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DECLARATION  
OF  
DUNBAR MANOR, A CONDOMINIUM

SKAGIT COUNTY AUDITOR  
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THIS DECLARATION, pursuant to the provisions of the Washington Condominium Act, is made and executed this 13 day of FEBRUARY, 1995, by Theodore Van Zanden, Jr. and Carol Anna Van Zanden, husband and wife, ("Declarant".)

Declarant proposes to create a condominium to be known as DUNBAR MANOR, A CONDOMINIUM, which will be located in Skagit County, Washington. The purpose of this Declaration is to submit DUNBAR MANOR, A CONDOMINIUM to the condominium form of ownership and use in the manner provided by the Washington Condominium Act. The legal description of the subject property is attached as Exhibit "A".

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

ARTICLE 1

DEFINITIONS

When used in this Declaration the following terms shall have the following meanings:

1.1 "Association" means the Homeowners' Association established pursuant to Article 14 below.

1.2 "Board of Directors" means the Board of Directors of the Association.

1.3 "Bylaws" means the Bylaws of the DUNBAR MANOR, A CONDOMINIUM ASSOCIATION adopted pursuant to Article 13.4 below as the same may be amended from time to time.

1.4 "Condominium" means all of that property submitted to the condominium form of ownership by this Declaration.

1.5 "Declarant" means DUNBAR MANOR, INC., and its successors and assigns.

1.6 "Eligible Mortgage Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 12.1 below.

1.7 "Eligible Mortgage Holder" means a holder of a first Mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Article 13.1 below.

DECLARATION OF CONDOMINIUM.

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1.8 "Mortgage" and "Mortgagee" mean, respectively, a recorded mortgage, deed of trust or contract of sale which creates a lien against a Unit, and the holder, beneficiary or vendor of such a mortgage, deed of trust or contract of sale.

1.9 "Owner" means the Declarant or other person who owns a Unit, but does not include a person who has an interest in a Unit solely as security for an obligation. "Owner" means the vendee, not the vender, of a Unit under a real estate contract.

1.10 "Plat" means the survey map and plans of DUNBAR MANOR, A CONDOMINIUM recorded simultaneously with the recording of this Declaration, bearing recording Auditor's File Number 9502140038 and in Volume 14 of Condominium Plats, page(s) 28-29.

1.11 "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.204 (1).

1.12 "Unit Number" means a symbol, number or address that identifies only one Unit.

1.13 "Incorporation by Reference." Except as otherwise provided in this Declaration, each of the terms defined in RCW 64.34.020, a part of the Washington Condominium Act entitled "Definition", shall have the meanings set forth in such section.

## ARTICLE 2

### SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

The property submitted to the Washington Condominium Act by this Declaration is held by Declarant and conveyed by Declarant in fee simple estate. The land submitted is located in Skagit County, Washington, and is more particularly described in the attached Exhibit "A". The property submitted includes the land so described, all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land.

## ARTICLE 3

### NAME OF CONDOMINIUM

The name by which the Condominium shall be known is: DUNBAR MANOR, A CONDOMINIUM.

## ARTICLE 4

### UNITS

4.1 General Description of Buildings. The condominium consists of one building which is a residential building. The residential building houses four two-level units for a total of 4 units. The building is a two-level, wood frame structure. Units 1 and 4 are on a slab and concrete foundation. Units 2 and 3 are on a slab only foundation. Exterior walls are siding over 7.16" OSB, with brick and detailing. Roof is shake shingles with aluminum gutters.

Units 2 and 3 have decks. Units 1 and 4 have patios. The Units located on the second floor level are accessible by means of an interior stairway of wood frame construction and an exterior stairway. All windows are aluminum framed, insulated and screened as needed.

All Units include the following kitchen appliances: range, refrigerator, dishwasher, and range hood. Units 1 and 4 are heated by gas heat and Units 2 and 3 are heated by electrical heat. All floors are carpeted except the kitchen, entry, bathrooms and laundry closet which are covered with vinyl flooring. Interior walls and ceilings are drywall construction.

4.2 General Description, Location and Designation of Units. The Condominium consists of one building with a total of four units. The dimensions, designation and location of each Unit are shown in the Plans which are made a part of this Declaration as if fully set forth herein. Exhibit "B-1" shows the approximate area of each Unit, the identifying number, number of bathrooms (whole or partial), number of bedrooms, number of built-in fireplaces, level or levels on which each Unit is located, type of heat and heat service, number of parking spaces and whether covered, uncovered, or enclosed garage, IF ANY OF THE SAME apply to each Unit.

