing amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association.

Dated this 4th day of March, 1993.

By Jim Wiley
Jim Wiley, President

I certify that (1) a meeting of the Glenbrook Condominium Owners' Association was duly noted and held on March 02, 1993, (2) a quorum was present at that meeting, (3) that the amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association, and (4) that Jim Wiley is the duly elected and acting President of the Glenbrook Condominium Owners' Association.

Dated this 4th day of March, 1993.

By John P. Callies
John P. Callies, Secretary

9405061397

9405061397

DEPARTMENT OF AGREEMENTS
Examined and approved this 27th day of APRIL 1994
SCOTT NEASE Deputy Assessor
OK dm

WHEN RECORDED RETURN TO: Camille Taylor Ralston 58th Floor, Columbia Center 701 Fifth Avenue Seattle, WA 98104	THIS SPACE PROVIDED FOR RECORDER'S USE
--	--

Name of Condominium: Glenbrook, A Condominium
Recording Number: Declaration was recorded in King County under recording number 9105021367

SECOND AMENDMENT TO DECLARATION AND COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR GLENBROOK CONDOMINIUM

This Second Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium is executed this 21st day of November, 1993, by the Glenbrook Condominium Owners' Association. The original Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium (the "Declaration") was recorded in King County under recording number 9105021367, together with a survey map and plans recorded under recording number 9105021366. The First Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Glenbrook Condominium was recorded in King County under recording number 9304010275. Rerecorded under 9405061397

The Declaration is hereby further amended as follows:

Subsection 12.13 of the Declaration is hereby deleted

Except as specifically amended hereby, the Declaration remains in full force and effect.

GLENBROOK CONDOMINIUM OWNERS'
ASSOCIATION

By Jim Wiley
Jim Wiley, President

8.00

10

STATE OF WASHINGTON

COUNTY OF KING

I certify that I know or have satisfactory evidence that Jim Wiley is the person who appeared before me, and said person acknowledged that he signed this instrument, on each stated that he was authorized to execute the instrument and acknowledged it as the President of Glenbrook Condominium Owners' Association to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated: November 21, 1993.

Name Mary Jackson
NOTARY PUBLIC, State of Washington
My commission expires 8-30-94

SECOND AMENDMENT TO DECLARATION AND COVENANTS
c:\dms\2\amend

9312011983

9405061398

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KING COUNTY RECORDS 002 JP

CERTIFICATIONS OF PRESIDENT AND SECRETARY OF
ASSOCIATION

I certify that the foregoing amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association.

Dated this 24th day of November, 1993.

By Jim Wiley
Jim Wiley, President

I certify that (1) a meeting of the Glenbrook Condominium Owners' Association was duly noted and held on November 24, 1993, (2) a quorum was present at that meeting, (3) that the amendment was approved by the holders of at least sixty-seven percent (67%) of the votes in the Glenbrook Condominium Owners' Association, and (4) that Jim Wiley is the duly elected and acting President of the Glenbrook Condominium Owners' Association.

Dated this 24th day of November, 1993.

By John F. Calica
John F. Calica, Secretary

9405061398

9818014983

WHEN RECORDED RETURN TO:	THIS SPACE PROVIDED FOR RECORDER'S USE
Camille Taylor Ralston Montgomery, Purdue, Blankenship & Austin 58th Floor Columbia Center 701 Fifth Avenue Seattle, WA 98104	

**Notice of Amendment to Rules and Regulations of Glenbrook
Condominium Concerning Common Element - Tract A**

The Rules and Regulations of Glenbrook Condominium, a condominium intended for residential use in King County, Washington, as shown on the plans thereof recorded in Volume 103 of Condominiums, Pages 89 through 95, records of King County, and as described in the Condominium Declaration recorded under said county's Auditor's No. 9105021367, have been amended to add the following Rule 31 concerning the use of portions of Common Element - Tract A by Unit Owners.

31. The owners of Units 1 through 13, individually and at their sole expense, may enclose with fencing that portion of Common Element - Tract A abutting the westerly line of each such Unit. The owners of Units 27 through 36 and 116 through 125, individually and at their sole expense, may enclose with fencing that portion of Common Element - Tract A abutting the northerly line of each such Unit. The owner of Unit 36 may also enclose with fencing that portion of Common Element - Tract A abutting the easterly line of said Unit at its sole expense. The foregoing notwithstanding, under no circumstances may any portion of Common Element - Tract A be so enclosed which is designated as wetland by any local, state or federal agency. No structure or improvement of any kind shall be made upon Common Element - Tract A except for fencing and landscaping.

By fencing a portion of Common Element - Tract A, the Unit Owner assumes responsibility for maintenance thereof, including without limitation, any landscaping thereon and keeping such fenced property in safe and sanitary condition. The Owner's Association shall not be responsible for any costs associated with said landscaping, including, but not limited to, irrigation, purchasing of plants, seed or sod, and maintenance.

The Unit Owner also assumes liability for any and all occurrences, including without limitation, claims or losses of any kind arising from the use of any portion of Common Element - Tract A which that Unit Owner, or its predecessors in interest, encloses with a fence ("Covered Claims"): provided that such liability for Covered Claims (except any previously accrued) shall cease upon the removal of the fence. The Unit Owner, by enclosing a portion of Common Element - Tract A, agrees to defend, indemnify and hold harmless the Glenbrook Condominium Owner's Association, its Board, and the individual members of the Board and the Association for all Covered Claims. Any Unit owner who maintains a fence enclosing a portion of

NOTICE OF AMENDMENT OF RULES
AND REGULATIONS OF GLENBROOK
CONDOMINIUM

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Common Element - Tract A must maintain a contractual indemnity endorsement to the Unit Owner's homeowner's insurance policy or other relevant liability policy at the Unit Owner's sole expense, so long as such fencing remains in place.

Nothing in this rule shall alter any other rule, regulation or bylaw of the Glenbrook Condominium with respect to approval of fencing design, landscaping, or Unit maintenance. Any Unit Owner who encloses a portion of Common Element - Tract A shall remove all such fencing at its sole expense upon 30 days written notice by the Board of Directors. Such notice may be given at any time with respect to all, several or individual Units, without cause. No Unit Owner shall be entitled to reimbursement by the Board or the Association for any cost or expense relating to any fencing which the Board orders removed or any other cost incurred by such Unit Owner with respect to any enclosed portion of Common Element - Tract A. No Unit Owner shall accrue any ownership interest or other interest in or right to use any portion of any Common Element through its fencing or use thereof.

9609110549

RESOLUTION

OF

THE GLENBROOK CONDOMINIUM OWNERS' ASSOCIATION

Background: A special meeting of the Board of Directors of the Association was held on the 17th day of JUNE, 1996, to vote on the attached Amendment to the Rules and Regulations of the Glenbrook Condominium Owners' Association ("Amendment").

Vote: Pursuant to section 3.16 of the Bylaws of the Glenbrook Condominium Owners' Association, adoption of the Amendment was approved by a majority of the Board members present, which members, being a majority of the total number of Board members, constituted a quorum. Pursuant to Section 10.4.1 of the Glenbrook Condominium Declaration and Section 3.4.1 of the Glenbrook Condominium Bylaws, the Board resolved as follows:

Resolutions:

1. Resolved that the owners of certain Units have fenced in portions of Common Element - Tract A, as shown on the survey map of Glenbrook Condominium, along the north and west perimeters of Glenbrook Condominium ("Border"); that the Association is obligated to maintain the Border; that the Unit Owners, individually or collectively, derive no benefit from the maintenance of the Border as unenclosed, but rather collectively bear the burden of maintenance costs; and, that allowing the Unit Owners whose Units are adjacent to the Border to enclose the Border would provide an added measure of security to those Units.
2. Resolved that the Rules and Regulations of the Glenbrook Condominium are amended to add Rule 31 attached hereto as Exhibit A.
3. Resolved that the Board shall cause to be recorded with the King County Auditor a "Notice of Amendment to Rules and Regulations of Glenbrook Condominium Concerning Common Element - Tract A" which notice shall set forth Rule 31 for the purpose of providing notice to prospective purchasers of the Units enumerated therein that any fencing on the Unit may enclose a portion of the Border, and that as such the Unit is subject to said Rule.

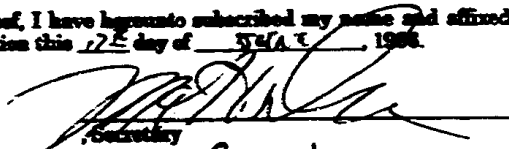
CERTIFICATION

I, the undersigned, do hereby certify:

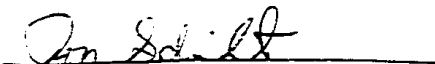
That I am the duly elected Secretary of Glenbrook Condominium Owners' Association, a Washington corporation; and

That the foregoing constitutes the Resolution of the Board of Directors of the Association as duly adopted by the affirmative vote of a majority of the Members of the Board present at a special meeting of the Board held on the 17th day of JULY, 1966, which Members constituted a quorum under the Bylaws of Glenbrook Condominium.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 17th day of JULY, 1966.


Secretary


PRESIDENT


VICE-PRESIDENT

9609110849

Return Address:

Law Office of Kris J. Sundberg
P.O. Box 1577
Mercer Island, WA 98040



20080205000906

KRIS SUNDBERG AMDCN 113.00
PAGE 001 OF 071
02/05/2008 11:49
KING COUNTY, WA

Document Title(s) (or transactions contained therein):

1. AMENDED AND RESTATED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR GLENBROOK, A CONDOMINIUM
- 2.
- 3.
- 4.

Grantor(s) (Last name first, then first name and initials)

1. GLENBROOK CONDOMINIUM OWNERS' ASSOCIATION
- 2.
- 3.
- 4.
5. [] Additional names on page ____ of document.

Grantee(s) (Last name first, then first name and initials)

1. GLENBROOK CONDOMINIUM OWNERS' ASSOCIATION
- 2.
- 3.
- 4.
5. [] Additional names on page ____ of document.

Legal Description (abbreviated: i.e., lot, block, plat or section township, range)

GLENBROOK CONDOMINIUM, A CONDOMINIUM, ACCORDING TO THE DECLARATION RECORDED UNDER RECORDING NO. 9105021367, AND ANY AMENDMENTS THERETO, AND SURVEY MAP AND PLANS IN VOLUME 103 OF CONDOMINIUM PLATS, ON PAGE(S) 89 THROUGH 95, RECORDS OF KING COUNTY, WASHINGTON; SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

[] Additional legal description is on page ____ of document.

Assessor's Property Tax Parcel or Account Number: 278710-

Reference Number(s) of Documents assigned or released: 9105021367,
9304010275, 9405061397, 9312011983, 9405061398, 9601030966, 9609110849

[] Additional references on page ____ of document.

