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Document Title:

ALPINE FAIRWAY VILLA COA - COVENANTS

Reference Number :

8TH AMENDMENT  
199905260007

Grantor(s):

additional grantor names on page \_\_\_\_.

1. ALPINE FAIRWAY VILLA COA

2.

Grantee(s):

additional grantee names on page \_\_\_\_.

1. PUBLIC

2.

Abbreviated legal description:

full legal on page(s) \_\_\_\_.

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page \_\_\_\_.

UNOFFICIAL DOCUMENT

**EIGHTH AMENDED DECLARATION  
OF COVENANTS, CONDITIONS, AND RESTRICTIONS (CC&R)  
FOR ALPINE FAIRWAY VILLA CONDOMINIUM**

Pursuant to the Washington Condominium Act, RCW 64.34, hereinafter referred to as "the Act", for the purpose of submitting the Real Property, hereinafter described to the provisions of the Act, ALPINE FAIRWAY VILLAS CONDOMINIUM OWNERS ASSOCIATION, a non-profit Washington Corporation, makes this Declaration.

It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Real Property or any unit in the condominium created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, covenants, conditions, restricts and reserves a common plan for the condominium development mutually beneficial in all of the described units, and that the covenants, conditions, restrictions, reservations and plans are binding upon the entire Real Property and upon each such unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Real Property or any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of units under security instruments.

**ARTICLE 1            THE PROJECT AND DESCRIPTION OF REAL PROPERTY**

1.1 Plan for the Entire Project. The Alpine Fairway Villa Condominium, hereinafter referred to as the "Condominium" consists of ten (10) buildings of similar design and construction. The buildings contain two (2) residential units each, except one building will contain three (3) units.

1.2 Project Legal Description. The Condominium is located upon property which is described as follows:

TRACT 202 RECORDS OF SKAGIT COUNTY, WASHINGTON.

REPLAT OF TRACT 202 AND LOT 67 OF ALPINE FAIRWAY VILLA, AS PER PLAT RECORDED IN VOLUME 17 OF PLATS, PAGES 32 AND 33, RECORDS OF SKAGIT COUNTY, WASHINGTON.

RESTATED ON "SURVEY MAP AND PLANS FOR ALPINE FAIRWAY VILLA CONDOMINIUMS, PHASE I," RECORDED IN VOL. 17 OF PLATS, PAGES 67 TO 71, INCLUSIVE, RECORDS OF SKAGIT COUNTY UNDER AUDITOR FILE NO. 9905260006 ACCORDING TO DECLARATION OF CONDOMINIUM RECORDED UNDER SKAGIT COUNTY AUDITOR FILE NO. 9905260007.

SITUATED IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON. (Referred to herein as "Real Property".)

The Real Property has been subdivided into nine (9) duplex lots and one (1) Triplex lot with all lots serviced by a private road by the re-plat of Tract 202 and Lot 67, "Alpine Fairway Villa", as per plat recorded in Volume 17 of Plats, pages 32 and 33, records of Skagit County, Washington, hereinafter "Lot(s)". The Real Property is hereby made subject to the provisions of the Act. The property was

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developed in Seven Phases and was made subject to the original Declaration of Condominium and Six Amendments thereto, together with subsequent surveys related to each phase. An additional SEVENTH Amendment was made in 2005. The Declaration, Amendments and surveys are referenced below:

	Declaration Recording No.	Survey Recording No.
Phase I	9905260007	9905260006
Phase II	199912030105	199912030104
Phase III	200007210061	200007210060
Phase III	200012130024	(rerecord to correct legal description)
Phase IV	200012260127	200012260126
Phase V	200107230105	200107230104
Phase VI	200202140093	200202140094
Phase VII	200304020109	200304020108
Seventh Amendment	200512200002	

**1.3 Units and Percentage Interest.** All Phases taken together constitute a total of Twenty-One (21) Units. The Percentage of undivided interest in the Common Elements allocated to each Unit owner, the expenses of the Association and the votes of the Association assigned to each Unit are stated in Exhibit A, which is incorporated by this reference.

**1.4 Private Road Parking.** The private road, known as “Alpine View Place” was dedicated to the Eaglemont Homeowners Association. This road includes certain parking areas for common use of all condominium units within the Plat of Alpine Fairway Villa. Alpine View Place is a dead-end road and, therefore, to enhance ease of use the parking stalls have been constructed at an angle. These parking stalls are within the roadway portion of Alpine View Place.

**ARTICLE 2                    DESCRIPTION OF THE BUILDINGS**

The buildings are wood frame construction having concrete foundations.

**ARTICLE 3                    DESCRIPTION OF UNITS, LOCATION, AND AREA**

**3.1 Unit Boundaries.** The walls, floors and ceilings are hereby designated as boundaries of the units. All furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, any other materials constituting part of the finished surfaces, all spaces, interior partitions and other fixtures and improvements within the boundaries of the unit are all part of the unit. Unit boundary can be the interior and exterior surface of the structure and are more thoroughly defined in section 5.1. See paragraph 3.2 for the affect of this definition on insurance. Those systems or structures designated as either limited common elements or common elements are not part of the unit.

Some units have dormers. Unit boundary shall be the interior surface of the structures to which the wall board is affixed. Certain portions of the ceiling have trusses that are wrapped with sheet rock. The trusses are limited common elements, but the wall board surrounding the trusses shall be part of the unit. Those systems or structures designated either limited common elements or common elements are not part of the unit.



The unit number of each Unit, their approximate area, number of bedrooms, number of bathrooms, number of built in fireplaces, the levels on which each unit is located, number of inside parking spaces are all stated in Exhibit "A", which is attached hereto

3.2 Insurance. It shall be the responsibility of the Association to provide a common association Master Policy that will insure every unit together with the Limited Common and Common elements for loss or damage. Said policy shall conform to and comply with Washington State Statutes (e.g. RCW 64.34.35\_2) governing insurance for condominiums.

In addition this policy may insure and bond all officers and members of the Association as unpaid employees of the Association, along with providing a Unit owner liability and common area liability for every member of the Association and their immediate family member resident in the unit. Owners may, at their option, obtain individual coverage for personal property and additional liability.

**ARTICLE 4                    COMMON ELEMENTS**

Common elements are all of the Real Property except the units.



