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12/28/2010 Page

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**AMENDED AND RESTATED DECLARATION
FOR
BUCHAN BEACH CONDOMINIUM**

Reference Number(s) of related document(s): 9904140089; 9904140088; 201012280167

Grantor: Robin G. Buchan; G. Colin Buchan; Laird Comyn LLC; Ian D. Buchan Bypass Trust;
Kitts Family Legacy LLC.

Grantee: The Public.

Legal Description (abbreviated): TRACTS A - E, LOTS A - E, LONG CARD PL08-0465,
RECORDED JUNE 8, 2010, UNDER SKAGIT COUNTY AUDITOR'S FILE NUMBER
201006080032.

Full legal(s) on page/exhibit A.

Assessor's Tax Parcel ID Number: 114971; 114972; 114973; 114974; 114975; 114976

**AMENDED & RESTATED
DECLARATION
FOR
BUCHAN BEACH CONDOMINIUM**



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ARTICLE 1. DEFINITIONS

1.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

(a) Allocated Interests means the allocation of Common Expense Liability, interest in Common Elements and voting for each of the Units in the Condominium determined in accordance with the formula set forth in Section 5.5.

(b) Articles mean the Articles of Incorporation for the Association.

(c) Assessment means all sums chargeable by the Association against a Unit.

(d) Association means the owners association identified in Article 10. Board means the Board of Directors of the Association, as described in Section 10.1 and Article 11.

(e) Bylaws mean the Bylaws of the Association as adopted by the Board and as may from time to time be amended.

(f) Common Elements means all portions of the Condominium other than Units.

(g) Common Expenses means expenditures made by or financial liabilities of the Association related to the maintenance, repair, and replacement of the Common Elements and the general operation of the Association which are allocated to all Units pursuant to this Declaration, including allocation to reserves.

(h) Common Expense Liability means the liability for Common Expenses allocated to each Unit.

(i) Condominium means Buchan Beach Condominium, created under the Declaration and the Survey Map and Plans.

(j) "Condominium Act" or "Act" means the Washington Condominium Act, codified at RCW 64.34, as it may be from time to time amended.

(k) Conveyance means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract.

(l) Declarant. The original Declarant was Alan G. Buchan, Mary E. Kitts, George C. Buchan, Robin G. Buchan and Ian D. Buchan. Alan G. Buchan's ownership in his Unit was transferred to Laird Comyn, LLC. Ian D. Buchan's ownership in his Unit was transferred to the Ian D. Buchan Bypass Trust. Mary E. Kitt's ownership in her Unit was transferred to the William Kitts Bypass Trust, and subsequently to Kitts Family Legacy LLC.



(m) Declaration means this Amended & Restated Declaration for Buchan Beach Condominium and as it may be, from time to time, lawfully amended. This Declaration amends, restates and supersedes the Declaration Submitting "Buchan Beach Condominium" to Condominium Ownership, recorded under Skagit County Auditor's File No. 9904140089, in its entirety.

(n) Eligible Mortgagee means the Mortgagee that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

(o) Identifying Number means the number of each Unit as shown on the Survey Map and Plans, which identifies each Unit in the Condominium.

(p) Limited Common Element means a portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units and shown on the Survey Map and Plans.

(q) Lot Long Card means the 5 Lot Long Card Plat Number 08-0465 recorded under Skagit County Recording Number 201006080032 on June 8, 2010.

(r) Mortgage means a mortgage, deed of trust, or real estate contract.

(s) Mortgagee means any holder, insurer, or guarantor of a mortgage on a Unit.

(t) Notice and Opportunity To Be Heard means the procedure described in Section 11.4.

(u) Open Space Tracts means Tract A-PCA, Tract B-PCA, Tract C-OS-PA, as described on the 5 Lot Long Card Survey.

(v) Owner or Unit Owner means the Declarant or other person who owns a Unit, but does not include any person who has an interest in a Unit solely as security for an obligation.

(w) Person means a natural person, corporation, partnership, limited partnership, limited liability company, trust, governmental subdivision or agency, or other legal entity.

(x) Property means the Land described in Exhibit A attached hereto.

(y) Rules and Regulations means the Rules and Regulations of the Association, as adopted by the Board or the Owners pursuant to this Declaration.

(z) Shoreline Buffer means Tract D-Shoreline Buffer, as described on the Lot Long Card.



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(aa) Specially Allocated Expenses means certain expenditures or liabilities of the Association that are specially allocated among Units pursuant to Section 12.3.

(bb) Survey Map and Plans means the Amended and Restated Survey Map and Plans for Buchan Beach Condominium filed or to be filed simultaneously with the recording of this Declaration and any amendments, corrections, and addenda thereto subsequently filed.

(cc) Unit means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 5.2 and shown on the Survey Map and Plans.

1.2 Statutory Definitions. Some of the terms defined above are also defined in the Condominium Act. The definitions in the Declaration are not intended to limit or contradict the definitions in the Condominium Act. If there is any inconsistency or conflict, the definition in the Condominium Act will prevail.

ARTICLE 2. CONSTRUCTION AND VALIDITY OF DECLARATION

The Declaration and the Condominium Act provide the framework by which the Condominium is created and operated. In the event of a conflict between the provisions of the Declaration and the Condominium Act, the Condominium Act shall prevail. In the event of a conflict between the provisions of this Declaration and the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with the Condominium Act. The creation of the Condominium shall not be impaired, and title to a Unit and its interest in the Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration, the Survey Map and Plans, or any amendment thereto to comply with the Condominium Act.