ORIGINAL

DEPARTMENT OF ASSESSMENTS
 Examined and approved this _____ day of _____
 2008
 [Signature]
 Deputy Assessor

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AMENDED AND RESTATED DECLARATION AND COVENANTS,
 CONDITIONS, RESTRICTIONS AND RESERVATIONS
 FOR
 GLENBROOK, A CONDOMINIUM

WHEREAS, a certain Declaration submitting real estate to the Washington Condominium Act ("Act"), Laws of 1989, Chapter 43 (RCW Chapter 64.34), entitled DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR GLENBROOK, A CONDOMINIUM, was recorded on May 2, 1991, under Recording No. 9105021367, in the records of King County, State of Washington, as amended by filings recorded under the following recording numbers: 9304010275, 9312011983, 9405061397, 9405061398, 9601030966 and 9609110849, together with the Survey Map and Plans recorded in Volume 103 of Condominiums, page(s) 89 through 95, under King County Recording No. 9105021366, and whereas under the provisions of Article 21 of the Declaration it may be amended, and

WHEREAS the procedures for such amendment have been followed,

NOW THEREFORE, the undersigned certifies that the following AMENDED AND RESTATED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR GLENBROOK, A CONDOMINIUM, has been duly adopted by the vote or agreement of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and that the consent of fifty-one percent (51%) of Eligible Mortgagees has been obtained to hereby declare and adopt the following which restates, supercedes, replaces and amends in its entirety the Declaration and the amendments thereto previously recorded for the Condominium.

1. INTERPRETATION

1.1 Submission of the Property to the Act.

Declarant, being the sole Owner of the Property at the time of the initial recording of this Declaration, submitted the Property to the provisions of the Act and to the Condominium form of use and ownership. By acceptance of a conveyance, contract for sale, lease, rental agreement, Mortgage, or any other form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Property or any Unit in the Condominium, it is agreed that this Declaration, together with the Survey Map and Plans identified in Subsection 1.9.38 of this Declaration, states covenants, conditions, restrictions, and reservations effecting a common plan for the Condominium project mutually beneficial to all of the Units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Property and upon each Unit as a parcel of real property, and upon its Owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Property or any security interests in all or part of the Property, without the requirement of further specific reference or inclusion in deeds, contracts for sale, lease, rental agreement, Mortgage, or other security instruments, and regardless of any subsequent forfeiture, foreclosure, or sale of Units under security instruments.

1.2 Consistent With Act.

The terms such as, but not limited to, "Unit," "Unit Owner," "Association of Unit Owners," "Building," "Common Elements and Facilities," "Land," "Limited Common Elements" and "Property," used in this Declaration are intended to have meanings consistent with the meanings given in or permitted under the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.3 Captions and Exhibits.

Captions given to the various Articles, sections and subsections in this Declaration are for convenience only and are not intended to modify or affect the meaning

of any of the substantive provisions of this Declaration. The various exhibits referred to in and attached to this Declaration shall be deemed incorporated in this Declaration by reference as though fully set forth where the reference is made.

1.4 Liberal Construction.

The provisions of this Declaration shall be liberally construed to achieve 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 achieve the intent of this Declaration to the extent reasonably possible.

1.5 Covenants 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 all 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.

1.6 Unit and Building Boundaries.

In interpreting the Survey Map and Plans, the existing physical boundaries of each Building and each Unit as constructed or reconstructed shall be conclusively presumed to be its boundaries.

1.7 Declarant - Original Owner.

Declarant was the original Owner of all Units and Property and continued to be deemed the Owner of all Units and Property except as conveyances or documents changing the ownership of specifically described Units have been filed of record.

1.8 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 (1982-84=100), prepared by the United States Department of Labor for the base period, January 1, 1990, to adjust for any inflation of the value of the dollar. In the event that index changes or is no longer published, the successor index shall be used or, if none, a reasonable substitute index may be used.

1.9 Definitions.

For the purposes of this Declaration, the Bylaws, the Rules and Regulations, and any amendments to any of these documents, the following definitions apply:

1.9.1 "Act" means the Washington Condominium Act, Laws of 1989, Chapter 43 (RCW Chapter 64.34).

1.9.2 "Allocated Interests" means the undivided interest in the Common Elements, the Common Expense Liability, and votes in the Association allocated to each Unit, more particularly provided for in Article 9.

1.9.3 "Articles" means the Articles of Incorporation of the Association.

1.9.4 "Assessment" means all sums chargeable by the Association against a Unit and its Owner, 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; (c) costs and expenses of collection, including reasonable attorney fees, incurred by the Association in connection with the collection of a delinquent Owner's account; and (d) all other sums chargeable to an Owner by the Association as provided in the Governing Documents, unless the context clearly requires otherwise.

1.9.5 "Association" means the Glenbrook Condominium Owners' Association, a non-profit corporation formed under the laws of the State of Washington, whose membership is composed of all of the Unit Owners, acting as a group in accordance with the Governing Documents, and any successor non-profit corporation or unincorporated association. The Association is the Unit Owners'

Association as defined in the Act, and as more particularly provided for in Article 9 of the Declaration.

1.9.6 "Board" means the board of directors of the Association provided for in Article 10.

1.9.7 "Business" and "trade" shall be construed to have their ordinary generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which a fee, compensation or other form of consideration is received, regardless of whether (a) the activity is engaged in full or part-time; (b) the activity is intended to or does generate a profit; and (c) a license is required to engage in the activity.

1.9.8 "Bylaws" means the bylaws of the Association provided for in Section 9.5.

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

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

1.9.11 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to this Declaration.

1.9.12 "Common Funds" means those funds held by the Association and collected from Owners by means of regular or special Assessments, or otherwise, for the payment of Common Expenses or those expenses specially chargeable to a Unit or Units.

1.9.13 "Condominium" means Glenbrook, which is a condominium created under the terms of this Declaration.

1.9.14 "Declarant" means any person or group of persons acting in concert who executed as Declarant the original Declaration.

1.9.15 "Declaration" means this Amended and Restated Declaration of Glenbrook condominium.

1.9.16 "Eligible Holder of a First Mortgage" means a holder of a first mortgage on a Unit that has made written request to the Association's Secretary that it be given notice of certain actions by the Association, including action that requires the consent of Mortgagees.

1.9.17 "Eligible Holder, Insurer or Guarantor" means a holder, Insurer or Guarantor of a first mortgage on a Unit that has made written request to the Association's Secretary that it be given notice of certain actions by the Association, including action that requires the consent of Mortgagees.

1.9.18 "First Mortgage" means a Mortgage against a Unit that has priority over all other Mortgages against that Unit.

1.9.19 "FHLMC" means the Federal Home Loan Mortgage Corporation.

1.9.20 "FNMA" means the Federal National Mortgage Association.

1.9.21 "GNMA" means the Governmental National Mortgage Association.

1.9.22 "Governing Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations of the Association adopted as provided in the Act and this Declaration, as these documents may be lawfully amended and/or adopted from time to time.

1.9.23 "HUD" means the United States Department of Housing and Urban Development.

1.9.24 "Limited Common Elements" includes Limited Common Facilities, and means those portions of the Common Elements described in Article 7.

1.9.25 "Majority" or "Majority of Unit Owners" means the Unit Owners with more than fifty percent (50%) of the total voting power of all Owners in accordance with the percentages assigned in this Declaration.

1.9.26 "Manager" means the person retained by the Board under a written agreement between that person and

the Association to perform those management and administrative functions and duties delegated to that person with respect to the Condominium.

1.9.27 "Mortgage" means a mortgage, deed of trust or real estate contract.

1.9.28 "Mortgage Foreclosure" includes a deed of trust sale and a deed given in lieu of a mortgage foreclosure or deed of trust sale, but does not mean a real estate contract forfeiture or a deed given in lieu of a real estate contract forfeiture.

1.9.29 "Mortgagee" means the beneficial Owner, or the designee or nominee of the beneficial Owner, of a recorded encumbrance on a Unit created by a Mortgage that was made in good faith and for value, but does not mean or include the seller, or the designee or assignee of a seller, under a real estate contract for the sale of a Unit.

1.9.30 "Occupant" means anyone who occupies a Unit as a permanent residence or who stays overnight in any Unit more than fourteen (14) days in any calendar month or more than sixty (60) days per calendar year.

1.9.31 "Owner" and "Unit Owner" are synonymous and mean the person or persons owning a Unit in fee, together with an undivided fee interest in the Common Elements in the percentage specified in this Declaration. In the case of a Unit that has been sold under a real estate contract, the term excludes the fee Owner or Owners and includes the contract purchaser or purchasers.

1.9.32 "Percent of Unit Owners" means Owners entitled to cast the stated percentage of the Votes allocated to the Units in accordance with the percentages assigned in the Declaration.

1.9.33 "Person" includes natural persons, trustees, partnerships, corporations, associations, personal representatives or other legal entities.

1.9.34 "Property" or "Real Property" means any fee, leasehold or other estate or interest in, over or under the land described in Exhibit A, including manufactured homes, structures, fixtures and other

improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage or law pass with a conveyance or land although not described in the contract of sale or instrument of conveyance. "Property" includes parcels, with or without upper or lower boundaries and spaces that may be filled with air or water and all personalty intended for use in connection therewith.

1.9.35 "Registered Address" means the single address for purposes of notice by the Association designated by the Owner or Owners of a Unit.

1.9.36 "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 does not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

1.9.37 "Rules and Regulations" means the rules and regulations adopted by the Board as provided in Subsection 9.2.1 of this Declaration, or adopted by a Majority Vote of Unit Owners at any regular or special meeting of the Association.

1.9.38 "Survey Map and Plans" means the Survey Map and Plans recorded with the original Declaration in Volume 103 of Condominiums, at pages 89 through 95, inclusive, records of King County, State of Washington, and any amendments, corrections, and addenda to that instrument subsequently recorded.

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

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

1.9.41 "VA" means the Department of Veteran's Affairs.

1.9.42 "Votes Cast" means the votes cast by those persons present and voting, in person or by proxy, at a meeting of the Association.

1.10 Form of Words.

The singular form of words includes the plural, and the plural includes the singular. Masculine, feminine and neutral pronouns are used interchangeably.

2. DESCRIPTION OF THE PROPERTY

The Property on which the buildings and improvements provided for in this Declaration are located is more fully described in Exhibit A attached hereto, and by reference included herein.

3. DESCRIPTION OF UNITS

3.1 There are 148 Units, each identified by a unique number between 1 and 148, inclusive. Each Unit consists of a parcel of vacant land between approximately 2,500 square feet and 4,000 square feet in size; more precise dimensions of each Unit are set forth in the Survey Map and Plans. Each Unit is designed to be improved with a manufactured home of the type(s) described in Exhibits B and C together with an asphalt parking pad for two cars. The manufactured home and any accessory structures, paving and landscaping located within the boundaries of a Unit shall be deemed a part of such Unit. Since the Units are vacant land, there are no bathrooms, bedrooms, fireplaces or heat service. However, Exhibit B states such amenities which are anticipated to exist with respect to the types of manufactured homes anticipated to be later installed on the Units. There are no levels of Units since all Units are at ground level.