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**ARTICLE 5                    LIMITED COMMON ELEMENTS**

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5.1 Limited Common Elements. Any portion of any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lying partially within and partially outside the designated boundaries of a unit that is allocated solely for a particular unit is a limited common element of that unit. Any shutters, awnings, window boxes, door steps, stoops, decks, porches, balconies, patios and all exterior doors and windows and other fixtures designed to serve a particular unit, but are located outside of the unit's boundaries are limited common elements, allocated exclusively to the unit which they are designed to serve whether or not such areas are designated as such on the survey map and plans.

The yards and decks located in the backyard of each unit, the front entry concrete walkway and a portion of the driveway adjacent to each garage as designated on the survey map and plans are limited common elements, and are for the exclusive use of the particular unit to which they are adjacent; provided the limited common elements designated as PARKING may be used only for temporary parking, and shall otherwise be available for ingress and egress by the owner of the other unit located on the same Lot.

Structural systems, exterior covering and supply systems, including, but not limited to siding, softwood trim, soffits, sheathing, framing, insulation, windows and doors, patios, foundations, water supply, electrical supply, natural gas supply, electronics supply (such as phone, television and Internet), sewer, gutters and roof which are associated with a particular unit are Limited Common Elements.

5.2 Maintenance. The owners of the respective units to which the limited common elements are adjacent or associated shall keep them in a neat, clean, and well maintained condition at all times. The supervision of maintenance and repair of the structure and finish, including landscaping, the limited common elements shall be performed by the Association. The Association shall have exclusive control of painting, decorating, repairing, reconstructing and maintaining all common and limited common elements, Refer to Paragraph 8.5 Authority of the Association; Sub Paragraphs

8.5.6 Any other materials, supplies and 8.5.7, Maintenance and repair of any unit.

The Association may require that exterior window and door coverings present a uniform exterior appearance throughout the building or buildings within the Condominium. The respective owners of the units shall comply with the determination of the Association with respect to the foregoing. Landscaping or gardening within the limited common elements must be approved by the Association.

**ARTICLE 6 COMMON ELEMENT INTEREST, VOTES AND EXPENSES**

6.1 Voting Rights. There is hereby allocated to each of the units a 1/21 portion of the common elements. There shall be 21 votes, with one allocated to each unit.

6.2 Common Element Expenses. Each unit shall bear 1/21 of the total cost and responsibility for the common expense, provided that the Board of Directors may allocate expenses on a different basis, commensurate with the size of the Unit and differences in maintenance cost between Units due size, location, proximity to the Golf Course, exposure to weather and other objective criteria, so long as such allocation is reasonably intended to fairly (but not necessarily with precision) assess each Unit Owner for the actual cost of maintaining their respective Units and so long as the method of calculating such differences is applied uniformly to all Units. The expenses for maintenance of Common Elements, other than Limited Common Elements identified in Section 6.3, shall be borne by the Association and shall be subject to general dues assessments as provided in Section 8.4.1. Common Expenses include the cost of maintenance, repair, replacement and utilities for a) common outdoor lighting and poles, b) roads, c) landscaping and sprinkler systems, d) roofs, and e) scheduled painting and caulking/filling of siding, even though some of these items may be identified as Limited Common Elements herein. Gutter cleaning shall also be a Common Expense.

6.3 Limited Common Elements Expenses. The expenses for maintenance, repair, and replacement of siding, softwood trim, soffits, sheathing, framing, insulation, windows and doors, patios, foundations, water supply, electrical supply, natural gas, electronics supply (such as phone, television and Internet), sewer, roof, gutters and similar items, together with unscheduled painting and caulking of exterior finishes, which are associated with a particular unit shall borne by the Unit Owner to which the Limited Common Elements are associated, except as specifically provided in Section 6.2. Golf ball damage which requires replacement of materials shall be at Unit Owners' expense.

**ARTICLE 7 OWNERS' ASSOCIATION**

7.1 Form of Association. The term "Association" as used herein shall mean the Alpine Fairway Villa Condominium Owners' Association, a non-profit Washington corporation. The rights and duties of the members of such corporation shall be governed by the Articles of Incorporation, Bylaws and provisions of the Act and this Declaration.

7.2 Membership Qualification. Each owner shall be a member of the Association and shall be entitled to one (1) membership for each unit owned. For the purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, said owner shall be the voting owner unless otherwise specified. Ownership of a unit shall be the sole qualification for membership in the Association.



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

7.4 Voting, Number of Votes. The total voting power of all members shall be 21 votes and the votes allocated to the owner of each unit shall be as set forth in Article 6 of this Declaration.

7.4.1 Voting Owner. There shall be one (1) "voting representative" of each unit. If a person owns more than one (1) unit, he shall have the votes for each unit owned. A Unit owner may vote in person, by Proxy, by E-Mail or Mail in Ballot on any issue brought before the Owners, in the manner determined by the Board of Directors, consistent with the Bylaws and this Declaration. The voting representative shall be designated by the owner or owners of each unit by written notice to the Association. The designation shall be revocable at any time by actual notice to the Association from a party having an ownership interest in a unit, or by actual notice to the Association of the death or judicially declared incompetence of an owner. If joint owners fail to designate a voting representative and if a majority of the owners of a unit cannot agree on how to vote, then the unit owners shall not be entitled to vote.

7.5 Meetings. Members of the Association shall hold at least one (1) meeting each year. Special meetings of the Association may be called by the President or a majority of the board, or by twenty percent (20%) of the owners having votes in the Association. Not less than ten (10), nor more than sixty (60) days in advance of any meeting, the Secretary or other officer specified by the Bylaws shall cause a notice to be sent in a manner consistent with the Bylaws, designed to give reasonable notice, including via email, if a written consent to email notice and designation of email address has been given, hand delivery or sent prepaid, first class United States mail to the mailing address of each unit or to any other mailing address designated in writing by the 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 assessments, and any proposal to remove a director or officer.

7.6 Adoption of Bylaws. Bylaws for the administration of the Association and the Condominium, and for other purposes not inconsistent with the Act or with the intent of this Declaration, have been adopted by the Association. Amendments to the Bylaws may be adopted by 67% affirmative vote of those voting at a regular or special meeting called for that purpose.

7.6.1 Bylaws Provisions. The Bylaws shall contain provisions identical to those provided in this Article 7, and may contain supplementary, not inconsistent, provisions regarding the operation of the Condominium and administration of the Real Property. The Bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the Condominium.

## ARTICLE 8

## MANAGEMENT OF CONDOMINIUM



8.1 Control of Association. When the Declarant transferred control of the Association to the owners, Declarant relinquished all power and authority to exercise any rights, duties and functions of the Association, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance and collecting and expending all assessments and Association funds.