4.3 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim. The Unit shall include all: lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces. All other portions of the walls, floors or ceilings shall be a part of the common elements.

4.4 Monuments as Boundaries. The physical boundaries of a Unit constructed in substantial accordance with the Plat become its boundaries rather than in any metes and bounds legal description, regardless of settling or lateral movement of the building or minor variance between boundaries shown on the Plat and those of the building in question.

**ARTICLE 5**

**LIMITED COMMON ELEMENTS**

The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 All decks/patios each of which shall pertain to the Unit to which it adjoins as shown on the Plat.

5.2 Any shutters, awnings, window boxes, doorsteps, stoops, decks, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside of the Unit's boundaries.

5.3 A single attached garage for each Unit as shown in the plans. Refer to Exhibit "C" for the designation of assigned and unassigned parking spaces, as shown in the survey map.

5.4 Decks and Patios, each of which shall pertain to the Unit as designated on the survey map.

**ARTICLE 6**

**ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS**

Each Unit will be entitled to an equal, undivided ownership interest in the common elements determined by the total number of Units, as shown on the attached Exhibit "B-2".

**ARTICLE 7**

**COMMON PROFITS AND EXPENSES; VOTING**

7.1 a. Allocation of Common Profits and Expenses. The common profits and common expenses of the Condominium shall be allocated to the Owner of each Unit according to the allocation of undivided interest of such Unit in the common elements. The undivided interests in the common elements and common expense liabilities allocated at any one time to all the Units equal one.

b. Except upon termination of the Condominium or as otherwise provided in this Declaration and/or the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the common elements or for other expenses or reserves of the Association.

c. All Unit Owners shall be obligated to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to the Bylaws and this Declaration. Assessments may not be waived due to limited or nonuse of the common elements, and no Unit Owner may offset amounts owing or claimed to be owing by the Association or

Declarant to the Unit Owner against such Unit Owner's obligation to pay assessments. Subject to paragraph (e) below, Declarant shall be assessed as the Unit Owner of any unsold Unit(s), but such assessments shall be prorated to the date of sale of the Unit. The Board of Directors, on behalf of the Association shall assess the common expenses against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect from a Unit Owner any common expense due which remains unpaid for more than thirty (30) days from the due date for its payment.

d. At the time of closing of the initial sale of each Unit, the buyer shall make an initial contribution to the working capital of the Association equal to two months' regular association assessments for the Unit, plus a prorated assessment for the month of closing. At the time of the organizational and turnover meeting, the Declarant shall pay the contribution for all unsold Units, but may obtain reimbursement for such sums from the buyer upon the sale of each such Unit. Such initial contribution shall be in addition to the regular monthly common expense assessment. Such sum shall be paid to the Association and placed in a segregated account for the purpose of insuring that the Association will have cash to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. At any time following the organizational and turnover meeting described in Section 13.5 of this Declaration and Section 2.2 of the Bylaws, the Board of Directors may elect to pay the remaining balance of the working capital account, or any portion of this account, to any other account or accounts maintained by the Association free of any restrictions imposed by this paragraph.

e. Regular monthly assessments for common operating expenses for Units in the Condominium shall commence upon closing of the first sale of a Unit in the Condominium, except that Declarant may elect to defer commencement of common operating expense assessments as to all Units until the sale of fifty percent (50%) of the Units in the Condominium have closed. If Declarant so elects to defer commencement of assessments for operating expenses, Declarant shall pay and be responsible for all common operating expenses as they accrue, without cost or operating expense assessment to the other Unit Owners, until regular operating expense assessments commence. Declarant shall give ten (10) days' written notice to individual Unit Owners prior to the commencement of regular operating expense assessments.

f. Regular monthly assessments for replacement reserves as described in Article 7(i) shall commence upon the closing of the sale of the first Unit in the Condominium, except that Declarant may elect to defer payment of such assessments to the Association for each Unit owned by Declarant until the closing of the sale of such Unit.

g. In the case of any duly authorized capital improvements to the common elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the Unit Owners, and the proceeds of which shall be used only

for the specific capital improvements described in the resolution. The Association shall not assess Units owned by the Declarant for additional capital improvements to the Condominium without the written consent of Declarant as long as Declarant owns more than three Units.