ARTICLE 3. NAME OF CONDOMINIUM

The name of the Condominium is "**Buchan Beach Condominium.**"

ARTICLE 4. DESCRIPTION OF LAND

4.1 Description of Land. The real property included in the Condominium and submitted to the Condominium Act is described in Exhibit A.

ARTICLE 5. DESCRIPTION OF UNITS; ALLOCATED INTERESTS

5.1 Number and Identification of Units. The Condominium has 5 Units. The Identifying Number of each Unit is set forth in Schedule B and shown on the Survey Map and Plans.

5.2 Unit Boundaries. The boundaries of the Units are the fixed lines delineated on the face of the Survey Map and Plans. All space within the boundaries of the Unit, whether occupied by earth, buildings, structures, or air, is part of the Unit.



5.3 Unit Data. Schedule B sets forth the following data for each Unit: (a) the approximate square footage; (b) the number of bathrooms, whole or partial, currently in any structures existing on such Unit; (c) the number of rooms designated primarily as bedrooms in any structures existing on such Unit; and (d) the number of fireplaces in any structures existing on such Unit. There is one level in the Condominium.

5.4 Survey Map and Plans. The location and configuration of each Unit is shown in the Survey Map and Plans.

5.5 Allocated Interests. Although the individual Units may be of unequal value, and although utilities, septic systems, and drainfields for certain Units may be of unequal value compared to those of other Units, each Unit's Allocated Interest is twenty percent (20%).

ARTICLE 6. COMMON ELEMENTS

6.1 Description. The Common Elements are all portions of the Condominium other than the Units. There are no Limited Common Elements.

6.2 Use. Each Owner shall have the right to use the Common Elements, other than the Limited Common Elements, in common with all other Owners and a right of access from the Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each Owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the Rules and Regulations of the Association.

6.3 Use of Tract D Beach. The Beach Buffer Tract is a Common Element. The use of the Beach Buffer Tract is subject to the Protected Critical Area Easement defined in Section 9.3, below.

6.4 Open Space Tracts. The Open Space Tracts are Common Elements. The use of the Open Space Tracts is subject to the terms of the Protected Critical Area Easement defined in Section 9.3, below.

6.5 Ownership. The Association shall own the Common Elements.

6.6 Buchan Lane. The Association accepts responsibility for the construction and maintenance of the private road located in Tract E of the Condominium, known as Buchan Lane.

ARTICLE 7. PARKING

7.1 Parking Spaces. There are no assigned parking spaces in the Common Elements.



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ARTICLE 8. PERMITTED USES; MAINTENANCE; CONVEYANCES

8.1 Residential Use; Timesharing Prohibited. The Units are intended for and restricted to use as residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, including use as a home office not involving use by nonresident employees or regular visits by customers or clients. Timesharing of Units, as defined in RCW 64.36, is prohibited.

8.2 Leases. Unit Owners may lease their Unit.

8.3 Maintenance of Units and Common Elements. Except as provided below, the Association is responsible for maintenance, repair, and replacement of the Common Elements, and each Owner is responsible for maintenance, repair, and replacement of the Owner's Unit, including any structure located on the Owner's Unit. The Association is responsible for the maintenance and upgrades of all landscaping in the Common Elements. Each Owner shall, at the Owner's sole expense, keep the Owner's Unit, including the exterior and interior of any structure on the Owner's Unit, and its equipment, appliances, and appurtenances, in a neat, clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit. Each Owner shall keep the landscaping on the Owner's Unit in a neat condition in accordance with such Rules and Regulations the Association may adopt. Each Owner shall be responsible for the maintenance, repair, or replacement of any septic system or drain field appurtenant thereto that serves only that Unit, whether or not located entirely within the Unit. The Board will maintain the common septic system and drainfield, and such costs and expenses shall be a Common Expense.

8.4 Height Limitations. The height of any structure, whether now existing or constructed in the future, shall not exceed the maximum height allowable under the applicable zoning, building, plat or other codes or laws, ordinances or regulations imposed by governmental authority.

8.5 Setback. To the extent permitted by law, code, plat, ordinance or other regulation, and except as otherwise restricted in this Declaration, each Owner shall be entitled to construct buildings and improvements up to the boundary of such Owner's Unit; provided, however, each Unit shall be bound by any setback requirements imposed by law, regulation, ordinance, or plat or zoning restriction.

8.6 Effect On Insurance. Nothing shall be done or kept on any Unit or in any Common Element that will increase the rate of insurance on the property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common Element that will result in the cancellation of insurance on any part of the property, or that would be in violation of any laws.

8.7 Use or Alteration of Common Elements. Use of the Common Elements shall be subject to the provisions of this Declaration and the Rules and Regulations adopted by the Board.



8.8 Quiet Enjoyment. No Owner shall permit anything to be done or kept in the Owner's Unit or Common Elements that would interfere with the right of quiet enjoyment of the other residents of the Condominiums.

8.9 Trash Removal. All trash shall be deposited in a suitable covered container on each Owner's Unit.

8.10 Offensive Activity. No noxious or offensive activity shall be carried on in any Unit or Common Element, nor shall anything be done therein that may be or become a nuisance to other Owners.