8.2 Management by Association. With control of the Association transferred from the Declarant to the Association, pursuant to RCW 64.34.312, all administrative power and authority is vested in the Association. The Association may delegate all or any portion of such power to a manager, managing agent, or officer of the Association.

The authority to exercise the powers of the Association and any decision of the Association shall be made by a majority vote of the Board of Directors of the Association, hereinafter "BOD" unless the Act or the Declaration requires a vote of the owners. Whenever this Declaration calls for a management action by the "Association", the same shall mean action by the BOD, unless otherwise provided herein or required by applicable law.

8.3 Management Agreement. In the event the Association enters into a management agreement, such agreement shall contain provisions authorizing termination of the agreement by the Association for cause upon thirty (30) days written notice and shall not exceed a term of one (1) year, renewable by agreement of the parties for successive one-year periods.

8.4 Reserves and Working Capital. The Association shall establish adequate reserve funds for the periodic maintenance, repair and replacement of the common elements, which fund shall be maintained out of regular assessments for common expenses.

8.5 Authority of the Association. The Association for the benefit of the Condominium and the owners shall enforce the provisions of this Declaration and of the Bylaws, shall have all powers and authority permitted to the Association under the Act and the Declaration, and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the Condominium, including but not limited to the following:

8.5.1 Utilities. Water, sewer, electrical and other necessary utility service as required for the common elements.

8.5.2 Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, and for fidelity of Association officers and other employees, as the same are more fully required hereafter and in the Bylaws.

8.5.3 The services of persons or firms as required to properly manage the affairs of the Condominium to the extent deemed advisable by the Association as well as such other personnel as the Association shall determine are necessary or proper for the operation of the common elements, whether such personnel as the Association shall determine are necessary or proper for the operation of the common elements, and whether such personnel are employed directly by the Association or are furnished by the manager or management firm or agent.

8.5.4 Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the common elements, or the enforcement of this Declaration, the



Bylaws, and rules and regulations of the Association.

8.5.5 Painting, maintenance, repair and all landscaping and gardening work for the common elements, will comply with the maintenance required in the re-plat of Tract 22 and Lot 67, "Alpine Fairway Villa", including maintenance of a private road and lighting system, and such furnishings and equipment for the common elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the limited common elements.

8.5.6 Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure by law or which in its opinion shall be necessary or proper for the operation of the common elements or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular units or their owners, the cost thereof shall be specially assessed to the owner of such units. The expenses related to Limited Common Elements, as described in Section 6.3 shall be borne by the Unit Owner and shall be subject to special assessment.

8.5.7 Maintenance and repair of any unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Association to protect the common elements or preserve the appearance and value of the Condominium development, and the owner or owners of such unit have failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Association to the owner or owners; provided that the Association shall levy a special assessment against the unit of such owner or owners for the cost of such maintenance or repair.

8.5.8 Discharge of Lien. The Association may also pay any amount necessary to discharge any lien or encumbrance levied against the entire Real Property or any part thereof which is claimed to or may, in the opinion of the Association, constitute a lien against the Real Property or against the common elements, rather than merely against the interest therein of particular owners. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Association by reason of such lien or liens shall be assessed against the owners and the unit responsible to the extent of their responsibility.

8.5.9 The Association's power shall be limited in that the Association shall have no authority to acquire and pay for out of the maintenance fund capital additions and improvements (other than for purposes of restoring, repairing or replacing portions of the common elements) having a total cost in excess of Five Thousand Dollars (\$5,000), without first obtaining the affirmative vote of the owners holding a majority of the voting power, or represented at a meeting called for such purpose, or if no such meeting is held, then the written consent of owners having a majority of the voting power; provided improvements made to any buildings shall require unanimous consent of the owners of units within such building and further provided that any expenditure or contract for capital additions or improvements in excess of Twenty-five Thousand Dollars (\$25,000) must be approved by owners having not less than sixty-seven percent (67%) of the voting power of all of the units and one hundred percent (100%) of the voting power of the owners within the building upon which



improvements are to be made.

8.5.10 Association authority. Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all of the owners or any of them.

8.5.11 Contracting. The Association shall have the exclusive right to contract for all goods and services, payment of which is to be made from the maintenance fund. The Association may delegate such powers pursuant to section 8.4 Management Agreement.

8.5.12 Association Property. The Association may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the owners in the same proportion as their respective interests in the common elements, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association. The Association shall not, however, in any case acquire real property or personal property valued in excess of Five Thousand Dollars (\$5,000) by lease or purchase except upon a sixty-seven percent (67%) approval vote of the owners.

8.5.13 Association Access. The Association and its agents or employees, may enter any unit or limited common elements when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Association out of the common expense fund if the entry was due to an emergency (unless the emergency was caused by the owner of the unit entered, in which case the cost shall be specially assessed to the unit entered) or for the purpose of maintenance, or repairs, to common or limited common elements where the repairs were undertaken by or under the direction or authority of the Association. If the repairs or maintenance were necessitated by or for the unit entered or its owners, or requested by its owners, the costs thereof shall be specially assessed to such unit.

8.5.14 Owners. Each owner, by the mere act of becoming an owner or contract purchaser of a unit, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association, including but not limited to the duties to maintain, repair and improve the Real Property, to deal with the unit upon damage or destruction, and to secure insurance proceeds.

8.5.15 Association Limits. The Association shall not abandon, partition, subdivide, encumber, sell, or transfer the common elements by act or omission without first receiving written approval from sixty-seven percent (67%) of the owners.

8.5.16 Rental/Leased Unit Limitations. The Association shall limit the number of rental units to 20% (four units) of the total available units. Each Unit Owner who enters in to a lease or rental agreement further assigns the rents for the Unit to the Association for payment of all assessments provided for hereunder, with full authority to collect such rents directly



from Tenant and apply the same to the assessments, if Unit Owner is in default in the payment of such assessments as provided hereunder

**ARTICLE 9                    USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY**

9.1 Residential Use. The building and units shall be used for single family residential (SFR) purposes only, on an ownership, rental or lease basis; and for the common social, recreational or other reasonable uses normally incident to such purposes, and also for such additional uses or purposes as are from time to time determined appropriate by the Association. Units may be used for the purpose of operating the Association and for the management of the Condominium if required.

9.1.1 Lease and Rental Residence Restriction. With the exception of a lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes.