3.2 Access to Common Ways and Public Streets.

Each Unit has direct access to Common Element streets and all such Common Elements have direct access to public streets.

4. BOUNDARIES

4.1 Unit Boundaries.

4.1.1 Boundary Lines. Each Unit is bounded at ground level by Common Elements or a common boundary with an adjoining Unit as shown in the Survey Map and Plans. The vertical boundaries of each Unit are the same boundaries that would exist if each Unit was, instead of being part of a Condominium, owned by a fee title holder as a separate legal parcel not subject to this Declaration.

4.1.2 Utilities. If any sewer line, water line, power line, telephone cable, conduit, or any other utility lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to the Unit, any portion thereof serving only that Unit and one other Unit is a Limited Common Element allocated equally to such two Units, and any portion thereof serving more than two Units or any portion of the Common Elements is a part of the Common Elements. Any utility provider's ownership of or interest in such sewer line, water line, power line, telephone cable, conduit, or any other utility shall not be affected by the preceding sentence.

4.1.3 Improvements, Etc. Subject to the provisions of section 4.1.2, all improvements and fixtures within the boundaries of a Unit are a part of the Unit including but not limited to foundation, manufactured home, carport, paving and landscaping.

4.2 Relocation of Boundaries; Adjoining Units.

4.2.1 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 written application to the Association by the Owners of those Units and approved in writing by the Mortgagees holding Mortgages against 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 allocations. 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 of conveyance between them, and is recorded in the name of the grantor and grantee.

4.2.2 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. Unless otherwise agreed to by the Unit Owners of the affected Units, the cost of compliance incurred by the Association shall be paid in equal shares by the Unit Owners of the Units of which the boundaries are altered.

5. DESCRIPTION OF OTHER IMPROVEMENTS

Exhibits B and C attached hereto set forth the following:

5.1 Recreational Facilities.

A description of the recreational facilities, if any, included within the Condominium.

5.2 Parking.

The number of covered, uncovered or enclosed parking spaces.

6. DESCRIPTION OF COMMON ELEMENTS

Except as otherwise specifically reserved, assigned or limited by the provisions of Section 4.1 and Article 7 hereof, the Common Elements consist of all portions of the Condominium except Units and include the following:

6.1 The streets, sidewalks, and guest parking areas on the Real Property described in Exhibit A and shown on the Survey Map and Plans.

6.2 Utilities for the common benefit of the Units such as: street lighting, sewer mains, water mains, central power supplies, gas mains; 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 yards, gardens, landscaped areas, and walkways which surround and provide access to the Units or are used for recreational purposes.

6.4 Open spaces, wetlands, detention ponds and entrance monuments on the Property.

6.5 The recreational facilities described in Exhibit B.

6.6 Premises for the lodging or use of persons in charge of, or maintaining, the Property, if any.

7. DESCRIPTION OF LIMITED COMMON ELEMENTS

7.1 Limited Common Elements.

The Limited Common Elements are reserved for the exclusive use of the Owner or Owners of the Unit or Units to which they are adjacent or assigned and, in addition to any Limited Common Elements provided by law or other provisions of the Declaration including Section 4.1, consist of:

7.1.1 Miscellaneous. Such Limited Common Elements, if any, as may be described in Exhibit B attached hereto.

7.1.2 Boundary. If there is no fence, wall or other enclosure establishing the boundary of a Limited Common Element, then the boundary shall be depicted on the Survey Map and Plans.

7.2 Reallocation Between Units.

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.

7.3 Common to Limited Common, Etc.

Sixty-seven percent (67%) of the Unit Owners, 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 Limited Common Element or to incorporate 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.

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 C 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. 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 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.

9. OWNERS ASSOCIATION

9.1 Form of Association.

The Association is a Washington non-profit corporation. The Association is the Glenbrook Condominium Owners' Association as defined in the Act and is the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Condominium and all other property the Association is required or permitted to maintain as provided in this Declaration. The Association shall have the powers prescribed by law and as provided in the Bylaws and this Declaration.

9.2 Membership.

9.2.1 Qualification. Each Unit Owner shall be a member of the Association and shall be entitled to one membership for each Unit owned by that Owner. 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 limited in this Declaration, 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 shall be appurtenant to the Unit giving rise to the membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated except upon the transfer of title to the Unit and then only to the transferee of title to the 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 to the Unit to the new Owner of the Unit.

9.3 Voting.

9.3.1 Number of Votes. The total voting power of all Owners shall be one hundred forty-eight (148) votes with one vote allocated to each Unit.

9.3.2 Joint Owner Voting. If only one of the joint Owners of a Unit is present at a meeting of the Association or has delivered a proxy to the Association, the Owner is entitled to cast the vote allocated to that Unit. If more than one of the joint Owners are present or has delivered a proxy to the Association, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority of the joint Owners. There is majority agreement if any one of the joint Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of that Unit.

9.3.3 Proxies. The vote 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. An 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 states otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

9.4 Meetings; Audits; Notice of Meetings.

9.4.1 Annual Meetings; Audits. There shall be an annual meeting of the Owners to be held on a date fixed by the Board and designated by written notice of the Board delivered to the Owners in the manner provided in Subsection 9.4.3. At the annual meeting, there shall be presented a financial statement of the Association in accordance with generally accepted accounting principles, and a budget itemizing the estimated Common Expenses for the coming fiscal year. The financial statements of the Association shall be audited at least annually by a certified public accountant. All financial and other records of the Association shall be made reasonably available for examination and copying by any manager of the Association, any Unit Owner or the Owner's authorized agents. Audits are done at the requesting party's expense.

9.4.2 Special Meetings. Special meetings of the Owners may be called at any time for the purpose of considering matters which by the terms of the Act or of this Declaration require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by written notice of the president of the Association upon the decision of the president, or after a signed request or resolution passed by a majority of the Board, or by written request of at least twenty percent (20%) of the Unit Owners in the Association, which notice shall be delivered in the manner prescribed in Subsection 9.4.3.

9.4.3 Notice. Written notice of any meeting of the membership of the Association for any purpose shall be given to all members in the manner specified in Section 21.3 of this Declaration not less than ten (10) and not more than sixty (60) days in advance of the meeting. Notice shall specify, to the extent known or anticipated by the Board at the time of the notice, the general nature of the business to be conducted at the meeting. Except to the extent that this Declaration or Bylaws specifically

requires the notice of meeting for the adoption or amendment of any Governing Document to contain a statement of the text of the provision(s) being proposed, the failure of the notice of the meeting to specify a particular item of business shall not act as a bar to the consideration of any matter that may properly be brought before the meeting by an Owner.

9.4.4 Quorum. At any regular or special meeting of the Association following the initial call of the meeting, the presence of members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes of the membership shall constitute a quorum except to the extent that this Declaration, the Bylaws or Articles of Incorporation specifically require otherwise. If the required quorum is not present at any meeting of the Association, the chair may adjourn the meeting to a time not less than forty-eight (48) hours from the time, without notice other than announcement at the meeting, until a quorum, as aforesaid shall be present or represented.

9.5 Bylaws of the Association.

9.5.1 Adoption of Bylaws. Bylaws for the administration of the Association and the Condominium and for other purposes not inconsistent with the Act or with the intent of this Declaration, shall be adopted by the Association at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. Notice of the time, place and purpose of the meeting, and the proposed text of any Bylaws to be voted on, shall be delivered to each Unit Owner at least ten (10) days prior to the meeting. The requirement that the text of the proposed Bylaws be included with the notice shall preclude the adoption of Bylaws language that has been amended by the Owners at the meeting without further notice to all of the Owners. Amendments to the Bylaws may be adopted by the same vote at a regular or special meeting similarly called.

9.5.2 Bylaws Provisions. The Bylaws shall be deemed to contain provisions identical to those provided in this Declaration and may contain supplementary, not inconsistent, provisions regarding the operation of the Condominium and administration of the Association and the Condominium. To the extent that they are not inconsistent with the terms of this Declaration, as amended by this instrument, any Bylaws in effect at the time of adoption of

this Amendment shall remain in full force and effect until changed by the Owners. If the Bylaws are inconsistent with this Declaration, they shall be deemed to have been amended by the approval of this Declaration.

10. MANAGEMENT OF ASSOCIATION

10.1 Management by Board.

Administrative power and authority to manage the affairs of the Association shall be vested in a Board of Directors of a minimum of three (3) and a maximum of seven (7) persons elected from among the Unit Owners. Solely for the purpose of determining a person's qualifications to serve on the Board, the term "Unit Owner" shall include a director, trustee, officer, agent or employee appointed by a corporate Unit Owner as its voting representative, or a partner, agent or employee appointed by a partnership Unit Owner as its voting representative. The Board may delegate all or any portion of its administrative duties to a Manager or to an officer or officers of the Association, or in any other lawful manner provided by the Bylaws or by resolution of the Board. The members of the Board shall be elected by the Unit Owners in the manner and for such terms as are provided in the Bylaws. Notwithstanding anything herein to the contrary, all directors and officers serving at the time this Declaration is adopted by the Association shall continue to serve in their respective positions until the end of their then existing terms until such time as their successors shall be duly elected and/or appointed under the authority of this Declaration and/or any Bylaws promulgated hereunder.

10.2 Authority of Association.

The Association, acting by and through the Board, and any officers, Manager or other agents or representatives to whom the Board has delegated the power of authority to act, shall have all of the powers and authority permitted under the Act, including without limitation the following powers:

10.2.1 To adopt, amend, and revoke detailed Rules and Regulations which the Board deems necessary or convenient from time to time to administer the Association, to properly manage and administer the Property, to insure compliance with the general guidelines of this Declaration and to promote the comfortable use and enjoyment of the

Property and the welfare of its Owners and Occupants. The Rules and Regulations shall be binding upon all Owners and Occupants and all other persons claiming any interest in or using any part of the Condominium.

10.2.2 To enforce the provisions of the Governing Documents, together with any revisions of the amendments to those documents.

10.2.3 To incorporate the Association as a not-for-profit corporation under the laws of the State of Washington, and to revise the Bylaws as necessary to reflect the incorporated status of the Association.

10.2.4 To arrange for all utility services serving the Common Elements, and the Units (except utility services separately metered and charged to the individual Units); provided that if one or more Units or the Common Elements are not separately metered, the utility service may be paid by the Association and the Board may use a reasonable formula, including without limitation by dividing the total expenses for the utility by the number of Units served, allocate a portion of the expense to each Unit served and collect the allocated amounts as Assessments.

10.2.5 To arrange for and supervise the painting, landscaping, gardening, maintenance, structural alterations, repair and replacement of all Common Elements and Limited Common Elements.