8.11 Hazardous Substances. The Owner of each Unit shall not permit any Hazardous Substance (as defined in this Section below) to be generated, processed, stored, transported, handled, or disposed of on, under, in or through the Owner's Unit or the Property, other than fuels and lubricants that are contained in motor vehicles parked in the Condominium. Each Owner shall indemnify, defend, and hold harmless the other Owners and the Association from all fines, suits, procedures, claims, and actions of any kind arising out of or in any way connected with any spills or discharges of Hazardous Substances or wastes arising from the operation or use of the Unit or the Property by the Owner, tenants, or invitees of the Unit. As used herein, the term "**Hazardous Substance**" means any hazardous, toxic or dangerous substance, waste, or material which is or becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste, or material which now or hereafter is designated as a "Hazardous Substance" under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), or under any local or state rule or regulation. Without limiting the foregoing, Hazardous Substances shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, and/or genetic abnormalities.

8.12 Conveyance By Owners; Notice Required. The right of an Owner to convey or sell 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, except as provided hereinbelow. An Owner *intending to convey* a Unit [after complying with notice and rights set forth in 8.13 and 8.14, below] shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) 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. 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 under Article 17 of the name and address of the new



Owner and request that the new Owner be made a named insured under such policy. At the time of the first conveyance of each Unit, every mortgage, lien, or other encumbrance affecting that Unit and any other Unit or Units or real property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied of record, or the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien, or other encumbrance.

8.13 Right of First Opportunity. If an Owner ("Selling Owner") desires to sell his Unit, Selling Owner shall first deliver to the Association a written statement of the terms upon which Selling Owner would sell his Unit ("Notice of Proposed Sale"). The Notice of Proposed Sale shall constitute an offer by Selling Owner which the Association may accept, within thirty (30) days of receipt of the Notice of Proposed Sale, by delivering to Selling Owner the Association's unconditional acceptance of the offer stated in the Notice of Proposed Sale. During such thirty (30) days, Selling Owner agrees to negotiate exclusively with the Association for the possible purchase of the Unit. If the Association accepts the Notice of Proposed Sale offer or the Selling Owner accepts in writing an offer by the Association, the purchase price shall be equal to and paid in accordance with the terms of the Notice of Proposed Sale or negotiated agreement. If the Association does not so timely accept the Notice of Proposed Sale offer by Selling Owner or offer to purchase the Unit on terms acceptable to Selling Owner, then the Notice of Proposed Sale shall be given to each of the non-selling Owners, who shall have thirty (30) days from receipt of the Notice of Proposed Sale to deliver to the Association an unconditional acceptance of the offer stated in the Notice of Proposed Sale. During such thirty (30) days, Selling Owner agrees to negotiate exclusively with the non-selling Owners and the Association for the possible purchase of the Unit. In the event that more than one non-selling Owner unconditionally accepts the offer stated in the Notice of Proposed Sale, then those non-selling Owners shall negotiate for a further fifteen (15) days with the Selling Owner, who shall accept the highest offer presented by the non-selling Owners, which must be at least equal to the terms set forth in the Notice of Proposed Sale.

8.14 If Selling Owner receives a bona fide offer ("Offer") to purchase Selling Owner's Unit, which Selling Owner wants to accept and such Offer is for a purchase price lesser than set forth in the Notice of Proposed Sale or any other offer given by Association or a non-selling Owner to Selling Owner (or such Offer is made to the Association or a non-selling Owner prior to Selling Owner providing a Notice of Proposed Sale), then the Association shall have the right to purchase the Unit at the price and on the terms of the Offer, which right the Association may exercise by giving Selling Owner written notice of acceptance within ten (10) business days after receipt of written notice from Selling Owner. If more than one non-selling Owner unconditionally agrees to purchase the Selling Owner's Unit at the price and on the terms set forth in the Offer, then the Association shall assign its purchase right under this section to the highest bidding non-selling Owner.



8.15 The Association's and the non-selling Owners' rights as set forth in Sections 8.13 and 8.14, above, shall not apply to any sale, gift or other transfer of a Unit or any portion of a Unit to a Family Member or Family Entity ("Exempted Transfer"); it expressly is agreed, however, that an Exempted Transfer shall not affect the Association's and the non-selling Owners' right of first opportunity or refusal hereunder and that such transferee, including the estate and heirs of each Owner will be bound thereby. For purposes of this Declaration, (A) a "Family Member" is the Owner's spouse, lineal ancestor or descendant (including adopted children, stepchildren, grandchildren and great-grandchildren); and (B) a "Family Entity" is (i) a limited liability company, corporation, partnership, or other legal entity whose owners, whether members, shareholders, partners or otherwise, include only the transferring Owner or Family Members of such transferring Owner, or (ii) any trust for the primary benefit of a transferring Owner or Family Members of such transferring Owner ("Permitted Owners"). Any attempted gift, sale, or other transfer of a Unit or a portion of or interest in a Unit to a person who is not a Family Member or to an entity whose owners include any persons other than the transferring Owner or Family Members of such transferring Owner, shall be subject to all of the restrictions on transfer stated in this Declaration.

ARTICLE 9. EASEMENTS

9.1 In General. Each Unit has an easement in and through each other Unit and the Common Elements for all utilities, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium.

9.2 Easements Shown on Plat. The Condominium is subject to certain easements as listed and depicted on the Lot Long Card.

9.3 Protected Critical Area Easement. A Protected Critical Area has been granted to Skagit County and encumbers Tract A-PCA, Tract B-PCA, Tract C-OS-PA, and Tract D-Shoreline Buffer, as described on the Lot Long Card, and as recorded under Skagit County Auditor's File No. 201006080033.

9.4 Tract E Road/Driveway. Each Unit has an easement for ingress and egress across that portion of those Units on which the existing common driveway is located. Such common driveway is shown as Tract E on the Survey Map and Plans.