9.1.2 Rental and Lease Default and Conditions. No unit owner may lease their unit unless the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Bylaws and any failure by the Lessee to comply with the terms of such document shall be a default under the lease. All leases shall be in writing. A lease, as defined herein, shall include month-to-month rentals. The Association shall be entitled to receive a copy of any lease or rental agreements from the Unit Owner within 10 days of mutual execution, provided that receipt of such document by the Association shall not operate as a waiver of any rights of the Association nor discharge the Unit Owner from any obligations under this Declaration, the Bylaws or Rules. Any lease or rental agreement shall be subject in all respects to this Declaration, the Bylaws and Rules of the Association, regardless of whether the lease states the same. Any failure by the Lessee to comply with such provisions shall be a default under the lease or rental agreement, entitling the Association to enforce such provision against the Unit Owner and Tenant. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease his or her Unit.

9.1.3 Sublease Limitations. Subleasing and transient occupancy are not permitted.

9.2 Vehicle Parking. No boats, trailers, motor homes, inoperative motor vehicles or other equipment may be parked for an extended period (greater than 24 hours in any one week) on the Real Property. Guests may park in the limited common elements of driveways on a temporary basis consistent with rules established by the Association and may in addition park in those parking stalls within the private road.

The Association may require removal of any inoperative vehicle, or any unsightly vehicle, and any other equipment or items improperly stored in common elements. If the same is not removed, the Association may cause removal at the risk and expense of the owner thereof.

9.3 Common Road and Sidewalks. Common Road and Sidewalks shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except with express written consent of the Association.

9.4 Interior Unit Maintenance. Each unit owner shall, at their sole expense, have the right and the duty to keep the interior of their unit and its equipment, appliances, and appurtenances 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 their unit. Each owner shall be responsible for the



maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected with their unit.

**9.4.1 Limitations.** Without limiting the generality of the foregoing, each owner shall have the right and the duty, at their sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile, and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, and the perimeter walls of the unit and the surfaces of the bearing walls located within their unit and shall not permit or commit waste of their unit or the common elements. Each owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on such ceilings, floors and walls. Each owner has the right to maintain, repair, paint, finish, alter, substitute, add or remove any fixtures attached to such ceilings, floors or walls. This section shall not be construed as permitting an interference with or damage to the structural integrity of the building or interference with the use and enjoyment of the common elements or of the other units or any of them, nor shall it be construed to limit the powers or obligations of the Association hereunder.

Limited common elements, as defined in Article 5, although the use, condition and appearance thereof may be regulated under provisions of this Declaration or the Bylaws or rules, are for the sole and exclusive use of the units for which they are reserved or assigned. With respect to limited common elements reserved for or assigned to specific units, the cost of caring for and maintaining such limited common elements shall be collected as a special assessment owed by the owner or owners to which such limited common element is associated.

**9.5 Exterior Appearance.** In order to preserve a uniform exterior appearance to the buildings, and the common and limited common elements visible to the public, the Association may require and provide for the painting and other decorative finish of the buildings, balconies, garages, or other common or limited common elements, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the buildings, balconies, garages or other common or limited common elements undertaken or proposed by any owner. The Association shall have the right of reimbursement for such work as provided under Paragraph 8.5.6 and 8.5.7.

This power of the Association extends to screens, doors, awnings, rails or other visible portions of each unit and building. Landscaping or gardening by a Unit Owner, within the common area shall not impair the integrity and operation of the Common Area Irrigation system or disrupt "uniform appearance", unless written permission has been granted by a majority of the Board of Directors. The Association may also require use of a uniform color of draperies, under draperies or drapery lining for all units.

**9.6 Effect on Insurance.** Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the common elements or units without the prior written consent of the Association. No owner shall permit anything to be done or kept in his unit or in the common or limited common elements which will result in the cancellation of insurance on any unit or any part of the common or limited elements, or which would be in violation of any laws.

**9.7 Signs.** No sign of any kind shall be displayed for public view on common or limited common area without the prior consent of the Board.



9.8 Pets. No animals, which term includes livestock, domestic animals, poultry, reptiles or living creatures of any kind, shall be raised, bred, or kept in any unit or in the common or limited common elements, except household pets, subject to rules and regulations adopted by the Association, or Bylaws adopted by the Association. The Association may at any time require the removal of any pet which it finds is disturbing other owners unreasonably, in the Association's determination, and may exercise this authority for specific pets even though other pets are permitted to remain.

9.9 Offensive Activity. No noxious or offensive activity shall be carried on in any unit, common elements or limited common element, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

9.10 Common Element Alterations. Nothing shall be altered or constructed in or removed from the common elements except upon the written consent of the Association and after procedures required herein or by law.

9.11 Garbage Cans. Garbage containers and recycling bins shall be stored in the garage and shall be placed outside only for the limited purpose of curbside garbage collection.

9.12 House Rules. The Association is empowered to pass, amend and revoke detailed administrative rules and regulations, or "House Rules", necessary or convenient from time to time to insure compliance with the general guidelines of this Article and the other provisions of this Declaration; including the power to regulate use of limited common elements

## **ARTICLE 10            EXPENSES AND ASSESSMENTS**

10.1 Assessments. Within thirty (30) days after the date this Declaration is recorded, the Association shall adopt a budget which itemizes the estimated charges for each year of operation of the Condominium. The original assessments shall be based upon this budget. The Association shall, thereafter, on an annual or more frequent basis if they deem appropriate, prepare a proposed budget of the expenses and reserves of the Condominium.

10.2 Proposed Budget. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Association shall provide a summary of the budget to all members and shall set a date for a meeting of the members of the Association to consider ratification of the budget not less than ten (10) nor more than sixty (60) days after mailing of the proposed budget. Unless, at that meeting, a majority of the members reject the proposed budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget.

10.3 Budget Expenses. The proposed budget shall be an estimate of the charges (including common expenses and any special assessments for particular units) to be paid during the following year, including the funding and maintaining of reasonable reserves for contingencies, operations, repair, replacement and acquisition of common and limited common elements and facilities; the proposed expenses shall take into consideration the expected income and any surplus available from the prior year's operating fund. If the sum established and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any owner's assessment), the Association may at any time levy a further assessment, which shall be assessed to the owners in like proportions.