10.2.6 To arrange for the maintenance and repair of any Unit, its appurtenances and appliances, if that maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Condominium or another Unit or Units and the Owner of the Unit has failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of the maintenance or repair has been given to the Owner. The Board shall levy a special Assessment against the Unit and that Owner for the cost of that maintenance or repair.

10.2.7 To purchase furniture, furnishings, supplies, equipment, goods or other personal property necessary or incidental to the maintenance, operation and

proper functioning of the Common Elements and the Association.

10.2.8 To arrange for and supervise any alterations, capital additions or improvements to the Property. If the estimated cost of any separate alteration, capital addition or improvement (other than for the purpose of restoring, repairing or replacing portions of the Common Elements) shall exceed the sum of FIVE THOUSAND DOLLARS (\$10,000), that work shall only be undertaken upon approval by the vote or written consent of the Owners having a Majority of the total votes of the Association, in favor of a resolution authorizing the expenditure; and if the estimated cost shall exceed the sum of FIFTY THOUSAND DOLLARS (\$50,000), that work shall only be undertaken upon approval by the vote or written consent of owners having sixty-seven percent (67%) of the total votes of the Association authorizing the expenditure.

10.2.9 Subject to the limitations contained in this Declaration or the Bylaws, to adopt and amend budgets for revenues, expenditures and reserves and determine the amount of Assessments to be collected from the Unit Owners for the Common Expenses of the property as provided in the budgets, and to collect the Assessments and enforce the collection of the Assessments, as authorized by or provided in Article 12 of this Declaration, the Act or other laws of the State of Washington, as they now exist or may be amended in the future.

10.2.10 To pay or provide for the payment of all Common Expenses out of Assessments paid by the Unit Owners or by any other means permitted by this Declaration, the Bylaws, the Act or other laws of the State of Washington, as they now exist or may be in the future.

10.2.11 To obtain and maintain the insurance coverage required or authorized by Article 13 of this Declaration and the Act, and any additional insurance coverage the Board deems advisable, and to adopt policies with respect to the self insurance by the Association of any risks the Board deems prudent, and the administration of claims under any policies issued to the Association.

10.2.12 To employ a Manager, and to employ attorneys, accountants, real estate firms, consultants, specialists, or other persons, reasonably necessary or

convenient to assist the Association and the Board in the management and administration of the Association and the Condominium.

10.2.13 To institute or defend actions at law, in equity or before administrative bodies, to further or protect the interests of the Association, the Unit Owners, and the Property, and to incur any expenses and attorney fees reasonable, necessary or convenient for the accomplishment of those purposes.

10.2.14 To pay an amount necessary to discharge any lien or encumbrance levied against the Property or any part of the Property 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 against the interests of particular Owners of less than all of the Units. Where one or more Owners are responsible for the lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of the lien shall be assessed against the Owners and the Unit or Units responsible to the extent of their responsibility.

10.2.15 To acquire from Common Funds of the Association and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interests therein, and to dispose of the same by sale or otherwise. The beneficial interest in that property shall be owned by the Owners in the same proportions as their respective interests in the Common Elements, and that property shall be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct. The Board shall not acquire real or personal property valued in excess of FIVE THOUSAND DOLLARS (\$5,000) by lease or purchase, other than at a sale on foreclosure of a lien for Assessments by the Association or by acceptance of a deed in lieu of foreclosure, except upon the approval by the vote of a majority of the Votes Cast in favor of a resolution authorizing the acquisition; or valued in excess of FIFTY THOUSAND DOLLARS (\$50,000), other than at a sale on foreclosure of a lien for Assessments by the Association or by acceptance of a deed in lieu of foreclosure, except upon approval by the vote of sixty-seven percent (67%) of the Votes Cast in favor of a resolution authorizing the acquisition.

10.2.16 To convey, transfer, cancel, relocate, and otherwise deal with any and all utility and other easements now or here after located on the premises and to petition for or consent to the vacation of streets and alleys.

10.2.17 To impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements, other than Limited Common Elements described in Article 6 of this Declaration, for moving in or out of the Condominium and for services provided to specific Unit Owners.

10.2.18 To impose and collect charges for late payment of Assessments and, after notice and an opportunity to be heard by the Board or by another body, officer or representative, in accordance with due process hearing procedures in the Bylaws or in the Rules and Regulations, to levy reasonable fines for violations of the Governing Documents of the Association.

10.2.19 To impose and collect reasonable charges for the preparation and/or recording of amendments to this Declaration requested by an Owner, resale certificates required by law now or in the future, certificates of unpaid Assessments, or other information required or requested by an Owner in connection with the sale of a Unit.

10.2.20 To assign, pledge, or hypothecate its right to future income, including the right to receive Assessments.

10.2.21 To make contracts and incur liabilities.

10.2.22 In the discharge of its duties and the exercise of its powers, the Board may borrow funds on behalf of the Association and, to secure the repayment of those funds, may levy a special assessment against each Unit and its Owner thereof for that Unit's pro rata share of the funds borrowed, including interest payable thereon, and may assign the Association's right to future income including the right to receive the special assessment proceeds to banks, other financial institutions, lenders and/or contractors as security for such loans. The owner of

a Unit may remove the Unit from the special assessment lien in the same manner as provided by RCW 64.34.368.

10.2.23 To provide for the indemnification of the officers and Board of the Association and maintain directors' and officers' liability insurance.

10.2.24 To cause the Association to join the Washington State Chapter of the Community Associations Institute.

10.2.25 To exercise any other powers conferred by this Declaration or Bylaws.

10.2.26 To exercise and perform all other rights and duties which are authorized or required by the Act or are reasonably necessary or incidental to the management and administration of the Condominium or to the accomplishment of the purposes of the Association.

10.2.27 The Board and its agents, contractors and employees may enter any Unit or Limited Common Element when reasonably necessary or advisable in connection with the exercise of any power granted to, or the performance of any duty which is the responsibility of the Board under this Declaration, including any maintenance, operation, repair, construction or reconstruction for which the Board is responsible, or if an emergency occurs. Entry shall be made with as little inconvenience to the Owner as practicable. Any damage caused by the entry of a Unit shall be repaired by the Board out of Common Funds if the entry was due to an emergency (unless the emergency was caused by the Owner or Occupant of the Unit entered, in which case the cost shall be specially assessed to the Unit entered) or for the purpose of maintenance or repairs to the Common Elements where the repairs were undertaken by or under the direction of the Board. If the repairs or maintenance were necessitated by or for the Unit entered or its Owner or Occupants, the costs of the repairs or maintenance and the entry shall be specially assessed to the Unit.

10.2.28 Each Owner by the act of becoming Owner or contract purchaser of a Unit does irrevocably appoint the Association as his or her attorney-in-fact with full power of substitution to take any action reasonably necessary to perform promptly the duties of the Association and the Board as provided in this Declaration, including by

but not limited to the duties to maintain, repair, and improve the Property, to deal with the Unit upon damage, destruction, condemnation or a taking by governmental entity (subject to the provisions of Articles 14 and 15) and to secure insurance proceeds.

10.2.29 Nothing in this Declaration shall be construed to authorize the Association or Board to conduct an active business for profit on behalf of the Unit Owners.

11. REGULATION OF USES; RENTALS

11.1 Single-Family Occupancy; Residential Use.

The Units shall be used for single family residential purposes only, on an ownership basis, and for the common social, recreational or other reasonable uses normally incident to such purposes, and also for such additional uses or purposes as are from time to time determined appropriate by the Board. Units and Buildings may be used for the purposes of operating the Association and managing the Condominium. No trade or business of any kind may be conducted in or from any Unit except that an Owner or Occupant residing in a Unit may conduct business activity within the Unit only if:

11.1.1 The existence or operation of the business activity within the Unit is not apparent or detectable by sight, sound or smell from the exterior of the Unit;

11.1.2 The business activity conforms to all zoning requirements for the Property;

11.1.3 The business activity does not involve persons coming onto the Property who do not reside in the Condominium;

11.1.4 The business activity does not increase the liability or casualty insurance obligation or premium of the Association; and

11.1.5 In the sole discretion of the Board, the business activity is consistent with the residential character of the Association and does not constitute a nuisance or hazardous or offensive use.

11.2 Use of Common Elements and Facilities.

Common drives, roadways, walks, corridors, hallways, stairways and other general Common Elements shall be used exclusively for access, ingress, egress, and normal transit to and from the Units by the Occupants of the Units, visitors, invitees and guests, and for other purposes which are incidental to the residential use of the Units. No obstructions, decorations and/or other personal or household items of any kind shall be placed or kept on or in the Common Elements except with the express prior written approval of the Board.

11.3 Maintenance of Units.

11.3.1 Subject to Rules and Regulations adopted by the Board, each Unit Owner shall, at his or her sole expense, have the right and the duty to keep the Unit, including the lawn, landscaping, paving, improvements and appurtenances in good order, condition and repair. Each Owner shall be responsible for the maintenance of the exterior and interior improvements on the Unit and shall keep them in a clean and sanitary condition, free of rodents and pests, and shall do all redecorating and landscaping at any time necessary to maintain the good appearance and condition of the Unit. Each Unit Owner shall be responsible for the construction, alteration, maintenance, repair or replacement of any fixtures or equipment which serve that Unit only. Decisions with respect to the standard or appearance and condition of the exterior of Units shall be made by the Board, but performance of the work shall be carried out by the Unit Owner unless the Board has notified the Unit Owner that, due to the Owner's neglect to do so or otherwise, it will perform such work. The Unit Owner will be responsible for the cost of such work done to the Unit but if the work is done by the Board, the cost thereof shall be levied as a special Assessment against the Unit. Unit Owners may not, however, without prior written approval of the Board, modify, paint or otherwise decorate or in any way alter the exterior improvements on the Units except as expressly permitted in this Declaration.

11.3.2 A Unit Owner may make any improvements or alterations to the interior of enclosed improvements on the Unit, at the Owner's sole cost and expense, provided that the Board may require a uniform color and kind of window covering (including drapes, blinds, shades, etc.). A

Unit Owner may not materially change the exterior appearance of the improvements on the Unit without permission of the Board except for landscaping which may be freely changed so long as the landscaping is in compliance with the rules and regulations of the Association. The Board may establish standards for external appearance and installation of manufactured homes. In order to preserve the uniform appearance of the Condominium and its Common Elements, the Board may require or provide for the painting or repair of any structures or facilities located on the Condominium, including the manufactured homes, lanais and patio/yard areas within Units, and prescribe the type and color of the surfaces and finishes. The Board may require its approval of a manufactured home before it can be placed on a Unit. The installation and location of the manufactured homes on a Unit may also be subject to the Board's approval or standards. The Board may prohibit, require or regulate any modification or decoration of the manufactured home or accessory structures within a Unit, including such items as screens, doors, awnings, rails or other portions of the manufactured home or accessory structures visible from the exterior. The Board may regulate and control the items stored or used within public view on any Unit.