9.5 Encroachments. To the extent not provided by the definition of "Unit" in the Declaration and in the Condominium Act, each Unit and all Common Elements are hereby declared to 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. 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; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this

Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

ARTICLE 10. OWNERS ASSOCIATION

10.1 Form of Association. The Owners of Units constitute an owners association known as the Association of Unit Owners of Buchan Beach Condominium (the "**Association**"). The Association is organized as a Washington nonprofit corporation. The elected and/or appointed Board of Directors (the "**Board**") shall govern the Association. Each Owner of a Unit shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit, provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. 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 to the new Owner.

10.2 There shall be one (1) voting representative for each Unit. The voting representative shall be designated by the Owner of each Unit by written notice to the Board. The designation may be revoked at any time by the Owner by written notice to the Board, and the death or judicially declared incompetence of an Owner that is an individual, or the dissolution of an Owner that is an entity, shall revoke the designation, provided that such revocation shall not be effective until the Board has been notified thereof. The powers of designation and revocation may be exercised by the guardian, trustee, personal representative, administrator or executor of an Owner or Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting power of each Unit shall be the group composed of all its owners; and the Association may recognize the vote of any one or more of such owners present in person or by proxy at any meetings of the Association as the vote of all such owners of such Unit. If there is more than one such Owner and they do not vote unanimously, the Association may divide the vote in accordance with their respective interests if they shall agree thereon or have furnished sufficient written evidence thereof. Otherwise, the vote for that Unit may be disregarded by the Board. The provisions of the Condominium Act, the Declaration, the Articles, and the Bylaws shall govern the rights and duties of the Board and of the Association.

10.3 Bylaws. The Board will adopt Bylaws to supplement the Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Act or the Declaration.

10.4 Financial Statements and Records. The Association shall keep financial records in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. Any Unit Owner and the Owner's authorized



agents shall make all financial and other records reasonably available for examination. 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. Unless waived annually by Owners of Units holding at least 60% of the votes of the Association, the annual financial statement shall be audited at least annually by a certified public accountant. The financial statement shall be completed in time for the Association's annual meeting and in any event within 120 days following the end of the fiscal year. Any Mortgagee shall, upon request, be entitled to receive the annual financial statement within 120 days following the end of the fiscal year. An Owner, at the Owner's expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of a Mortgagee, the Association shall provide such Mortgagee within a reasonable time the financial statement of the Association for the preceding fiscal year.

10.5 Inspection of Condominium Documents, Books, and Records. The Association shall make reasonably available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the Rules and Regulations of the Association, and other books, records, and financial statements of the Association.

ARTICLE 11. THE BOARD

11.1 Selection of the Board and Officers. Each Owner, through its designated voting representative as provided above, shall appoint one (1) member of the Board. The Board shall elect officers in accordance with the procedures provided in the Bylaws, who shall take office upon election.

11.2 Powers of the Board. Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in the Condominium Act, Declaration, or the Bylaws.

11.3 Right to Notice and Opportunity To Be Heard. Whenever this Declaration requires that an action of the Board be taken after "Notice and Opportunity To Be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants, or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time, and place of the hearing, which shall be not less than five days from the date notice is delivered by the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

ARTICLE 12. BUDGET AND ASSESSMENTS

12.1 Fiscal Year; Preparation of Budget. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. Prior to the end of each fiscal year, the Board shall prepare a budget for the Association, which shall include, without limitation, the costs of maintaining the Common Elements during the ensuing fiscal year, and shall mail a summary of the budget to all Owners. Within 30 days after adoption by the Board, the Board shall set a date for a meeting of the Owners to consider ratification of the Budget not less than 14 nor more than 60 days after mailing of the summary. Unless at that meeting the Owners of a majority of the votes in the Association reject the budget, in person or by proxy, 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. The Board shall then assess each Unit with its pro rata share, based upon the number of Units, of such estimated costs. The Board, at its election, may require the Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annual installment. If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget shall be subject to ratification by the Owners as provided herein.

12.2 Certificate of Unpaid Assessments. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Unit, the Board will furnish a statement of the amount, if any, of unpaid assessments charged to the Unit. The statement shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Unit who rely on the statement in good faith. All assessments and other receipts received by the Association shall belong to the Association.

12.3 Specially Allocated Expenses. In addition to the assessments authorized above, the cost of water, sewer, electricity, and gas service for each Unit shall be separately metered for each Unit and borne by the individual Unit.

12.4 Special Assessments. For those Common Expenses and Specially Allocated Expenses, which cannot reasonably be calculated and paid on a regular basis, the Board may levy special Assessments for such expenses against the Units, subject to ratification by the Owners pursuant to Section 12.1. To the extent that any Common Expense or Specially Allocated Expense is caused by the misconduct of an Owner or



tenant of any Unit, the Association may, after Notice and Opportunity To Be Heard, levy a Special Assessment for the expense against the Owner of that Unit.

12.5 Creation of Reserves; Assessments. The Board may create reserve accounts for anticipated expenses for repairs, replacements, and improvements to the Common Elements, which will occur in the future, in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.

12.6 Notice of Assessments; Payment. The Board shall notify each Owner in writing of the amount of the general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability of the Unit on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested. Each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Unit on or before the date on which they are made due under the notice. Any Assessment not paid within 10 days of the date on which it is made due shall be delinquent and subject to late charges, interest charges, and collection procedures as provided in this Declaration.

12.7 Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

12.8 Reconciliation of Assessments to Actual Expenses. The Association shall establish and maintain its accounts and records in such a manner that will enable it to credit Assessments for Common Expenses and Specially Allocated Expenses, including allocations to reserves, and income to the Association to the account of the appropriate Units and make its expenditures from the appropriate accounts. In order that the Unit Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association shall be reconciled at least annually, and any surpluses (or deficits) in the accounts shall be credited to the benefit of or paid to (or charged to the account of or assessed against) the Owners of the Units who paid the surplus (or owe the deficit).