10.4 Payment by Owners. Each owner shall be obligated to pay assessments made pursuant to this Article to the treasurer for the Association in equal monthly installments on or before the tenth day of each month during such year, or in such other reasonable manner as the Association shall designate, and any unpaid assessments shall bear interest at the rate of twelve (12%) percent per annum from due date until paid. Unit Owners' shall pay the Association for any Special Assessment, whether for Limited Common Elements expenses or other cost necessitated by non-budget expenses within 30 days of billing. Failure to pay within 30 days of billing shall constitute a "Default" and the Association shall have all remedies for non-payment as provided under this Declaration, the Condominium Act and a direct right of enforcement against the Unit Owner. The Association shall have the right of reimbursement for such assessments as provided under Paragraph 8.5.6 and 8.5.7. The Association may require advance deposits from a Unit Owner, payable to the Association, before work is performed in respect to Limited Common Elements, as defined in Section 6.3, if the work is substantial or the Board determines in their discretion that the failure to obtain an advance deposit would place the Association's operating funds and reserves at financial risk.

10.5 Purpose. All funds collected here under shall be expended for the purposes designated in this Declaration.

10.6 Separate Accounts. The Association shall maintain separate accounts for current operations, and reserves. The assessments collected may be utilized for payment of other expenses or deposited or credited to other accounts as deemed appropriate by the Treasurer. All such assessments shall be collected and held in trust for, and administered and expended for the benefit of the unit owners, in a manner consistent with this Declaration. All accounts held for the Association must be covered by Federal Insurance. The Board of Directors may designate segregation of reserve funds for various Common Elements, separately from other Common Elements in order to maintain accurate reserves and allow proper management of financial obligations provided for herein.

10.7 Based on Percentage. Except for certain special assessments which may be levied against particular units under the provisions of this Declaration, all assessments for common expenses shall be assessed to units and the owners thereof on the basis of the percentages ownership of the common elements set forth in this Declaration.

10.8 Omission of Assessment. The omission by the Association before the expiration of any year to fix the estimate and assessments here under for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

10.9 Records. The Association shall cause to be kept detailed, accurate records in the form established by the Association's accountant of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses and any other expense incurred. Such records and any resolution authorizing the payments involved and all other Condominium documents and records shall be available for examination by any owner at convenient hours on week days.

10.10 Lien Indebtedness. Each monthly assessment and each special assessment shall be joint and several personal debts and obligations of the owner or owners and contract purchasers of units for which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special, assessed to any unit and the owner and/or



purchaser of any unit, plus interest at the rate of twelve percent (12%) per annum, and costs, including reasonable attorney's fees, shall be a lien upon such unit, its share of the common elements and the appurtenant limited common elements. Lien priorities and collection shall be pursuant to the Act and the Laws of the State of Washington.

10.11 Security Deposit. An owner may be required, by the Association or by the managing agent, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly assessments, which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such owner, and resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his monthly or other assessments.

10.12 Remedies Cumulative. The remedies provided are cumulative and the Association may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

## **ARTICLE 11            INSURANCE**

The Association shall obtain and maintain, as a common expense such policy or policies of insurance and bonds required to comply with the provisions of the Washington Condominium Act (WCA). To this end, the Association may require casualty insurance as provided under Section 11.1 or other such insurance as it deems necessary in order to comply with the WCA. It shall be the responsibility of the Association to provide a common association Master Policy that will insure every unit together with the Limited Common and Common elements for loss or damage. Said policy shall conform to and comply with Washington State Statutes (e.g. RCW 64.34.352) governing insurance for condominiums.

In addition this policy may insure and bond all officers and members of the Association as unpaid employees of the Association, along with providing a Unit owner liability and common area liability for every member of the Association and their immediate family member resident in the unit. Owners may, at their option, obtain individual coverage for personal property and additional liability.

11.1 Casualty Insurance. Fire insurance, with extended coverage endorsement, in the amount of the actual cash value of the common elements, limited common elements and the units, with the Association named as insured as trustee for the benefit of owners and mortgagees as their interest may appear or such other fire and casualty insurance as the Association shall determine to give substantially equal or greater protection insuring the owners, and their mortgagees, as their interests may appear. Such policy or policies shall provide for separate protection for each unit to the full insurable replacement value thereof, (limited as above provided), and a separate loss payable endorsement, in favor of the mortgagee or mortgagees of each unit, if any, and further, a separate loss payable clause in favor of the mortgagee of the Condominium, if any. All insurance shall be obtained from an insurance carrier rated "AAA" by Best's Insurance Reports or equivalent rating service, and licensed to do business in the state of Washington. The amount of the deductible for such policy shall be determined by the Association, provided, the total amount of insurance after application of any deductibles shall be not less than ninety-nine percent (99%) of the actual cash value of the insured property at the time the insurance is purchased, and at any renewal date. The actual cash value shall be exclusive of land, excavations, foundations and other items normally excluded from property policies. Any uninsured or underinsured loss accruing for damage or loss related to a specific Unit, or the Limited Common Elements, or portion thereof, associated with a



specific Unit shall be the financial responsibility of the Unit Owner as provided in Section 12.7 and the Association shall bear no financial responsibility therefore.

The policy shall provide for waiver of subrogation under the policy against any owner, member of owner's household and lessee of owner. The policy shall also provide that no act or omission by any owner, unless acting within the scope of owner's authority on behalf of the Association will void the policy or be a condition to recovery under the policy. If, at the time of the loss under the policy, there is other insurance in the name of an owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.

The insurer, under the policy, shall be required to issue certificates or memoranda of insurance to the Association and, upon written request, to any owner or holder of a mortgage on a unit. The insurer shall agree that it will not modify the amount or extent of coverage of the policy or cancel or refuse to renew the policy, unless the insurer has complied with RCW 48.18.

**11.2 Liability Insurance.** Liability insurance, including medical payments insurance, in the amount of One Million Dollars (\$1,000,000.00) for any one (1) person injured and One Million Dollars (\$1,000,000.00) for any one (1) accident or such higher limits as the Association may deem appropriate. The liability insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the common elements, limited common elements and units.

Each owner shall be a named insured under the liability policy with respect to liability arising out of owner's interest in the common elements or membership in the Association. The insurer shall waive its right of subrogation under the policy against any owner, member of the owner's household and lessee of the owner. The policy shall provide that no act or omission by any owner, unless acting within the scope of the owner's authority on behalf of the Association will void the policy or be a condition of recovery under the policy. If there is other insurance in the name of an owner covering the same risk covered by the liability policy, the Association's policy shall provide primary insurance.

The insurer, under the policy, shall be required to issue certificates or memoranda of insurance to the Association and, upon written request, to any owner or holder of a mortgage on a unit. The insurer shall agree that it will not modify the amount or extent of coverage of the policy or cancel or refuse to renew the policy, unless the insurer has complied with RCW 48.18.