11.3.3 Exterior Lighting. A street light is located on each Unit for exterior lighting to enhance the appearance and safety of the Condominium. Each Unit Owner shall at the Unit Owner's own expense maintain in good working order the street light located on the Unit (and any replacement street light) including but not limited to prompt replacement of light bulbs. The street lights may not be altered by any Unit Owner. Each Unit Owner shall cooperate with any modification, removal or replacement of the street lights at the direction of the Board; provided that if such modification, removal or replacement is general to all of the street lights in the Condominium, the cost shall be a Common Expense.

11.4 Maintenance of Limited Common Elements.

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 of Limited Common Elements may be regulated by the Board under provisions of the Bylaws, Rules and Regulations, or this Declaration including the following:

11.4.1 Decisions with the respect to the standard of appearance and condition of Limited Common Elements, and with respect to the necessity for, and manner of, repairing, restoring, reconstructing, repainting or redecorating Limited Common Elements, including the structural elements, which contain the Limited Common Elements (referred to in this Declaration as "Maintenance Work") shall be made by the Board.

11.4.2 Performance of Maintenance Work shall be carried out by the Board on behalf of the Owner of any Unit to which the Limited Common Element in question is assigned or reserved. Notwithstanding the foregoing, the Board, upon written notice, may require or permit an Owner to perform Maintenance Work.

11.4.3 Owners will be responsible for the cost of Maintenance Work for the Limited Common Elements reserved for or assigned to their Units.

11.4.4 Owners will be responsible for maintaining their respective Limited Common Elements in a clean and sanitary condition.

11.4.5 Owners may not modify or in any way alter their respective Limited Common Elements without prior written approval of the Board.

11.4.6 With respect to a Limited Common Element reserved for or assigned to more than one Unit for the mutual and joint use of those Units, the cost of Maintenance Work for shared Limited Common Elements shall be divided in equal shares among the Units for which that Limited Common Element is reserved.

11.4.7 The cost (or the appropriate share of the cost if the Limited Common Element in question has been assigned or reserved jointly to more than one Unit) of any Maintenance Work performed by the Board shall be levied as a special Assessment against the Unit or Units (and the Owner or Owners of the Unit or Units) to which the Limited Common Element is assigned or reserved, shall be a lien upon the Unit or Units and upon any appurtenant Common Elements, and shall be collectable as are any other Assessments.

11.5 Liability for Damage and Misconduct.

Notwithstanding any other provision of this Declaration, each Owner shall be responsible for any expenses resulting from damage done to a Unit, the Common Elements, or the Limited Common Elements, or from any misconduct by that Owner, or Tenant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner, or Tenant, or as a result of the failure of or failure to maintain, repair or replace any fixture, equipment, appliance or appurtenance which the Owner is responsible to maintain under the terms of the Declaration, or from any misconduct by that Owner, or Tenant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner or Tenant. The charges for repair or replacement of any damage in excess of insurance proceeds available to the Association under policies of insurance issued to the Association and the expenses resulting from any such misconduct caused thereby shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Limited Common Element and shall be collectable as are other assessments.

11.6 Effect on Insurance.

Nothing shall be done or kept in any Unit or in the Common or Limited Common Elements which will increase the rate of insurance on the Condominium without the prior written approval of the Board. No Owner and/or Occupant shall permit anything to be done or kept in his or her Unit or in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Condominium, or on any Unit or any part of the Common Elements or Limited Common Elements, or which would be in violation of any law.

11.7 Waste.

No Owner shall permit or commit waste in any Unit or in any Common Elements or Limited Common Elements.

11.8 Pets.

No animals, which term includes livestock, domestic animals, poultry, reptiles or living creatures of any kind, shall be raised, bred, or kept in any Unit or in the Common Element, whether as pets or otherwise, except subject to

Rules and Regulations adopted by the Board, or Bylaws adopted by the Association. The Board may at any time require the removal of any animal which it finds is disturbing other owners unreasonably, in the Board's determination, and may exercise this authority for specific animals even though other animals are permitted to remain.

11.9 Offensive Activity.

11.9.1 No noxious or offensive activity shall be carried on in any Unit or Common Element or Limited Common Element, nor shall anything be done therein which may be or become an annoyance, embarrassment, discomfort or nuisance to other Owners or Occupants or render any portion of the Condominium unsanitary, unsightly, offensive, or detrimental to persons using or occupying any portion of the Condominium.

11.9.2 No Owner or Occupant shall make or permit any disturbing noises or odors, his or her family, servants, employees, agents, visitors, or licensees, or do or permit anything that will interfere with the rights, comforts, or convenience of any Unit Owner or Occupant.

11.10 Parking.

The Common Element parking spaces and parking spaces within the Units (except enclosed garages) are restricted to use for parking of operable passenger motor vehicles. Other items and equipment including but not limited to trucks, trailers or recreational vehicles may be parked or kept therein only subject to rules and regulations adopted by the Board. The Board may require removal of any vehicle (and any other equipment or item) improperly parked or stored in any parking spaces. The Board may also cause removal at the risk and expense of the Owners without prior notice. Parking of vehicles is prohibited on the Common Elements except for guest parking in areas designated as such on the Survey Map and Plans. Use of all Common Element parking areas is subject to rules and regulations of the Board.

11.11 Hazardous Materials, etc.

No Owner or Occupant shall store or permit to be stored in any Unit, Limited Common Element or Common Element any substance which is toxic, flammable, explosive

or may otherwise be hazardous to the life, safety, health or property of an Owner or Occupant of the Condominium.

11.12 Signs.

No sign of any kind shall be displayed to public view on or from any Unit, Limited Common Element or the Common Element without the prior consent of the Board.

11.13 Common Element Alterations.

Nothing shall be altered or constructed in, or (except for an Owner's personal property) removed from, the Common Elements except with the prior written approval of the Board and after following any procedures required in the Governing Documents or by law.

11.14 Conveyance; Notice Required From Owner.

The right of a Unit Owner to sell, transfer, or otherwise convey a 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.

11.15 Owner Occupancy.

In order to achieve a stabilized community of owner-occupied dwelling unit, to avoid artificial inflation of prices caused by resales by speculators, to prevent scarcity caused by vacant homes awaiting resale by speculators, and to facilitate qualification of the Units in light of secondary mortgage market requirements, all Unit Owners other than those expressly excluded shall comply with the following:

11.15.1 Each Unit shall only be used and occupied as a principal place of residence. No Unit Owner shall lease or rent the Unit to a Tenant at any time or for any reason, provided that rent paying roommates are permitted so long as the Unit Owner continues to occupy the Unit as his or her principal place of residence.

11.15.2 The following Unit Owners and lenders are exempt from the provisions of this section: an institutional lender in possession of a Unit following a default in a Mortgage, a Foreclosure or any deed or other arrangement in lieu of a Foreclosure. In the event of a

sale of a Unit by a Unit Owner exempt from the provisions of this section, the new Unit Owner will be bound by the terms of this section unless the new Unit Owner is also exempt from the provisions of this section.

12. COMMON EXPENSES AND ASSESSMENTS

12.1 Estimated Expenses.

Within thirty (30) days prior to the beginning of each calendar year or any other fiscal year adopted by the Board by resolution, the Board shall estimate the charges (including Common Expenses, and, to the extent reasonably ascertainable, any special Assessments for particular Units) to be paid during the next year, make provision for creating, funding and maintaining reasonable reserves for contingencies, operations, and repair, replacement and acquisition of Common Elements, and take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the preceding sentence, but in furtherance of its requirements, 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 prior to the end of the useful life of the Building. The Board shall calculate the contributions to the reserve fund so that there are sufficient funds in the reserve fund to replace each Common Element covered by the fund at the end of the estimated useful life of each Common Element.) Within thirty days after adoption of any proposed budget for the condominium, the board of directors shall provide a summary of the budget to all the unit owners and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the board of directors. Any special Assessment and/or amendment to the budget will be subject to the same approval procedures and requirements of this section.

12.2 Date of Commencement of Annual Assessments.

The annual Assessments provided for in this Declaration shall commence on and become due and payable in twelve (12) equal monthly installments beginning on the first day of January of each year, or in any other manner which the Board reasonably requires.

12.3 Payment by Owners.

Each Owner shall be obligated to pay Assessments made as provided in the budget and this Article to the treasurer of the Board or to the Manager of the Association, as applicable, in equal monthly installments on or before the first day of each month during the year or in any other reasonable manner as the Board shall designate. Any unpaid Assessments shall bear interest at the rate specified in Section 12.11 from the due date until paid.

12.4 Purpose.

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

12.5 Separate Accounts.

The Board shall maintain separate accounts of current operations and reserves for major repairs or replacement of capital items as provided in the Bylaws.

12.6 Based on Percentage.

Except for certain special Assessments, charges, fines and other items which may be levied against particular Units under the provisions of this Declaration, all Assessments for Common Expenses shall be assessed to Units and the Unit Owners on the basis of each Unit's undivided interest provided in Exhibit C of this Declaration.

12.7 Omission of Assessment.

The omission by the Board or the Association before the expiration of any year to estimate the budget and Assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of an Owner from the

obligation to pay Assessments of any installment of the Assessments for that or any later year, but the Assessment fixed for the year before shall continue until a new Assessment is fixed.

12.8 Records.

The Board shall cause to be kept detailed and accurate records in the form established by the Association's accountant of all receipts and expenditures of the Association, specifying and itemizing each expense incurred. The books and records of the Association, including the records and resolutions authorizing payments by the Association, shall be available for examination by any Owner, personally or by an authorized representative, and for copying, at convenient hours during the week days at the place which the records are normally kept or at another reasonable location established by the Board. The Association may assess reasonable charges against an Owner and the Owner's Unit to cover the direct and indirect costs of the examination and copying of Association records by an Owner or an Owner's representative.

12.9 Lien Indebtedness.

12.9.1 All sums assessed by the Association of Unit Owners, but unpaid as Assessments chargeable to any Unit, together with interest, expenses, costs and reasonable attorney fees, shall constitute a lien on such Unit. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except: (a) Liens and encumbrances recorded before the recording of 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. A lien under this Article is not subject to the provisions of RCW 6.13.

12.9.2 Except as provided in Sections 12.9.3 and 12.9.4, the lien shall also be prior to the Mortgages described in Section 12.9.1 to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee, the date of a trustee's sale in

a nonjudicial foreclosure by a Mortgagee, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract.

12.9.3 The priority of the Association's lien against Units encumbered by a Mortgage held by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that the lien priority under Section 12.9.2 includes delinquencies which relate to a period after such holder has given such notice and before the Association gives the holder a written notice of the delinquency.

12.9.4 If the Association forecloses its lien under this Article nonjudicially pursuant to RCW 61.24, as provided by Section 12.18.2 of this Article, the Association shall not be entitled to the lien priority provided for under Section 12.9.2.