h. In the event the Board of Directors determines that the assessments established upon adoption of the budget as provided in Section 5.1 of the Bylaws will be insufficient to pay the common expenses, or the Board of Directors determines that additional funds will be needed to meet unexpected or unbudgeted common expenses, the board may levy an additional special or extraordinary assessment. Such assessment shall be allocated to each Unit in the same proportion set forth in the Declaration, and may be payable in installments over a specified period, in a lump sum, or in a lump sum with option to pay in installments with interest, as determined by the Board of Directors.

i. The Board of Directors shall establish a reserve account for replacement of those common elements all or a part of which will normally require replacement in more than three and less than 30 years. Such reserve account shall be funded by assessments against the individual Unit assessed for maintenance of the items for which the reserve account is being established, which sums shall be included in the regular monthly assessment for the Unit, except as otherwise provided in Paragraph (d) above. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve account shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve account shall be used only for replacement of common elements and shall be kept separate from assessments for maintenance and operating expenses. After the organizational and turnover meeting described in Section 2.2 of the Bylaws and Section 13.5 of the Declaration, however, the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the organizational and turnover meeting, future assessments for the reserve account may be reduced, eliminated or decreased by an affirmative vote of not less than eighty percent (80%) of all voting rights in the Condominium. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of the Unit.

j. In the event of default by any Unit Owner in paying any assessments to the Association, including assessed common expenses and any other charge imposed or levied by the Association pursuant to the provisions of this Declaration, the Bylaws or the Washington Condominium Act, such Unit Owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on such assessment from the due date thereof, or at such greater rate as may be established by the Board of Directors from time to time, not to exceed the maximum lawful rate, if any. In addition,

the defaulting Unit Owner shall pay a late charge for any assessment not paid within ten (10) days of its due date in the amount of \$25.00 for each delinquent payment, or such other reasonable late charge as may be established by the Board of Directors from time to time, together with all expenses incurred by the Association in collecting such unpaid assessments, including attorney's fees (whether or not suit is instituted, and at trial or any appeal or petition for review therefrom). If the assessment is not paid within thirty (30) days of its due date, the Board of Directors may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The Board of Directors shall have the right and duty to recover for the Association such assessments, together with such charges, interest and expenses of the proceeding, including attorneys' fees, by an action brought against such Unit Owner or by foreclosure of the lien upon the Unit granted by the Washington Condominium Act. The Board of Directors shall notify the Eligible Mortgage Holder of a Mortgage upon a Unit and any Eligible Mortgage Insurer or Guarantor thereof of any default not cured within sixty (60) days of the date of default.

k. In any suit brought by the Association to foreclose a lien on a Unit because of unpaid assessments, the Unit Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, Mortgage, vote the votes appurtenant to convey, or otherwise deal with the Unit. A suit or action to recover a money judgment for unpaid assessments shall be maintainable without foreclosing the liens securing the same.

l. The Board of Directors shall advise each Unit Owner in writing of the amount of assessments payable by such Owner, and furnish copies of each budget on which such assessments are based to all Unit Owners and, if requested, to their Mortgagees. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of the Owner's unpaid assessments.

m. Any lien of the Association against a Unit for assessments shall be subordinate to tax and assessment liens and any prior Mortgage of record. Where the buyer or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage, such buyer or Mortgagee, its successors and assigns, shall not be liable for any of the assessments chargeable to such Unit which became due prior to the acquisition of title to such Unit by such buyer or Mortgagee. Such unpaid share of assessments shall be a common expense and reallocated on a pro rata basis for all Units, including the Mortgaged Unit. A deed in lieu of foreclosure accepted by the holder of a first Mortgage shall extinguish a lien of the Association to secure unpaid assessments under the circumstances described in RCW 64.34.364 (3) and RCW 64.34.020 (19).

n. In a voluntary conveyance of a Unit, the buyer shall be jointly and severally liable with the seller for all unpaid assessments against the seller of the Unit up to the time of the grant or conveyance, without prejudice to the buyer's right to recover from the seller the amounts paid by the buyer therefor. However, upon request of a prospective buyer the Board of Directors shall make, certify, and deliver a statement of unpaid assessments against the prospective seller or the Unit, and the buyer in that case shall not be liable for, nor shall the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the seller in excess of the amount set forth in the statement.