**11.3 Workmen's Compensation.** Workmen's compensation insurance to the extent required by applicable laws.

**11.4 Fidelity Bonds.** Fidelity bonds naming the members of the Board, officers of the Association, the manager and such other persons as may be designated by the Association as principals and the owners as obliges, in an amount equal to at least one-half (1/2) of the total estimated cash to be collected as assessments each year.

**11.5 Personal Property Insurance.** Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Association deems advisable.

**11.6 Owner's Additional Insurance.** Each owner may obtain additional insurance respecting their unit at their own expense; no owner shall, however, be entitled to exercise their right to maintain insurance coverage in any manner which would decrease the amount which the Association will



realize under any insurance policy which the Association may have in force on the Condominium at any particular time.

Each owner is required to and agrees to notify the Association of all improvements by the owner the value of which is in excess of Three Thousand Dollars (\$3,000.00).

**11.7 Insurance Proceeds.** Insurance proceeds for damage or destruction to any part of the Condominium shall be paid to the Association, or insurance trustee, on behalf of the owners which shall segregate such proceeds from other funds of the Association. Any claim under the policy described in section 11.1 of this Article must be adjusted by the Association. The insurance proceeds must first be used for repair or restoration of the damaged property. The owners shall not be entitled to any proceeds unless there is a surplus after the property has been completely repaired or restored or the Condominium has been terminated. The Association shall have the authority to settle and compromise any claim under insurance obtained by the Association Owner and the insurer may accept a release and discharge of liability made by the Association on behalf of the named insured under the policy.

**11.8 Additional Policy Provisions.** To the extent deemed practicable and desirable by the Association, after consultation with the Association's insurance broker, agent or carrier, the insurance policy or policies required under this Article shall:

**11.8.1 Liability.** Provide that the liability of the insurer there under shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, prorating, or contribution by reason of any other insurance obtained by or for any owner;

**11.8.2 No Relief.** Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association or any unit owner or any other persons under either of them,

**11.8.3 Waivers.** Contain a waiver by the insurer of any right of subrogation against the owner, member or owners household or lessee of any unit; and

**11.8.4 Standard Clause.** Contain a standard mortgagee clause which shall:

**11.8.4.1 References to Mortgagee.** Provide that any reference to a mortgagee on such policy shall mean and include all holders of mortgages of any unit or unit lease or sublease of the project, in their respective order and preference, whether or not named therein;

**11.8.4.2 Provide Validity.** Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Association or unit owners or any persons under any of them;

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



11.8.4.4 Maintenance of Insurance. To the extent required by law, the Association shall continuously maintain in effect such casualty and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association, so long as it is a mortgagee or owner of a Condominium within the project, except to the extent such coverage is not available or has been waived in writing by Federal Home Loan Mortgage Corporation.

11.8.6 Insurance Trustee. The Owners' Association acting as trustee, or the owner's authorized representative, including any trustee with whom such Owners' Association may enter into any Insurance Trust Agreement, or any successor to such trustee, shall have exclusive authority to negotiate losses under any policy and shall have the authority to perform other such functions as are necessary to accomplish the purpose of Article 11 and Article 12.

## **ARTICLE 12            DAMAGE OR DESTRUCTION; RECONSTRUCTION**

12.1 Initial Association Determinations. In the event of damage or destruction to any part of the property, the Association shall promptly, and in all events within sixty (60) days after the date of damage or destruction, make the following determinations with respect thereto employing such advice as the Association deems advisable:

12.1.1 The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.

12.1.1.1 A reasonably reliable estimate of the cost to repair and restore the damage and destruction, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

12.1.1.2 The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

12.1.1.3 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds therefore and the amount of assessment to each unit if such excess was paid as a maintenance expense and specially assessed against all the units in proportion to their percentage of interest in the common elements.

12.1.1.4 Association's recommendation as to whether such damage or destruction should be repaired or restored.

12.2 Notice of Damage or Destruction. The Association shall promptly, and in all events within sixty (60) days after the date of damage or destruction, provide each owner and each eligible mortgagee on a unit with a written notice of the damage or destruction and summarizing the initial Association determination made under section 12.1. If the Association fails to do so within sixty (60) days, then any owner or such eligible mortgagee may make the determinations required under section 12.1 and give the notice required under this section.

12.3 Definitions; Restoration; Emergency Work. As used in this Article, the words "repair", "reconstruct", "rebuild" or "restore" shall mean restoring the improvements to substantially the same



condition in which they existed prior to the damage or destruction, with each unit and the common and limited common elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made. As used in this Article, the term "emergency work" shall mean that work which the Association deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the owners from liability from the condition of the site.

**12.4 Repair or Replacement by Association.** Any portion of the Condominium or unit for which insurance is required under section 11.1 of this Declaration which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (a) The Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or, (c) sixty-seven percent (67%) of the owners, including every owner of a unit or assigned limited common element which will not be rebuilt vote not to rebuild and sign a written approval of such decision. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense of the Association.

**12.5 Election Not to Repair or Replace.** If all of the damaged or destroyed portions of the Condominium or unit are not repaired or replaced then the insurance proceeds shall be applied as follows:

**12.5.1 Damage to Common.** The insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

**12.5.2 Damage to Units.** The insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated or to lien holders as their interest may appear (the insurance proceeds must be allocated based upon the percentage ownership of each unit that is not repaired or replaced);

**12.5.3 Remainder of the proceeds** shall be distributed to all the unit owners or lien holders as their interest may appear in proportion to the common element interest of all of the units. If the owners vote not to rebuild any unit, that unit's allocated interest in the common elements voting rights and responsibility for common expenses shall be automatically reallocated to the remaining units in proportion to the respective allocated interests of those units before the reallocation and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

**12.6 Restoration by Association.** Unless prior to the commencement of repair and restoration work (other than emergency work referred to in section 12.3) the owners shall have decided not to repair and reconstruct in accordance with the provisions of section 12.1, the Association shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefore, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense which shall be specially assessed against all units in proportion to their percentages of interest in the common elements.

**12.6.1 Employment Authority.** The Association shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take



such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Association, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Association may further authorize the insurance carrier to proceed with repair and restoration upon satisfaction of the Association that such work will be appropriately carried out.

**12.6.2 Written Agreements.** The Association may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for such loss in excess of Fifty Thousand Dollars (\$50,000.00), or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.