12.10 Assessments Are Personal Obligation.

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

12.11 Late Charges and Interest on Delinquent Assessments.

The Board may from time to time establish reasonable late charges and a reasonable rate of interest to be charged on Assessments that may in the future become or remain delinquent. In the absence of other established non-usurious rates, the late fee on delinquent Assessments shall be twenty-five Dollars (\$25.00), which shall be added to any account which is not paid in full on the fifteenth (15th) day of each month. Unless otherwise provided by law or by Board action, the interest rate shall be twelve percent (12%) per annum.

12.12 Recovery of Costs, Expenses and Attorney Fees.

In addition to any attorney fees and costs recoverable in an action brought under Section 12.10 or 12.18, the Association shall be entitled to recover its costs, expenses and reasonable attorney fees incurred in connection with the collection of delinquent Assessments, whether or not the collection activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover its costs, expenses and reasonable attorney fees on appeal and in the enforcement of a judgment, whether in the state of Washington or another state.

12.13 Certificate of Assessment.

A certificate executed and acknowledged by the treasurer or the president of the Board, the Manager, or another authorized agent of the Board if the president, treasurer, and Manager are not available, stating the debt (or lack of debt) for Assessments secured by the Assessment lien upon any Unit shall be conclusive upon the Board and the Owners as to the amount of the debt on the date of the certificate in favor of all persons who rely on the certificate in good faith. A certificate shall be furnished to any Owner or Lender within a reasonable time after request, in recordable form, at a reasonable fee to be set by the Board. Unless otherwise prohibited by law, any Lender holding a lien on a Unit may pay any unpaid Assessments payable with respect to the Unit and upon payment that Lender shall have a lien on the Unit for the amounts paid of the same rank as the lien of his or her encumbrance.

12.14 Acceleration.

If any Assessment chargeable to a particular Unit remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days written notice to the Unit Owner, accelerate and demand immediate payment of all or any portion set by the Board, of the monthly Assessments and special charges which the Board reasonably determines will become due during the next twelve (12) months with respect to the Unit.

12.15 Security Deposit.

12.15.1 A Unit Owner may be required by the Board or by the Manager, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly Assessments and other charges. The security deposit may be collected, as are other Assessments. The Board may, in its sole discretion, draw on an Owner's deposit at any time when the Owner is ten (10) days or more delinquent in paying his or her monthly or other Assessments or charges. The deposit shall not be considered as advance payment of Assessments.

12.15.2 If the Board should draw upon the deposit as a result of any Unit Owner's delinquency in payment of any Assessments, the Owner shall continue to be responsible for the immediate and full payment of the delinquent Assessment (and all interest, late fees, costs and attorney fees in connection with the Assessment) and thus the full restoration of the deposit, and the Board shall continue to have all of the rights and remedies for enforcing Assessment payment and deposit restoration as provided in this Declaration and bylaws.

12.15.3 In the discretion of the Board, all or any portion of a deposit may at any time be refunded to an Owner by the Association as a cash refund or a credit against future Assessments or a combination of cash and credit.

12.16 Foreclosure of Assessment Lien.

12.16.1 Lien May be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12. 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 Article shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in RCW 64.34.364(3) and (4) and Sections 12.9.2 and 12.9.3 of this Declaration, the holder of a mortgage or the purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any Assessments or installment thereof that became due prior to such right of

possession. Such unpaid Assessments shall be deemed to be common expenses collectible from all the Owners, including such mortgagee or other purchaser of the Unit. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of the sheriff's deed.

12.16.2 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure of a deed of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Old Republic Title Insurance Company or its successors or assigns ("Trustee") to secure the obligation of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien nonjudicially pursuant to this section, it shall not be entitled to the lien priority over mortgages provided in RCW 64.34.364(3).

12.17 Receiver.

From the time of commencement of any action to foreclose a lien against a Unit for nonpayment of delinquent Assessments, which Unit is not occupied by the Owner thereof, the Owner or contract purchaser of the Unit shall pay to the Association the reasonable rental value of the Unit, to be fixed by the Board, and the plaintiff in the foreclosure action shall be entitled to the appointment, without bond, of a receiver to collect the reasonable rental value, and who may, if the rent is not paid, obtain possession of the Unit, refurbish it for rental up to a reasonable standard in this type of Condominium, rent the Unit or permit its rental to others, and apply rents received first to the costs and attorney fees of the receivership and the receiver, including the costs of renting the Unit, then to the costs of refurbishing the Unit, then to costs, fees and charges of the foreclosure action, and then to the payment of any other delinquent Assessments or charges.

12.18 Voting Rights.

During any period in which a Member shall be in default in the payment of an annual or special assessment levied by the Association, the voting rights of said Member may be suspended by the Board of Directors until such assessment is paid.

12.19 Remedies Cumulative.

The remedies provided for in this Declaration are cumulative and the Board may pursue them concurrently and may pursue any other remedies that may be available under law now or in the future although not expressed in this Declaration.

13. INSURANCE

13.1 General Requirements.

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

insured therein, Owners, Mortgagees and designated servicers of Mortgagees.

13.2 Property Insurance.

The property insurance shall, at the minimum and subject to such reasonable deductible as the Board may determine, provide all risks of direct physical loss coverage in an amount equal to 100% of the current replacement cost of the Common Elements, the Limited Common Elements, (except land, foundation, excavation and other items normally excluded from coverage) and including fixtures to the extent they are part of the Common Elements, building service equipment and supplies and other common personal property belonging to the Association with an "Agreed Amount Endorsement," "Inflation Guard Endorsement" (if available) and, if required by FNMA or FHLMC, construction code endorsements, such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," an "Increased Cost of Construction Endorsement," and such other endorsements as FNMA or FHLMC deem necessary and are available. The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. In the discretion of the Board, the policy may, but shall not be required to, include coverage for loss due to earthquake (difference in conditions. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy in accordance with the interest in the Common Elements appertaining to the Owner's Unit. Certificate of insurance shall be issued to each Owner and Mortgagee upon request. Up to the amount of the deductible under the Association's policy, each Unit Owner shall be responsible for (a) damage or loss within the Owner's Unit; (b) damage to another Unit or to the Common Elements resulting from the negligence or misconduct of the Unit Owner or tenant of the Owner's Unit; or (c) damage resulting from faulty or leaking plumbing fixtures or pipes, hot water tanks, sinks, bathtubs, toilets, dishwashers, washers, including any connecting hoses or drains in or serving only the Owner's Unit.

13.3 Commercial General Liability Insurance.

The liability insurance coverage shall insure the Board, the Association, the Owners, and the Managing Agent,

and cover all of the Common Elements in the Condominium with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage, bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements and legal liability arising out of lawsuits related to employment contracts of the Association, and if required by FNMA or FHLMC, host liquor liability, employers' liability insurance, contractual and all-written contract insurance, comprehensive automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location, and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

13.4 Insurance Trustees: Power of Attorney.

The named insured under the policies referred to in Sections 13.2 and 13.3 shall be the Association or any trustee acting under an insurance trust agreement. Each owner appoints the named insured as his or her attorney-in-fact to act in their behalf in accordance with their respective interests in the Common Elements for purposes of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 13.8, 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 Additional Policy Provisions.

The insurance obtained pursuant to Section 13.2 and Section 13.3 shall contain the following provisions and limitations:

13.5.1 Each Unit Owner is an insured person under the policy with respect to the Owner's interest in the Common Elements or membership in the Association.

13.5.2 Such policies shall not provide for contribution by or assessment against Mortgagees or become a lien on the property superior to the lien of a first mortgage.

13.5.3 If, at the time of the loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

13.5.4 Coverage shall not be prejudiced by (a) any act, omission, or neglect of the Owners of Units when such act or neglect is not within the scope of the Owner's authority on behalf of the Association; or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

13.5.5 A waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit, and/or their respective agents, members of the Owner's household, employees, or lessees, and of any defenses base upon co-insurance or upon invalidity arising from the acts of the insured.

13.5.6 A standard mortgage clause which shall:

13.5.6.1 Provide that any reference to a mortgagee in the policy shall mean and include all Mortgagees of any Unit or Unit lease or sublease in their respective order of preference, whether or not named therein;

13.5.6.2 Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any persons under any of them;

13.5.6.3 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; and

13.5.6.4 Provide that, without affecting any protection afforded by such mortgage clause, any proceeds payable under such policy shall be payable to the Association or the insurance trustee.

13.6 Fidelity Insurance.

The required fidelity insurance shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or who are responsible for handling funds of or administered by, the Association. The Managing Agent shall maintain at its own expense fidelity insurance for its officers, employees and agents who handle or who are responsible for handling funds of, or funds administered by the Association. All such fidelity insurance shall name the Association as an obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association or manager at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate Assessments plus reserves. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

13.7 Owners' Individual Insurance.

An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit

13.8 Use of Insurance Proceeds.

Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be promptly repaired or replaced by the Association substantially in accordance with the Declaration and the original plans and specifications unless: (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; (c) Owners holding

at least 80% of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and Eligible Holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such Eligible Holders vote not to rebuild. The cost of repair or replacement in excess of the deductible, insurance proceeds and available reserves is a Common Expense. The Unit Owner shall be responsible for the amount of the deductible applicable to damage or loss within the Owner's Unit. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (i) 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; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the interest in Common Elements of each Unit. If the Unit Owners and Eligible Holders of First Mortgages vote not to rebuild 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 this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section, Article 22 governs the distribution of insurance proceeds if the Condominium is terminated.

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: (1) 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 liability 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 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 therefore 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 or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, provide each Owner, and each Eligible Holder, Insurer or Guarantor of a first Mortgage 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 Eligible Holder, Insurer or Guarantor of a First Mortgage 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 the Board is responsible to maintain or repair and 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 (80%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be Repaired, and Eligible Holders of First Mortgages on units to which at least 51% of the votes of units subject to mortgages held by such Eligible Holders are allocated 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 and the Condominium is not otherwise terminated then (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 Allocated Interests in the Common Elements of all the Units.

14.4.3 Reallocation. If the Unit Owners and Eligible Holders of First Mortgages should 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.

14.5 Restoration by Board.

If the damage is to be repaired pursuant to Section 14.4, then:

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

14.5.2 Insurance Trustee. The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or to such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

14.6 Decision to Terminate.

In the event of a decision to terminate the Condominium and not repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed improvements and clearing, filling and grading the real property), and the

remaining funds, if any, and Property shall thereafter be held and distributed as provided in RCW 64.34.268.

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 Allocated 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 as each and every Owner's attorney-in-fact in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds for the taking or acquisition of part or all of the Common Elements shall be payable in trust to the Association for the benefit of the Owners and their first Mortgagees as their interests may appear. The Association may appoint a trustee to act on behalf of the Unit Owners in carrying out the above functions in lieu of the Association.