12.9 Recalculation of Assessments. If Common Expense Liabilities are reallocated, Assessments, special Assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

ARTICLE 13. LIEN AND COLLECTION OF ASSESSMENTS

13.1 Assessments Are a Lien; Priority. In accordance with the Act, the Association has a lien on a Unit for any unpaid Assessment levied against a Unit from the time the Assessment is due, and such lien shall have the priority established by the Act. Fees, late charges, fines, and interest charged by the Association are enforceable as Assessments and are subject to the Association's lien on a Unit.

13.2 Lien May Be Foreclosed, Judicial Foreclosure. The Association may enforce the lien arising under this Article judicially or its authorized representative in the



manner set forth in RCW 61.12, or nonjudicially in the manner set forth in Section 13.3 and RCW 61.24. 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 the Association from taking a deed in lieu of foreclosure. Except as provided in the exception set forth at Section 13.1(b), the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any 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 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.

13.3 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. 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 the Act at RCW 64.34.364(2) and (3). 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 First American Title Insurance Company or its successor and assigns ("Trustee"), to secure the obligations of each 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.

13.4 Security Deposit. From time to time, the Board may, at its sole discretion, require an Owner to make and maintain a security deposit not in excess of the equivalent of three months' estimated Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten (10) days or more delinquent in paying Assessments.

13.5 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies, which may be available under law although not expressed herein, either concurrently or in any order.

ARTICLE 14. ENFORCEMENT OF DECLARATION, BYLAWS, AND RULES AND REGULATIONS

14.1 Rights of Action. Each Owner, the Board, and the Association shall comply strictly with this Declaration, the Bylaws, and the Rules and Regulations adopted pursuant thereto, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with any of the foregoing shall be grounds for an action

to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner.

14.2 Failure of Board To Insist on Strict Performance Not a Waiver. The failure of the Board in any instance to insist upon the strict compliance with this Declaration, the Bylaws, or Rules and Regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

14.3 Board Enforcement. The Board has the authority to enforce the Declaration, Articles, Bylaws, and Rules and Regulations of the Condominium by imposing the remedies provided herein. After repeated violations of the Declaration, Articles, Bylaws, or Rules and Regulations by an Owner and after an Owner's Right to Notice and Opportunity To Be Heard, the Board shall have the authority to file an action for damages and for injunctive relief, including in a proper case, removal of the Owner from the Owner's Unit and the authority to pursue any and all remedies available in law or equity.

ARTICLE 15. TORT AND CONTRACT LIABILITY

15.1 Liability. An action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association. An Owner is not precluded from bringing an action contemplated by this Section because the Owner is a Unit Owner or a member or officer of the Association.

15.2 Limitation of Liability for Utility Failure. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable for (a) the failure of any utility or other service to be obtained and paid for by the Board, or (b) 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 inconvenience or discomfort.

15.3 No Personal Liability. So long as a Board member, Association committee member, Association officer, the Declarant, or the Managing Agent has acted in good faith, without willful or intentional misconduct or gross negligence, upon the basis of such information as was then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person, provided that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.



ARTICLE 16. INDEMNIFICATION

Each Board member, Association committee member, Association officer, the Declarant, and the Managing Agent shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, including appeals of such proceedings, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties; 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 interests of the Association.

ARTICLE 17. INSURANCE

17.1 General Requirements. At all times the Association shall maintain at a minimum the insurance coverage required by the Act. All such insurance policies shall provide that coverage may not be cancelled or substantially reduced without at least 45 days' prior written notice (10 days for cancellation for nonpayment of premium) to the Association as the first named insured therein.

17.2 Property Insurance; Deductible The Owner of each Unit shall be responsible for the amount of any deductible under any property insurance maintained by the Association applicable to damage or loss within the Owner's Unit or to equipment for which the Owner is responsible under Section 8.3.

17.3 Commercial General Liability Insurance. The liability insurance coverage shall insure the Board, the Association, the Owners, the Declarant, 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, host liquor liability, employers' liability insurance, 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.

17.4 Insurance Trustee, Power of Attorney. The named insured under the policies referred to above shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. 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 17.6, 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. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose 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 purposes.

Additional Policy Provisions. The insurance policies obtained pursuant to this Article 17 shall meet all of the insurance requirements of the Condominium Act, and shall include a standard mortgagee clause which shall:

a 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;

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 Owners or any persons under any of them;

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

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

17.5 Owners' Individual Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit. Each Owner shall maintain property insurance which shall, at the minimum and subject to such reasonable deductible as the Owner may determine, provide all risk or special cause of loss coverage in such amounts as are necessary to maintain the habitability of such Owner's Unit and to avoid hazardous conditions in the Condominium, including protections against casualty loss, fire, lightning, and fallen trees, and shall provide that in such instances, destruction or damage to an improvement upon the Unit shall be rebuilt or repaired to as good condition as existed prior to such damage or destruction. Each Owner must rebuild or repair their Unit to as good condition as existed prior to any damage or destruction, whether from causes contemplated herein or otherwise.

17.6 Use of Insurance Proceeds. Insurance proceeds shall in all instances be used in accordance with the insurance requirements of the Condominium Act.