7.2 Allocation of Voting Rights. Each Unit Owner shall have one vote for each Unit of the Condominium owned by such Unit Owner. The Declarant shall be entitled to vote as the Unit Owner of any then existing Units retained by the Declarant, and the Board of Directors shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association; provided, however, that the Board of Directors shall not be entitled to vote such Units in any election of directors.

a. A vote may be cast in person or by proxy. A proxy given by a Unit Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner, and shall be filed with the Secretary, at any time prior to the meeting. The presence of an Owner at a meeting shall automatically revoke such Owner's proxy for all matters which come before the meeting while the Owner is present. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the Unit by its Owner. A Unit Owner may pledge or assign such Owner's voting rights to a Mortgagee. In such case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Unit Owner is entitled under these Bylaws and to exercise the Unit Owner's voting rights from and after the time that the Mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

b. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that such person shall satisfy the Secretary that he or she is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

c. Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Unit shall be exercised by the Landlord if the rental agreement or lease has an original term of ten (10) years or less, or by the tenant if the rental agreement or lease has an original term of more than ten (10) years. Unless otherwise stated in the contract, all voting rights allocated to a Unit shall be exercised by the vendee of any recorded real estate contract on the Unit.

d. At any meeting of the Association, Owners holding fifty (50%) percent of the voting rights, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a Unit Owner in the action taken at a meeting by signing and concurring in the minutes of the meeting shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Unit Owner or Owners. If any meeting of Owners cannot be organized because of a lack of quorum, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

e. The vote of the holders of more than fifty (50%) of the voting rights, present in person or by proxy at a meeting at which a quorum is constituted, shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by law, by this Declaration or by the Bylaws.

f. At the discretion of the Board of Directors, any matter which might come before the Association at a meeting, including the election of directors, may be determined by proxy ballot, rather than at a formal gathering. Ballots shall be sent to all Unit Owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting rights is required by law, the Declaration or these Bylaws. The vote of a ballot meeting shall be determined by the Board of Directors within 48 hours of the deadline for return of ballots. Within ten (10) days after the ballots have been counted, each Unit Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned.

#### ARTICLE 8

##### SPECIAL DECLARANT RIGHTS

Declarant may maintain one or more model Units in this condominium or in the common elements. Declarant also has certain rights as set forth in Article 11.5.

**ARTICLE 9**

**USE OF PROPERTY**

Each Unit is to be used for residential purposes. Additional limitations on use are contained in the Bylaws and the Rules and Regulations adopted pursuant to the Bylaws. Each Unit Owner shall be bound by each of such documents.

**ARTICLE 10**

**MAINTENANCE OF COMMON ELEMENTS**

10.1 Responsibility for Maintenance. The necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws.

10.2 Mortgagee's Rights upon Failure to Maintain. If the Mortgagee of any Unit determines that the Board of Directors is not providing an adequate maintenance, repair and replacement program for the common elements, such Mortgagee, at its option, may give a notice to the Board of Directors by delivering same to the registered agent, setting forth the particular defect(s) which it believes exists in the maintenance, repair and replacement program. If the specified defect(s) are not corrected within 90 days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.

**ARTICLE 11**

**EASEMENTS**

11.1 In General. Each Unit has an easement in and through each other Unit and the common elements for all support elements and utility, wiring, heat, and service elements, for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each Unit and all the common elements are specifically subject to easements as required for the electrical wiring and plumbing for each Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law.

11.2 Encroachments. Except as provided in Article 5.4, each Unit and all common elements shall have an easement over all adjoining Units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and common elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment. This provision does not relieve a Unit Owner of liability in the case of willful misconduct of the Unit Owner, or relieve the Declarant or any contractor, subcontractor, or materialman from any liability as a result of failure to adhere to the Plat. The encroachments described in this Section 11.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

11.3 Granting of Easements by Association. The Association, upon prior approval of 75% of the voting power of the Unit Owners, may execute, acknowledge, deliver, and record on behalf of the Unit Owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the common elements and consent to vacation of roadways within and adjacent to the Condominium. Any such instrument shall be executed by the Chairman and Secretary of the Association. No such interest may be granted with regard to a limited common element unless the Owners and Mortgagees of the Units having the right to use such limited common element join in the instrument granting the interest.