16. COMPLIANCE WITH DECLARATION

16.1 Strict Compliance.

Each Owner and Tenant, occupying a Unit in the Condominium, shall comply strictly with the provisions of the Governing Documents and with all decisions of the Board adopted as provided in the Governing Documents (referred to in this Declaration as "Board Decisions"). The acceptance of a deed or conveyance or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by the Owner, or Tenant, and all provisions of the Governing Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though the provisions were recited and stipulated at length in each and every deed, conveyance or Lease of the Unit.

16.2 Failure to Insist on Strict Performance No Waiver.

The failure of the Board or Manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition or restriction, but the term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or Manager of any Assessment from the Owner, with knowledge of any breach shall not be deemed a waiver of that breach, and no waiver by the Board of any provision of the Governing Documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

16.3 Hearing Board.

The Board, or committee appointed by the Board ("Hearing Board") which shall consist of two or more Board members, in the internal notice and hearing procedures adopted by the Board, is authorized and empowered to investigate, hear and determine all complaints concerning violations by a Unit Owner, Tenant or other Occupant or by the Association of any provision of the Governing Documents or of any Board Decision and to order compliance therewith. The Hearing Board is further authorized and empowered to levy reasonable fines against any person who shall have been found to be in violation of any provision of the Governing Documents or Board Decision after notice stating the nature of the violation and an opportunity for a hearing and to require the non-prevailing party to reimburse the Association for its costs including reasonable attorney fees in connection with the matter. Fines shall not exceed the maximum amounts to be established from time to time by resolution of the Board. Fines and costs shall constitute Assessments secured by a lien upon any Unit belonging to or occupied by the person against whom they were assessed and shall be collectable in the manner provided in Article 11 for collection of Assessments. Notice shall be provided and the hearing shall be conducted as provided in the Rules and Regulations. If a hearing Board other than the Board is designated in the Rules and Regulations, any party to a matter heard by the

Hearing Board shall have the right to appeal the decision of the hearing Board to the Board on the record of the proceeding before the Hearing Board. Any member of the Hearing Board or the Board who is incapable of impartial, disinterest and objective consideration of the case shall disclose that fact to the respective body and shall remove himself or herself from participation in the proceedings and have it so recorded in the minutes.

16.4 Judicial Enforcement.

Continuing failure to comply with a provision of the Governing Documents or a Board Decision, or to comply with a decision of the Hearing Board following notice of a violation and an opportunity for a hearing, shall be grounds for an action to recover sums due for damage, which shall include any fines levied by the Hearing Board and any costs incurred by the Association in connection with the proceedings before the Hearing Board, or for injunctive relief, or both, maintainable by the Board (acting through its officers or Manager on behalf of the Owners). Nothing contained in this Declaration shall be deemed or construed as a waiver of the Association's right to bring an action as provided in this Declaration and under the Act without first exhausting the Association's internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. If the Board fails or refuses, after demand by an aggrieved Owner, to take appropriate action to enforce compliance with any provision of the Governing Documents, any Board Decision, or any Hearing Board decision, an aggrieved Owner on his or her own may maintain an action for damages or injunctive relief against the party (including an Owner or the Association) failing to comply. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for attorney fees reasonably incurred in connection with the action, in addition to its expenses and taxable costs, as permitted by law.

17. LIMITATION OF LIABILITY

17.1 Liability for Utility Failure, etc.

Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board shall be liable for any failure of any utility or other service to be obtained and paid for by the Board; or for injury or

damage to person or property caused by the elements or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of the Condominium or from any of its pipes, drains, conduits, appliances, or equipment or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with the law, ordinance, or order of a governmental authority; or for loss or damage by casualty, theft or otherwise of personal property, which may be kept or stored by an Owner or Occupant in a Unit, storage area or other Limited Common Element. 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. This Section shall not be interpreted to impose any form of liability by implication upon the Board or the Association.

17.2 No Personal Liability.

So long as a Board member, Association committee member, Association officer, or the Manager, exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, or self dealing, upon the basis of the information possessed by that person, then that person shall not be personally liable to any other Owner, to any Tenant or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of that person; provided, that this limitation shall not apply where and to the extent that the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board.

17.3 Indemnification of Board Members.

Each Board member, Association committee member, and Association officer, exercising the powers of the Board, shall be indemnified by the Association and the Owners against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party or in which he or she may become involved by reason of holding or having held that position, or which may be threatened against him or her, or any settlement of a proceeding or threatened proceeding, whether or not that person holds the position at the time the expenses or liabilities are incurred, except in those cases in which the person is adjudged guilty of willful or intentional

misconduct, self dealing or bad faith in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approved the settlement and reimbursement as being in the best interests of the Association.

18. LENDER PROTECTION

18.1 An Eligible Holder, Insurer or Guarantor will be entitled to timely written notice of:

18.1.1 Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries any unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or Limited Common Elements appertaining to any unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Owners Association appertaining to any unit or (iv) the purposes to which any unit or the Common Elements are restricted;

18.1.2 Any proposed termination of the Condominium regime;

18.1.3 Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first Mortgage held, insured or guaranteed by such Eligible Holder;

18.1.4 Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the Mortgage of such Eligible Holder, Insurer or Guarantor, where such delinquency has continued for a period of 60 days;

18.1.5 Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article 13.

18.2 Other Provisions for First Lien Holders.

The following protections are provided for the benefit of first Mortgage holders:

18.2.1 Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance

with the declaration and the original plans and specifications unless the approval of the Eligible Holders of First Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated, is obtained.

18.2.2 Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the Eligible Holders of First Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

18.2.3 Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium project is otherwise fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the Eligible Holders of First Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

19. EASEMENTS

19.1 General.

It is intended that in addition to rights under the Act, each Unit and the Association has an easement over, under, across and through each other Unit and the Common and Limited Common Elements for all utilities and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium plan. To the extent any landscaping or other decorative improvements (such as entrance monuments) which are part of the Common Elements intrude into the setback area of any Unit, an easement for the portion of the Common Elements intruding shall be deemed to exist. 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, 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 to be reasonably necessary to the ongoing development, improvement and operation of the Property.

19.3 Association Functions.

The Association and its duly authorized agents and representatives have reserved to them under this Declaration any easement necessary for emergency repairs and/or to perform the duties and obligations of the Association under the Governing Documents.

19.4 Encroachments.

Each Unit and all Common Elements and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements and Limited Common Elements, for the purpose of accommodating any encroachment due to engineer errors, errors in original construction, reconstruction, repair, settlement or shifting or movement of any portion of the Condominium, or any other similar cause, and any encroachment due to Building overhang or projection. There shall be valid easements for the maintenance of those encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by any encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created under this Section in favor of an Owner or Owners if the encroachment occurred due to the willful act or acts with full knowledge of the Owner or Owners. If a Unit or Common Elements 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 Elements and Limited Common Elements shall be permitted. There shall be valid easements for the maintenance of the encroachments permitted under this Section so long as they exist. These encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.

20. PROCEDURES FOR SUBDIVIDING OR COMBINING

20.1 Procedure.

Subdivision and/or combining of any Unit or Units, Common Elements or Limited Common Elements are authorized only as follows:

20.1.1 Any Owner of any Unit or Units may propose any subdividing or combining of a Unit or Units, and appurtenant Common Elements or Limited Common Elements in writing, together with complete plans and specifications for accomplishing the subdividing or combining and a proposed amendment to this Declaration, Survey Map and Plans covering the proposed subdividing or combining, to the Board, which shall then notify all other Unit Owners of the requested subdivision or combination.

20.1.2 Upon approval of sixty-seven percent (67%) vote of the Owners, and unanimous prior written approval of the Eligible Holders of First Mortgages and Owners of the Units to be combined or subdivided, the Owner(s) making the proposal may proceed according to the approved plans and specifications. The Board may, but need not, in its discretion 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 The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record at the expense of any Owner requesting the changes as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of Article 21.

20.1.4 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.

21. AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS

21.1 In General.

Except in cases of amendments that may be executed by the Association (in connection with Sections 4.2.1 or 7.2.1, Articles 14, 15 or 20, or 22 of the Condominium), or certain Unit Owners (in connection with Sections 4.2.1 or 7.2.1, 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 the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated; provided, however, if the provision being amended is a voting requirement of the Owners of Units to which more than sixty-seven percent (67%) of the votes in the Association are allocated, then such provision may be amended only by vote or agreement of the Owners of Units to which such greater percentage of the votes in the Association are allocated.

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 64.34.216(1).

21.4 General Limitations.

Except to the extent expressly permitted or required by other provisions of the Act or this Declaration, any 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 (90%) 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 Material Amendments.

Except for amendments which require only the consent of the Owners of the affected Units and their Mortgage Holders, any amendment to a provision of the Declaration establishing, providing for, governing or regulating the following (all of which shall be deemed "Material Amendments") shall also require the consent of Eligible Holders of First Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated or such higher percentage as may be expressly provided elsewhere in this Declaration: voting rights; Assessments, Assessment liens, or subordination of such; reserves for maintenance, repair, and replacement of Common Elements; responsibility for maintenance and repair of the several portions of the Condominium, the interests in the Common or Limited Common Element, rights to use the Common Elements; 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; any restoration or repair of the condominium after a partial condemnation or damage due to an insurable hazard, or any provisions that expressly benefit Mortgage holders, insurers, or guarantors. An Eligible Holder of a First Mortgage 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.

21.7 Maps and Plans Amendment.

Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions or revised portions hereof referred to and described as to effect 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 Unit Owner. Such amendment to the Survey Map and Plans shall be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

22. TERMINATION OF CONDOMINIUM

22.1 Action Required.

The Condominium may be terminated only by agreement of Owners of Units to which at least 80% of the votes in the Association are allocated and with the consent of Eligible Holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such Eligible Holders are allocated.

22.2 Condominium Act Governs.

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

23. MISCELLANEOUS

23.1 Management.

Experienced professional management of this Condominium Project will be employed by the Association and the agreement for professional management must provide for termination by either party with cause on thirty (30) days' notice in writing, with the contract agreement not to exceed a term of one (1) year.

23.2 Notice for All Purposes.

23.2.1 Delivery of Notice. Except as may otherwise be required by law or be specifically provided in the Declaration or the Bylaws, any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered personally, by electronic means of written communication or by mail. If delivery is made by mail, any notice shall be deemed to have been delivered when a copy has been deposited in the United States mail, first class postage prepaid, addressed to the person entitled to the notice at that person's Registered Address as required by the Bylaws. Notice to the Owner of any Unit shall be sufficient if directed to the Owner's Unit if no other address has been given to the Board as the Registered Address. Notice to a Tenant shall be directed to the Unit address. Notice to be given to the Board shall be given to the president or secretary of the Board, or to the Manager, if any. Addresses for the delivery of notice may be changed from time to time by notice in writing as provided in this Section.