17.7 Renter's Insurance. Any Owner who leases a Unit pursuant to Section 8.2 shall require that such tenant obtain insurance for the tenant's negligent acts or omissions resulting in third-party property damage and/or bodily injury, including the property of the Association and the other Owners, in coverage amounts as set by the Board in its sole discretion.

ARTICLE 18. DAMAGE AND REPAIR OR DAMAGE TO PROPERTY

18.1 Initial Board Determination. In the event of damage to any Common Element, or to any portion of a Unit or its Limited Common Elements, equipment, or appliances covered by the Association's insurance policy, the Board shall promptly, and in all events within 60 days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

18.1.1 The nature and extent of the damage, together with an inventory of the improvements and property directly affected thereby;

18.1.2 A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors;

18.1.3 The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer;

18.1.4 The amount of the deductible to be paid by a Unit Owner with respect to damage or loss within the Owner's Unit; and

18.1.5 The amount, if any, by which the estimated cost of repair exceeds the portion of the deductible to be paid by a Unit Owner and expected insurance proceeds and the amount of the Assessments that would have to be made against each Unit if the excess cost were to be paid as a Common Expense and assessed against all the Units in proportion to their Common Expense Liabilities.

ARTICLE 19. CONDEMNATION

19.1 Consequences of Condemnation; Notices. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and Mortgagee and the provisions of this Article shall apply.

19.2 Power of Attorney. Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of Common Elements or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the Owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right



to act pursuant to this Section, the affected Owners may individually or jointly act on their own behalf.

19.3 Condemnation of a Unit. 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 this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation of a Unit shall be paid to the Owner or lienholder of the Unit as their interests may appear. 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 this 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.

19.4 Condemnation of Part of a Unit. Except as provided in Section 20.3, 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. The proceeds from the condemnation awarded to the Unit Owner shall be paid to the Owner or lienholders of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides (a) the 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.

19.5 Condemnation of Common Element. If part of the Common Elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements, or to lienholders, as their interests may appear. If the Board determines that a particular Owner's interest in the Common Elements diminished with respect to other Owners, by the acquisition of a Common Element, the Declaration may be amended to adjust that Owner's Common Expense Liability allocation.

19.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 19.

ARTICLE 20. AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS, ARTICLES, AND BYLAWS

20.1 Procedures. Except in cases of amendments that may be executed by the Declarant, the Association, or certain Unit Owners under the Declaration or the Condominium Act, the Declaration, Survey Map and Plans, the Articles and the Bylaws



may be amended only by vote or agreement of the Owners, as specified in this Article. An Owner may propose to the Board amendments to this Declaration or the Survey Map and Plans, the Articles, or the Bylaws. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, an amendment to the Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the real property records in the county in which the Condominium is located. The 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. Such amendments 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. 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. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

20.2 Percentages of Consent Required. Except as provided in Article 21 and Article 22 in the case of damage or condemnation of the property, the percentages of consent of Owners and Eligible Mortgagees required for adoption of amendments to the Declaration, the Survey Map and Plans, the Articles, and the Bylaws are as follows:

20.2.1 The consent of Owners holding at least 67% of the votes in the Association and the consent of Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated shall be required to materially amend any provisions of the Declaration, the Survey Map and Plans, the Articles, or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (a) voting rights; (b) Assessments, Assessment liens, or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the Common Elements; (d) responsibility for maintenance and repair of any portion of the Condominium; (e) rights to use Common Elements; (f) reallocation of interests in Common Elements or Limited Common Elements or rights to their use; (g) redefinition of any Unit boundaries; (h) convertibility of Units into Common Elements or Common Elements into Units; (i) expansion or contraction of the Condominium or the addition, annexation, or withdrawal of property to or from the Condominium; (j) hazard or fidelity insurance requirements; (k) imposition of any restrictions on leasing of Units; (l) imposition of any restriction on the right of an Owner to sell or transfer a Unit; (m) restoration or repair (after damage or partial



condemnation) in a manner other than specified in the Declaration or Survey Map and Plans; or (n) any provisions which are for the express benefit of holders of first mortgages.

20.2.2 An amendment that creates or increases development rights or special declarant rights, increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected, and the Owners holding at least 67% of the votes in the Association.

20.2.3 All other amendments shall be adopted only if consented to by the Owners holding 67% of the votes in the Association.

20.2.4 An Eligible Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

ARTICLE 21. TERMINATION OF CONDOMINIUM

21.1 Action Required. Except as provided in Article 18 and Article 19, 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 with the consent of Eligible Mortgagees of Units to which at least 67% of the votes in the Association are allocated and in accordance with the Condominium Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

21.2 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.

ARTICLE 22. NOTICES

22.1 Form and Delivery of Notice. Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or Rules or Regulations of the Association shall be in writing and may be delivered either personally or by facsimile transmission, mail or e-mail. However, for all notices of meetings, not less than ten nor more than sixty days in advance of any such 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. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association.

22.2 Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Association a written request that it be given copies of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Unit on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured, or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of (a) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of any Unit, (ii) the exclusive easement rights, if any, appertaining to any Unit, (iii) the interest in the Common Elements or the liability for Common Expenses of any Unit, (iv) the number of votes in the Association allocated to any Unit, or (v) the purposes to which a Unit or the Common Elements are restricted; (b) any proposed termination of condominium status, transfer of any part of the Common Elements, or termination of professional management of the Condominiums; (c) any condemnation loss or casualty loss that affects a material portion of the Condominiums or that affects any Unit on which an Eligible Mortgagee has a first mortgage; (d) any delinquency which has continued for 60 days in the payment of Assessments or charges owed by an Owner of a Unit on which an Eligible Mortgagee had a mortgage; (e) any lapse, cancellation, or material modification of any insurance policy maintained by the Association pursuant to Article 17; and (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees.