11.4 Right of Entry. The Board of Directors of the Association, managing agent, manager or any other person authorized by the Board of Directors shall have the right to enter any Unit in the case of an emergency originating in or threatening such Unit or other condominium property, whether or not the Owner is present at the time. Such persons shall also have the right to enter any Unit for the purpose of performing installations, alterations, or repairs to any common element and for the purpose of inspection to verify that the Unit Owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner.

11.5 Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of completing or making repairs to existing structures, for the purpose of carrying out sales and rental activities necessary or convenient for the sale or rental of Units, including, without limitation, the installation of marketing signage, banners, balloons, etc., as Declarant deems necessary, the right to use the Units owned by Declarant as model Units, and the right to use Units and/or a portion of the clubhouse as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Washington Condominium Act or reserved in this Declaration or the Bylaws.

**ARTICLE 12**

**APPROVAL BY MORTGAGEES**

12.1 Notice of Action. Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor and the Unit Number of the Unit on which it has (or insures or guarantees) the Mortgage, any such Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor shall be entitled to timely written notice of the following:

- (a) Any condemnation of casualty loss which affects a material portion of the Condominium or affects the Unit securing its Mortgage.
- (b) Any 60 day delinquency in the payment of assessments or charges owed by an Owner of any Unit on which it holds the Mortgage.
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require consent of a specified percentage of Eligible Mortgage Holders as required by this article.

12.2 Termination and Amendment to Documents.

12.2.1 The approval of Eligible Mortgage Holders holding Mortgages on Units which have at least eighty percent (80%) of the voting rights of Units subject to Eligible Mortgage Holder mortgages shall be required to terminate the legal status of the project as condominium for reasons other than substantial destruction or condemnation of the property.

12.2.2 Except when a greater percent is required by the Declaration, Bylaws or the Washington Condominium Act, the consent of the Owners of Units holding at least sixty-seven percent (67%) of the voting rights and the approval of Eligible Mortgage Holders holding mortgages on Units which have at least sixty-seven percent (67%) of the voting rights of the Units subject to Eligible Mortgage Holders mortgages shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws which changes any of the following shall constitute a material change:

- (a) Voting rights;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the common elements;

- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or limited common elements, or rights to their use;
- (f) The boundaries of any Unit;
- (g) Conversion of Units into common elements or of common elements into Units;
- (h) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 13;
- (i) Insurance or fidelity bond;
- (j) The leasing of Units;
- (k) Imposition of any restriction on the right of a Unit Owner to sell or transfer his or her Unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an Eligible Mortgage Holder;
- (m) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;
- (n) Any provisions that expressly benefit Mortgage holders, insurers or guarantors;

12.2.3 An addition or amendment to the Declaration or Bylaws shall not be considered material for purposes of Section 12.2.2 if it is for the purpose of correcting technical errors, or for clarification only. Any Eligible Mortgage Holder who receives a written request to approve additions or amendments and who does not deliver or post to the requesting party a negative response within 30 days shall, after it receives proper notice of the proposal and provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

12.3 Additional Approvals. In addition to any other approvals required by the Washington Condominium Act, this Declaration or the Bylaws, the prior written approval of eighty percent (80%) of the holders of first Mortgages on Units in the Condominium (based upon one vote for each first mortgage owned) and of the Unit Owners (other than Declarant) must be obtained for the following:

- 12.3.1 Abandonment or termination of the Condominium regime.

12.3.2 Any change in the pro rata interest or obligations of any individual Unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the pro rata share of ownership of each Unit in the common elements.

12.3.3 The partition or subdivision of any Unit.

12.3.4 Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Association pursuant to Article 11.3 shall not be deemed a transfer within the meaning of this clause.

12.3.5 Use of hazard insurance proceeds for losses to any condominium property, whether to Units or to common elements, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or common elements of the condominium project.

12.4 Notice of First Mortgagees of Defaults. Any Eligible Mortgage Holder, upon request, will be entitled to written notification from the Association of any default in the performance by the Owner of the mortgaged Unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within sixty (60) days.

## ARTICLE 13

### HOMEOWNERS' ASSOCIATION

13.1 Organization. Upon the recording of this Declaration, a Homeowners' Association shall be organized to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium. The name of this Association shall be "DUNBAR MANOR, A CONDOMINIUM ASSOCIATION" and the Association shall be a Washington non-profit corporation.