**12.7 Minor Damage.** The provisions of this Article shall not apply to minor damage except as required by the Act. If the Association determines damage to be minor, then the Association shall promptly repair the damage. Minor damage shall be damage that costs less than Ten Thousand Dollars (\$10,000.00) to repair. Nothing stated herein shall change the allocation of financial responsibilities under this Declaration for repairs or replacement of Common Elements, Limited Common Elements or improvements within the Unit Boundaries.

The Association and unit owners are authorized to obtain insurance having a deductible of up to Ten Thousand Dollars (\$10,000). In the event of a loss claim or in the event of damage to a unit owner's unit and related common or limited common elements, then the uninsured portion of the claim shall be reimbursed by the unit owner to whom the uninsured portion of the claim or deductible applies. In the event that the unit owner fails to pay such deductible or such uninsured loss, then the Association may pay for such loss and assess the amount of such payment against the individual unit owner and thereafter recover such assessment as a lien against the unit permitted under RCW 64.34.364.

**12.8 Emergency Repairs.** The Association may do emergency work without following the procedural requirements of this section. The determination as to whether or not the work is emergency work shall be made by the Association.

**12.9 Miscellaneous.** The provisions of this Article shall constitute the procedure by which a determination is made by the unit owners to repair, restore, reconstruct or rebuild as provided in the Act. By the act of accepting an interest in the property, each unit owner and party claiming by, through or under such owner hereby consents and agrees to the provisions hereof. In the event that any provision of this Article 12 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect the validity of any other provision of this Declaration. The purpose of this Article 12 shall be to provide a fair and equitable method of allocating the costs of repair and restoration and making a determination for repair and restoration if all or a portion of the improvements are damaged or destroyed. The provisions of this Article 12 shall be liberally construed to accomplish such purpose.

## **ARTICLE 13            CONDEMNATION**

The rules concerning total or partial condemnation of units or common elements shall be governed by the provisions of the Condominium Act, **RCW 64.34.**

## **ARTICLE 14            COMPLIANCE WITH DECLARATION**



**14.1 Enforcement.** Each owner shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration and the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Association acting through its officers on behalf of the owners, or by the aggrieved owner on its own.

**14.2 No Waiver of Strict Performance.** The failure of the Association in any one (1) or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed for the Association.

**ARTICLE 15                    LIMITATION OF LIABILITY**

**15.1 Liability for Utility Failure, etc.** Except to the extent covered by insurance obtained by the Association pursuant to Article 11, neither the Association's managing agent exercising the powers of the Association or the Association shall be liable for any failure of any utility or other service to be obtained and paid for by the Association; injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

**15.2 No Personal Liability.** So long as an Association member, or Association Board member, or Association officer, exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any owner, or to an other party, 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 are covered by insurance obtained by the Association pursuant to Article 11.

**15.3 Indemnification of Association Members and Officers.** Except to the extent such liability damage or injury is covered by any type of insurance, each Association member, or Association Board member, or Association officer, or managing agent, exercising the powers of the Association, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position, or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or



malfeasance in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only when the Association approves such settlement and reimbursement as being for the best interests of the Association. This section shall extend to and apply also for the indemnification or for the indemnification of the manager, if any.

## **ARTICLE 16**      **MORTGAGEE PROTECTION**

16.1 Change in Manager. In the event that professional management is employed by the Association, at least thirty (30) days notice of any contemplated change in the professional manager shall be given to any eligible mortgagee who has requested to be notified.

16.2 Partitions and Subdivision. The Association shall not partition or subdivide any unit or the appurtenant common and limited common elements, or accept any proposal so to do, without the prior approval of sixty-seven percent (67%) of eligible mortgagees of the unit being subdivided or partitioned.

16.3 Abandonment or Termination. The Association shall not by act or admission seek to abandon or terminate the Condominium project without the prior approval of sixty-seven percent (67%) of the eligible mortgagees.

16.3.1 Common Areas. The Association shall not abandon, partition, subdivide, encumber, sell or transfer the common elements by act or admission without prior approval of sixty-seven percent (67%) of the eligible mortgagees; provided this restriction shall not apply to the grant of easements that are not inconsistent with the intended use of the common elements by the Condominium project.

16.4 Notification of Default. Eligible mortgagees, upon written request, are entitled to written notification from the Association of any default in the performance by a unit owner under this Declaration or the Bylaws, Rules and Regulations of the Association.

16.5 Change in Percentages. The Association shall not change the percentages of interest in the common elements without the prior approval of sixty-seven percent (67%) of eligible mortgagees of the units, for which the percentages would be changed.

16.6 Copies of Notices. In the event the Association gives to any owner of a unit any notice that such owner has for more than sixty (60) days failed to meet any obligation under the Condominium documents, it shall also give a copy of such notice to any eligible mortgagee which has requested to be so notified.

16.7 Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage.

16.8 Insurance. Where the mortgagee of a unit as defined in section 17.1 has filed a written request with the Association, or where the mortgagee of the Condominium has filed a written request with the Association or is known to the Association, the Association shall:

16.8.1 Policy Copy. Furnish the mortgagee with a copy of any insurance policy or evidence



thereof which is intended to cover the unit on which such mortgage has a lien, and,

16.8.2 Notification. Require any insurance carrier to give such mortgagee at least ninety (90) days written notice before canceling any insurance with respect to such property on which mortgagee has a lien.

16.9 Inspection of Books. Eligible mortgagees shall be entitled to inspect at all reasonable hours of weekdays all of the books and records of the Association.

16.10 Notice of Meetings. Upon request, the eligible mortgagees shall be entitled to written notice of all meetings of the members of the Association and be permitted to designate a representative to attend all such meetings.

16.11 Annual Audit. Eligible mortgagees shall be entitled to receive the annual audited financial statement of the Association within ninety (90) days following the end of the fiscal year of the Association; provided, audit may be waived pursuant to R.C.W. 64.34.372.

## **ARTICLE 17            MORTGAGEE'S RIGHTS AFTER FORECLOSURE**

17.1 Unit and Condominium Mortgagee. Mortgagee of the unit refers to the holder of the mortgage or deed of trust on a unit which was recorded simultaneous with or after the recordation of this Declaration. Mortgagee of the Condominium refers to the holder of the deed of trust or mortgage on the Real Property and which was executed and recorded prior to the recordation of this Declaration.

17.2 Lien Limitation. In the event the mortgagee of a unit obtains possessor's rights, legal title, or certificate of sale for a unit, such unit shall be subject to no more than six (6) months of the units unpaid dues or charges accrued before acquisition of title to the unit by the mortgagee.