ARTICLE 23. SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remaining provision or provisions comply with the Condominium Act.

ARTICLE 24. EFFECTIVE DATE

This Declaration shall take effect upon recording.

ARTICLE 25. REFERENCE TO SURVEY MAP AND PLANS

The Amended Survey Map and Plans were filed with the Recorder of Skagit County, Washington, simultaneously with the recording of this Declaration as set forth on the cover page of this Declaration.

DATED: November 13, 2010.

AMENDED AND RESTATED DECLARATION
OF BUCHAN BEACH CONDOMINIUM



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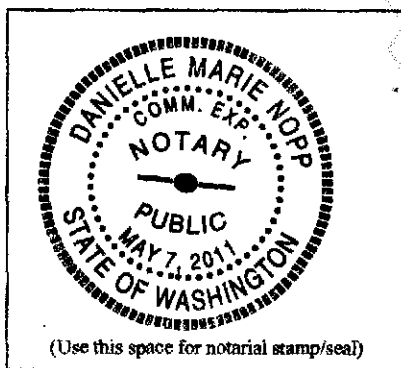
Skagit County Auditor

Robin G. Buchan
Robin G. Buchan

STATE OF WASHINGTON)
COUNTY OF King) SS.

I certify that I know or have satisfactory evidence that **Robin G. Buchan** is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes stated therein.

Dated Nov. 3rd, 2010.



Danielle M Nopp
Name: Danielle M Nopp
NOTARY PUBLIC, State of Washington
My appointment expires May 7, 2011

AMENDED AND RESTATED DECLARATION
OF BUCHAN BEACH CONDOMINIUM

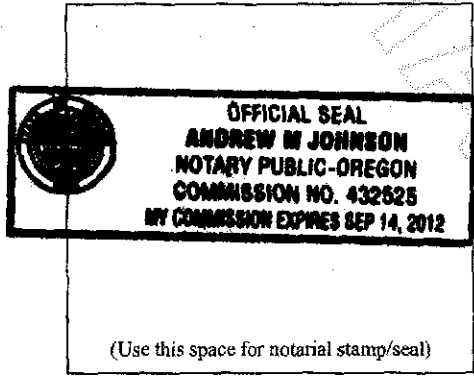

201012280167
Skagit County Auditor

G. Colin Buchan
G. Colin Buchan

Oregon
STATE OF ~~WASHINGTON~~) ss.
COUNTY OF Clatsop

I certify that I know or have satisfactory evidence that **G. Colin Buchan** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes stated therein.

Dated 11/9/10



Andrew Johnson
Name: Andrew Johnson
NOTARY PUBLIC, State of Oregon
My appointment expires SEP 14, 2012

AMENDED AND RESTATED DECLARATION
OF BUCHAN BEACH CONDOMINIUM

Laird Comyn LLC

By: Alan Buchan

Alan Buchan, Manager

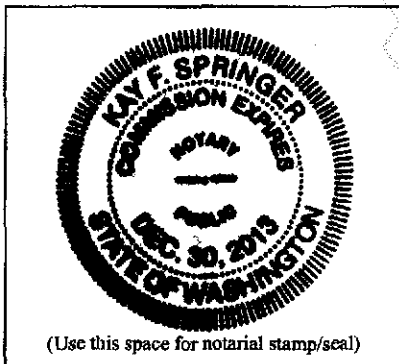
STATE OF WASHINGTON)

COUNTY OF Skagit)

ss.

I certify that I know or have satisfactory evidence that **Alan G. Buchan** 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 **Manager of Laird Comyn LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 11-1-10



Kay F. Springer
Name: Kay F. Springer
NOTARY PUBLIC, State of Washington
My appointment expires 12-30-2013

AMENDED AND RESTATED DECLARATION
OF BUCHAN BEACH CONDOMINIUM



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Skagit County Auditor

12/28/2010 Page

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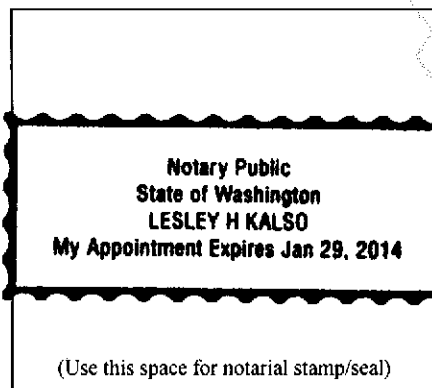
Ian D. Buchan Bypass Trust

By: 
Moira Nancy Barrick, Trustee

STATE OF WASHINGTON)
)
COUNTY OF King) SS.

I certify that I know or have satisfactory evidence that **Moira N. Barrick** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the **Trustee** of the **Ian D. Buchan Bypass Trust**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated October 26, 2010.



Lesley H Kalso
Name: LESLEY H Kalso
NOTARY PUBLIC, State of Washington
My appointment expires JAN 29, 2014



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Skagit County Auditor

Ian D. Buchan Bypass Trust

By: *Ian Douglas Buchan*

Ian Douglas Buchan, Trustee

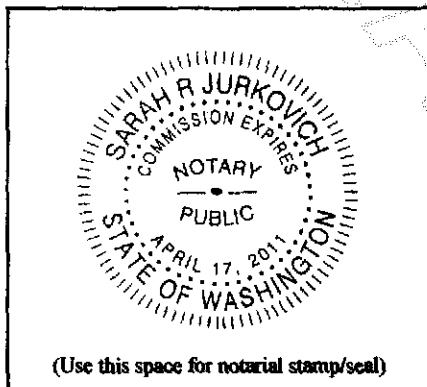
STATE OF WASHINGTON)

COUNTY OF Skagit)

SS.