13.2 Membership; Board of Directors. Each Unit Owner, including the Declarant as long as Declarant remains an owner of one or more Units, shall be a member of the Association. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.

13.3 Powers and Duties. The Association shall have such powers and duties as may be granted to it by the Washington Condominium Act, including each of the powers set forth in RCW 64.34.304, together with such additional powers and duties afforded it by this Declaration or the Bylaws.

13.4 Adoption of Bylaws, Declarant Control of Association. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association. At the same time, Declarant will appoint an interim Board of Directors of the Association, which directors shall serve until their successors have been elected as provided in Article 3.2 of the Bylaws. In addition, Declarant shall have the right to consent to any amendment to the Declaration or the Bylaws as provided in Article 14.2 below and Article 9.2 of the Bylaws.

13.5 Organizational and Turnover Meeting. Within seven (7) years after the date of conveyance of the first Unit to a person other than the Declarant, or within sixty (60) days after the termination of the period of Declarant control provided in RCW 64.34.308 (4) the Declarant shall call the first meeting of the Unit Owners to organize the Association and to elect directors. Notice of such meeting shall be given to all Owners as provided in Article 2.5 of the Bylaws. If Declarant fails to call the meeting, the meeting may be called and notice given by any Unit Owner or Mortgagee of a Unit. The expense of giving notice shall be paid or reimbursed by the Association. At the meeting, Declarant shall deliver to the Association such information and documents as may be required by the Washington Condominium Act. In the event of lack of quorum at such organizational and turnover meeting, it may be adjourned to the time of the next annual meeting. Nothing in this section shall be construed as preventing the Declarant from calling the organizational and turnover meeting prior to such date, or from calling informal, informational meetings of the Unit Owners.

#### ARTICLE 14

##### AMENDMENT

14.1 How Proposed. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by Unit Owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

14.2 Approval Required. Except as may otherwise be provided in this Declaration or by the Washington Condominium Act, this Declaration may be amended if such amendment is approved by Unit Owners holding sixty-seven percent (67%) of the voting rights of the Condominium and by Mortgagees to the extent required by Article 4. Declarant's prior written consent shall also be required so long as Declarant owns twenty-five percent (25%) or more of the Units in the Condominium, but no such consent shall be required after seven years from the date of conveyance of the first Unit to a person other than the Declarant. No amendment may change the size, location, allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any Unit unless such amendment has been approved by ninety percent (90%) of the Unit owners and mortgagees and the approval of

the Unit owner and mortgagees of the affected Unit. Any amendment which would limit or diminish any special Declarant rights established in the Declaration shall require the written consent of Declarant.

14.3 Recordation. The amendment shall be effective upon recordation in the Records of Skagit County, Washington, certified to by the Chairman and Secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Washington Condominium Act.

ARTICLE 15

SEVERABILITY

Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or the partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

IN WITNESS WHEREOF, The Declarant has caused this Declaration to be executed this 13<sup>th</sup> day of February, 1995.

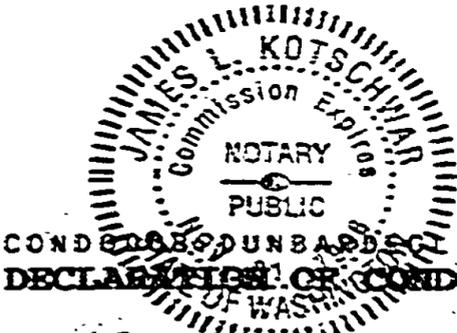
Theodore Van Zanden  
THEODORE VAN ZANDEN, JR.  
Carol Anna Van Zanden  
CAROL ANNA VAN ZANDEN

STATE OF WASHINGTON)  
County of Island ) ss.

On this 13<sup>th</sup> day of February, A.D. 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared THEODORE VAN ZANDEN, JR. and CAROL ANNA VAN ZANDEN, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed for the uses and purposes therein mentioned.