23.3 Severability.

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

23.4 Effective Date.

The Declaration and any amendment to this Declaration shall take effect upon recording.

Dated this 18 day of Jan, 2008.

GLENBROOK CONDOMINIUM OWNERS' ASSOCIATION

By: Rich Woods
Its President

STATE OF WASHINGTON)
) ss
 COUNTY OF KING)

I certify that I know or have satisfactory evidence that Richard Wooland is the person who appeared before me, to me known to be the president of Glenbrook Condominium Owners' Association and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the free and voluntary act and deed of the Association, for the uses and purposes therein.

Dated: 4/18/08

(Signature)

Shannon Richardson
 (Print Name)

NOTARY PUBLIC in and for the State of Washington, residing at King County
 My commission expires: 4/15/10

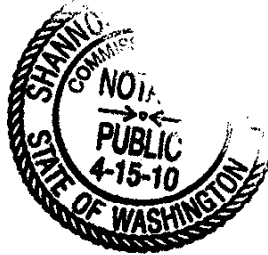


EXHIBIT A - Page 1

1. Description of Real Property Included in Condominium:

PARCEL A:

The East 275 feet of the West 510 feet of the North 416 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 235 feet of the North 30 feet of the South 910 feet of the Northwest 1/4 of the Northwest 1/4; and the West 30 feet of the Northwest 1/4 of the Northwest 1/4, lying northerly of the South 910 feet thereof; all in Section 35, Township 22 North, Range 5 East W.M.;

Except the North 45 feet thereof conveyed for SE 272nd Street by deeds recorded under Recording Nos. 2621936 and 6207861, all in Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

PARCEL B:

Lot 4 of Short Plat No. 107811 revised according to the short plat recorded under King County Recording No. 8411301140, being a revision of short plat recorded under Recording No. 7904200908;

Together with an easement for roadway and utilities, as disclosed in said short plat;

Except that portion of said Lot 4 conveyed to King County for 152nd Avenue SE by deed recorded under Recording No. 8806080123;

Situate in the County of King, State of Washington;

PARCEL C:

Lot 2 of Short Plat No. 880081, according to the short plat recorded under King County Recording No. 8012300795;

Situate in the County of King, State of Washington.

PARCEL D:

The West 235 feet of the South 880 feet of the Northwest 1/4 of the Northwest 1/4 of Section 35, Township 22 North, Range 5 East W.M.;

and the East 275 feet of the West 510 feet of the South 494 feet of the Northwest 1/4 of the Northwest 1/4, Section 35, Township 22 North, Range 5 East W.M.;

Situate in the County of King, State of Washington.

EXHIBIT A - Page 2

2. Description of any Real Property (except Real Property subject to Development Rights) which may be allocated subsequently as Limited Common Elements (other than Limited Common Elements specified in Sections 4.1.2, 4.1.4, 7.2.2 and 7.2.3):

None.

3. Description of the Real Property to which any Development Right or Special Declarant Right applies:

Same as the description of Real Property included in Condominium set forth in paragraph 1 above.

EXHIBIT B**1. Recreational Facilities:**

Located in approximately the center of the Condominium is a recreational center consisting of a Community Building, Patio, Sports Court and Play Area. The Community Building is a former single family residence approximately 26-1/2 feet by 81 feet remodeled to accommodate community functions and activities. The Patio consists of large concrete tiles with cedar spacers and connects the Community Building with the Sports Court to the north. The Sports Court is a 30' by 60' basketball court with one hoop at each end. The Play Area is an octagonal area immediately south of the Community Building furnished with climbing/play equipment known as a "Big Toy."

2. Additional Limited Common Elements:

None.

3. Moorage Slips:

None.

4. Parking:

	Guest Parking on Common Element	Parking on Units
a. Uncovered	<u>75</u>	<u>148</u>
b. Covered	<u>-0-</u>	<u>148</u>
c. Enclosed	<u>-0-</u>	<u>-0-</u>
TOTAL	<u>75</u>	<u>296</u>

GRAND TOTAL 371

5. Description of Unit Types:

All Units are of the same type, i.e. bare land. Each Unit is designed to accommodate one manufactured home which when installed shall be deemed part of the Unit. The manufactured homes are anticipated to be 14 to 28 feet wide and 40 to 66 feet long (averaging 24 feet by 48 feet). It is anticipated that each manufactured home will contain the following:

i.	No. of Bathrooms:	<u>1-2</u>
ii.	No. of Bedrooms:	<u>2-4</u>
iii.	No. of Fireplaces:	<u>-0-</u>
iv.	Type of Heat:	electric forced air

EXHIBIT C - Page 1

Unit No. ¹	Common Elements	<u>Allocated Interests</u>		Vote	Approx. Sq. Ft. (Unit)
		Common	Expenses		
1	1/148	1/148		1	3571
2	1/148	1/148		1	3705
3	1/148	1/148		1	3705
4	1/148	1/148		1	3705
5	1/148	1/148		1	3631
6	1/148	1/148		1	3881
7	1/148	1/148		1	4400
8	1/148	1/148		1	4400
9	1/148	1/148		1	4400
10	1/148	1/148		1	4400
11	1/148	1/148		1	4400
12	1/148	1/148		1	4400
13	1/148	1/148		1	4637
14	1/148	1/148		1	3641
15	1/148	1/148		1	3408
16	1/148	1/148		1	3408
17	1/148	1/148		1	3408
18	1/148	1/148		1	3408
19	1/148	1/148		1	3755
20	1/148	1/148		1	3787
21	1/148	1/148		1	3787
22	1/148	1/148		1	3408
23	1/148	1/148		1	3787
24	1/148	1/148		1	3787
25	1/148	1/148		1	3787
26	1/148	1/148		1	3642
27	1/148	1/148		1	3609
28	1/148	1/148		1	3790
29	1/148	1/148		1	3790
30	1/148	1/148		1	3790
31	1/148	1/148		1	3790
32	1/148	1/148		1	3411
33	1/148	1/148		1	3411
34	1/148	1/148		1	3411

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

EXHIBIT C - Page 2

Unit No. ¹	Common Elements/	Allocated Interests		Vote	Approx. Sq. Ft. (Unit)
		Common	Common		
		Elements/	Expenses/		
35	1/148		1/148	1	3411
36	1/148		1/148	1	3643
37	1/148		1/148	1	3653
38	1/148		1/148	1	3787
39	1/148		1/148	1	3787
40	1/148		1/148	1	3787
41	1/148		1/148	1	3408
42	1/148		1/148	1	3787
43	1/148		1/148	1	3787
44	1/148		1/148	1	3755
45	1/148		1/148	1	3408
46	1/148		1/148	1	3408
47	1/148		1/148	1	3408
48	1/148		1/148	1	3408
49	1/148		1/148	1	3641
50	1/148		1/148	1	3641
51	1/148		1/148	1	3408
52	1/148		1/148	1	3408
53	1/148		1/148	1	3408
54	1/148		1/148	1	3408
55	1/148		1/148	1	3755
56	1/148		1/148	1	3787
57	1/148		1/148	1	3787
58	1/148		1/148	1	3408
59	1/148		1/148	1	3787
60	1/148		1/148	1	3787
61	1/148		1/148	1	3787
62	1/148		1/148	1	3653
63	1/148		1/148	1	3641
64	1/148		1/148	1	3787
65	1/148		1/148	1	3787
66	1/148		1/148	1	3787
67	1/148		1/148	1	3408
68	1/148		1/148	1	3787
69	1/148		1/148	1	3787
70	1/148		1/148	1	3755
71	1/148		1/148	1	3408
72	1/148		1/148	1	3408
73	1/148		1/148	1	3408

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

EXHIBIT C - Page 3

Unit No. ¹	Common Elements/	Allocated Interests		Vote	Approx. Sq. Ft. (Unit)
		Common	Common		
		Elements/	Expenses/		
74	1/148		1/148	1	3408
75	1/148		1/148	1	3635
76	1/148		1/148	1	3860
77	1/148		1/148	1	2800
78	1/148		1/148	1	2812
79	1/148		1/148	1	3680
80	1/148		1/148	1	2552
81	1/148		1/148	1	3276
82	1/148		1/148	1	3410
83	1/148		1/148	1	3410
84	1/148		1/148	1	3410
85	1/148		1/148	1	3410
86	1/148		1/148	1	3410
87	1/148		1/148	1	3410
88	1/148		1/148	1	3679
89	1/148		1/148	1	3789
90	1/148		1/148	1	3789
91	1/148		1/148	1	3789
92	1/148		1/148	1	3655
93	1/148		1/148	1	3674
94	1/148		1/148	1	3789
95	1/148		1/148	1	3789
96	1/148		1/148	1	3789
97	1/148		1/148	1	3679
98	1/148		1/148	1	3734
99	1/148		1/148	1	3410
100	1/148		1/148	1	3410
101	1/148		1/148	1	3410
102	1/148		1/148	1	3410
103	1/148		1/148	1	3410
104	1/148		1/148	1	3248
105	1/148		1/148	1	3286
106	1/148		1/148	1	3420
107	1/148		1/148	1	3515
108	1/148		1/148	1	3751
109	1/148		1/148	1	3751
110	1/148		1/148	1	3594
111	1/148		1/148	1	3650

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.

EXHIBIT C - Page 4

Unit No. ¹	<u>Allocated Interests</u>		Vote	Approx. Sq. Ft. (Unit)
	<u>Common Elements/</u>	<u>Common Expenses/</u>		
112	1/148	1/148	1	3797
113	1/148	1/148	1	3786
114	1/148	1/148	1	3398
115	1/148	1/148	1	2839
116	1/148	1/148	1	3750
117	1/148	1/148	1	3675
118	1/148	1/148	1	3675
119	1/148	1/148	1	3675
120	1/148	1/148	1	3675
121	1/148	1/148	1	4050
122	1/148	1/148	1	3825
123	1/148	1/148	1	3675
124	1/148	1/148	1	3751
125	1/148	1/148	1	4235
126	1/148	1/148	1	4279
127	1/148	1/148	1	3764
128	1/148	1/148	1	3750
129	1/148	1/148	1	3760
130	1/148	1/148	1	3693
131	1/148	1/148	1	3348
132	1/148	1/148	1	3421
133	1/148	1/148	1	3429
134	1/148	1/148	1	2910
135	1/148	1/148	1	2925
136	1/148	1/148	1	3622
137	1/148	1/148	1	3600
138	1/148	1/148	1	3600
139	1/148	1/148	1	3600
140	1/148	1/148	1	3600
141	1/148	1/148	1	3413
142	1/148	1/148	1	3275
143	1/148	1/148	1	3275
144	1/148	1/148	1	3420
145	1/148	1/148	1	3837
146	1/148	1/148	1	3868
147	1/148	1/148	1	3800
148	1/148	1/148	1	3800
Totals	100%	100%	148	

¹ All Units are at ground elevation and have on site parking. All Units are of the same type.