I certify that I know or have satisfactory evidence that **Ian Douglas Buchan** 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 **Trustee of the Ian D. Buchan Bypass Trust**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated October 14, 2010.



Sarah R Jurkovich
Name: Sarah R Jurkovich
NOTARY PUBLIC, State of Washington
My appointment expires 4-17-2011

Ian D. Buchan Bypass Trust

By: Maira J. Buchan
Maira J. Buchan, Trustee

STATE OF WASHINGTON)
)
COUNTY OF KING) SS.

I certify that I know or have satisfactory evidence that **Maira J. Buchan** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the **Trustee** of the **Ian D. Buchan Bypass Trust**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated October 11th 2010.

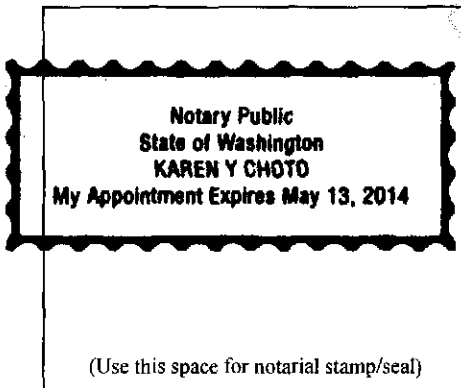


Photo
Name: KAREN CHOTO
NOTARY PUBLIC, State of Washington
My appointment expires May 13th 2014



Ian D. Buchan Bypass Trust

By: *Jeffery M. Buchan*
Jeffery M. Buchan, Trustee

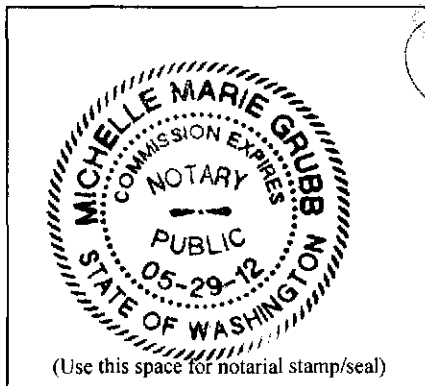
STATE OF WASHINGTON)

COUNTY OF King)

SS.

I certify that I know or have satisfactory evidence that **Jeffery M. Buchan** 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 **Trustee** of the **Ian D. Buchan Bypass Trust**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 10/21/2010.



Michelle Marie Grubb
Name: Michelle Marie Grubb
NOTARY PUBLIC, State of Washington
My appointment expires 05-29-12



201012280167

Skagit County Auditor

Kitts Family Legacy LLC

By: William Bruce Kitts

William Bruce Kitts, Member

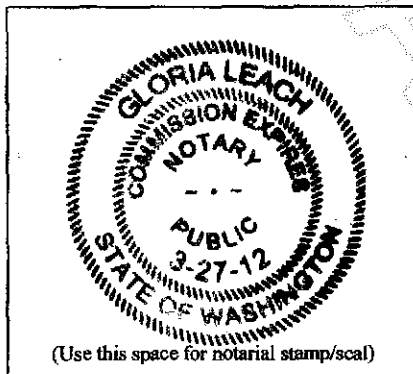
STATE OF WASHINGTON)

SS.

COUNTY OF King)

I certify that I know or have satisfactory evidence that **William Bruce Kitts** 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 **Member of Kitts Family Legacy LLC**, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated 11/3/10

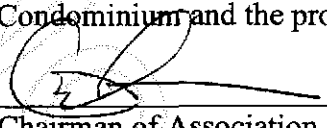


Gloria Leach
Name: Gloria Leach
NOTARY PUBLIC, State of Washington
My appointment expires 3/27/12

AMENDED AND RESTATED DECLARATION
OF BUCHAN BEACH CONDOMINIUM

201012280167
Skagit County Auditor
12/28/2010 Page 31 of 34 11:56AM

Certified as being adopted in accordance with the Declaration for Buchan Beach Condominium and the provisions of the Washington Condominium Act by:


Chairman of Association


Secretary of Association



Exhibit A

PARCEL A:

LOTS 48 THROUGH 51 AND THE NORTHERLY 50 FEET OF LOT 52, ANACO BEACH, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 4, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL B:

THAT PORTION OF TRACT 2, SECTION 34, TOWNSHIP 35 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN, PLATE 2, ANACORTES TIDE LANDS, LYING BETWEEN THE NORTHERLY LINE OF TRACT 48 AND THE SOUTHERLY LINE OF THE NORTH 50 FEET OF TRACT 52 OF THE PLAT OF ANACO BEACH PRODUCED WESTERLY, SAID TRACT 2 BEING AS SHOWN ON THE OFFICIAL MAP OF SAID TIDELANDS IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON.

ALSO KNOWN AS: TRACTS A - E AND LOTS A - E, LONG CARD PL08-0465, RECORDED JUNE 8, 2010, UNDER SKAGIT COUNTY AUDITOR'S FILE NUMBER 201006080032.

PARCEL NUMBERS: 114971; 114972; 114973; 114974; 114975; 114976



Schedule B

Unit	Approximate Square Feet	Number of Bathrooms	Number of Bedrooms	Number of Fireplaces
A	700	2	1	1
B	3,000	3	3	1
C	1,000	1	1	1
D	2,000	3	2	3
E	500	1	1	1