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

James L. Kotschwar  
Notary Public in and for the State of  
Washington, residing at Old Harbor  
My commission expires Nov. 1, 1991



CONDOMINIUM DECLARATION OF WASHINGTON

**EXHIBIT "A"**

**Real Property Description of Property on which Dunbar Manor Condominiums  
are Located**

Situate in County of Skagit, State of Washington:

Tract C of SKAGIT COUNTY SHORT PLAT NO. 28-76, approved July 15, 1976, and recorded July 16, 1976, in Volume 1 of Short Plats, page 150, under Auditor's File No. 839197, records of Skagit County, Washington; being a portion of the West Half of the Northwest Quarter of the Northeast Quarter of Section 24, Township 34 North, Range 4 East of the Willamette Meridian.

EXHIBIT "B-1"

GENERAL DESCRIPTION, LOCATION AND DESIGNATION OF UNITS

All Units include the following kitchen appliances: range, refrigerator, dishwasher and range hood. All floors are carpeted except the kitchen, entry, bathrooms and laundry closet which are covered with vinyl flooring. Interior walls and ceilings are drywall construction.

Unit # (Style)	# of Bdrms	# of Baths	Type of Heat & Heat Service	# of Parking Spaces Covered	# of Moorage Slips	# of Fire-Places	Area * Living Space per Archt. Drawings
A-1 (Flat)	2	3/4	Natural Gas	1	0	1	1,740
A-2 (Flat)	2	3/4	Electric Baseboard	1	0	1	1,740
A-3 (Town House)	2	3/4	Electric Baseboard	1	0	1	1,740
A-4 (Town House)	2	3/4	Natural Gas	1	0	1	1,740

\* All Square footage is approximate

EXHIBIT "B-2"

ALLOCATION OF INTERESTS IN COMMON ELEMENTS

UNIT NO.	UNDIVIDED INTEREST IN COMMON ELEMENTS
1	25%
2	25%
3	25%
4	<u>25%</u>
	100 %

EXHIBIT "C"

LIMITED COMMON ELEMENTS - COVERED PARKING SPACES

Development provides for four (4) covered parking garages. One parking space is assigned for each of the Units. Four (4) unassigned guest parking spaces are provided for the joint use of all the Units.

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UNIT NUMBER	ASSIGNED PARKING SPACE NUMBER
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1	1
2	2
3	3
4	4

UNASSIGNED parking spaces: 5, 6, 7 and 8

NOTE: The southeasterly corner of the asphalted parking area is reserved for the use of emergency vehicles, such as fire, police, or ambulance vehicles. No parking by Unit owners or their guests is permitted.

DECLARANT'S DEDICATION  
AND  
CERTIFICATE OF COMPLETION

DUNBAR MANOR, A CONDOMINIUM

We, the undersigned owner of the interest in the real property described herein, hereby dedicate the Survey Map and plans described below for a condominium solely to meet the requirements of the Washington Condominium Act, Chapter 64.34 RCW and not for any public purpose.

We further certify that all structural components and mechanical systems of all buildings contained or comprised any units hereby created are substantially completed.

This Declaration and Certificate of Completion applies to Dunbar Manor, A Condominium, located in the City of Mount Vernon, Skagit County, Washington.

This Declaration and Certificate of Completion and the referenced Survey Map and plans are restricted by law and the Declaration for Dunbar Manor, A Condominium, recorded under Skagit County Recording No. 9502140038.

Dated this 13<sup>th</sup> day of FEBRUARY, 1995.

DUNBAR MANOR, A Condominium by:

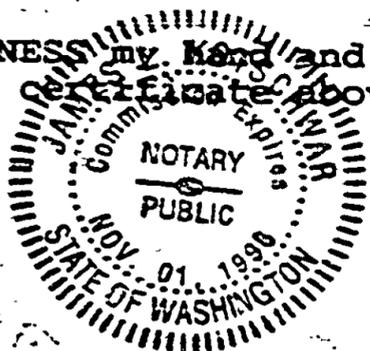
Theodore Van Zanden, Jr.  
THEODORE VAN ZANDEN, JR.

Carol Anna Van Zanden  
CAROL ANNA VAN ZANDEN

STATE OF WASHINGTON)  
County of Island) ss.

On this 13<sup>th</sup> day of February, A.D. 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared THEODORE VAN ZANDEN, JR. and CAROL ANNA VAN ZANDEN, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and sealed the said instrument as their free and voluntary act and deed for the uses and purposes therein mentioned.

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



John L. Ketchum  
Notary Public in and for the State  
of Washington, residing in Oak Harbor.

My commission expires NOV. 1, 1996