## **ARTICLE 18            EASEMENTS**

18.1 In General. It is intended that in addition to rights under the Act, each unit has an easement in and through each other unit and the common and limited common elements for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan. Finally, each unit as it is constructed is granted an easement to which each other unit and all common and limited common elements is subject for the location and maintenance of all the original equipment and facilities and utilities for such unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.

18.2 Association Functions. There is hereby reserved to the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration, or in the Bylaws, and the Association rules.

18.3 Encroachments. Each unit and all common and limited common elements are hereby declared to have an easement over all adjoining units and common and limited common elements for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of such encroachments so long as they shall exist, and the rights and obligations of owners shall not be



altered in any way by such encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if such encroachment occurred due to the willful act or acts with full knowledge of such owner or owners. In the event a unit or common or limited common element is partially or totally destroyed, and then repaired or rebuilt, the owners agree that minor encroachments shall be permitted, and that there shall be valid easements for the maintenance of such encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any unit.

18.4 Easements Shown on Survey Map. Easements shown on the Survey Map filed simultaneously with this Declaration are hereby declared and established.

## **ARTICLE 19            INTERPRETATION**

19.1 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium. It is intended and covenanted also that, insofar as it affects this Declaration and Condominium, the provisions of the Act under which this Declaration is operative, shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

19.2 Consistent with the Act. The terms used in this Declaration shall have the same meaning as given to them by RCW 64.34.020.

19.3 Covenant Running with the Land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

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

19.5 "Person", etc. When interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The term "mortgage" may be read to include deeds of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

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

19.8 Interpretation. The term "owner" shall be synonymous with the term "unit owner" and any other person who owns a unit including the vendee under a real estate contract.

19.9 Decisions. All decisions that require owner approval shall be made at meetings of the Association or by written consent pursuant to the Bylaws of the Association.

19.10 The Act. The Act and the specific references to sections of the Act refer to those sections of the Act as they existed on the date of this Declaration and subsequent changes and amendments to



those sections are not incorporated unless required by law.

19.11 Declarant. Means the original Declarant and any successor person or entity.

19.12 Unit. A Unit means a physical portion of the condominium designated for separate ownership as further defined in RCW 64.34.020.

19.13 Unit Owner. A unit owner means a person who owns a unit, but does not include a person who has interest in a unit solely as security for an obligation, as defined under RCW 64.34.020(32).

19.14 Rental/Leased Unit. A unit not occupied by the Unit Owner, where the Unit Owner receives compensation for the unit use.

**ARTICLE 20                    PROCEDURES FOR SUBDIVIDING OR COMBINING**

Subdivision and/or combining of any unit or units, common elements and facilities, or limited common elements and facilities are authorized only as follows:

Any owner of any unit or units may propose any subdividing or combining of a unit or units, and appurtenant common elements or limited common elements in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration and Survey Map and Plans covering such subdividing or combining, to the Association, which shall then notify all other unit owners of the requested subdivision or combination. Upon written approval of such proposal by sixty-seven percent (67%) of the owners, the owner making the proposal may proceed according to such plans and specifications; provided that the Association may in its discretion (but it is not mandatory that the Association exercise this authority) require that the Association administer the work or that provisions for the protection of other units or common elements or reasonable deadlines for completion of the work be inserted in the contracts for the work.

The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of section 21.1.

**ARTICLE 21                    AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS**

21.1 Declaration Amendment. Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Association prior to its adoption by the owners. Amendments may be adopted at a meeting of the owners if sixty-seven percent (67%) of the owners consent in writing to such amendment, subject to further limitations set forth in RCW 64.34.264. In all events, the amendment when adopted shall bear the signature of the President of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. Any decision changing the percentage of interest in the common elements and voting expressed herein, shall require the unanimous consent of the unit owners and their eligible mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of



the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the section being amended or the amendment itself.

21.2 Termination of Condominium. The Condominium established pursuant to this Declaration shall be terminated as provided in RCW 64.34.268.

## **ARTICLE 22**      **MISCELLANEOUS**

22.1 Service of Process. Service of process for the purposes provided in the Act may be made upon the President of the Association at the Association address. The Association may, at any time, designate a new or different person or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change. Such amendment need only be signed and acknowledged by the then President of the Association

22.2 Delivery of Notice. Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Association, in writing, for the purpose of service of such notice, or to the most recent address known to the Association. Notice to the owner or owners of any unit shall be sufficient if mailed to the unit of such person or persons if no other mailing address has been given to the Association by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Association. Notice to be given to the Association may be given to the President or Secretary of the Association.

22.3 Mortgagee Notice. Upon written request therefore, any eligible mortgagee shall be entitled to be sent a copy of any notices respecting the unit covered its security instrument until the request is withdrawn or the security right discharged.

22.4 Acceptance Upon First Conveyance. Declarant shall not consummate the conveyance of title of any unit until mortgagees shall have accepted the provisions of this Declaration and made appropriate arrangements, in accordance with the Act, for partial release of units with their appurtenant limited common elements and allocated interest in common areas from the lien of such mortgage. The issuance and recording of the first such partial release by said mortgagee shall constitute its acceptance of the provisions of this Declaration and the Condominium status of the units remaining subject to its mortgage as well as its acknowledgment that such appropriate arrangements for partial release of units have been made; provided, that, except as to units so released, such mortgage shall remain in full effect as to all of the Real Property.

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

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

22.7 Reference to Survey Map and Plans. The Original Survey Map and Plans referred to herein



were filed with the Auditor of Skagit County, State of Washington, Skagit County Auditors File Number 9905260006.

This Revised Declaration is recorded with the Auditor of Skagit County, State of Washington, Skagit County Auditors File Number \_\_\_\_\_

Dated this 6<sup>th</sup> Day of December, 2012

President, Alpine Fairway Villas Condominium Owners Association

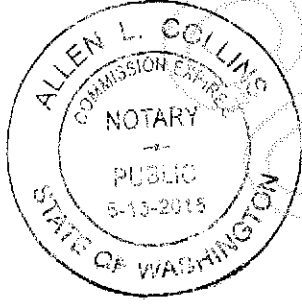
By Linda L. Hall

STATE OF WASHINGTON )  
 )ss.  
COUNTY OF SKAGIT )

On this 6<sup>th</sup> day of December, 2012, before me personally appeared Linda L. Hall, to me known to be the President of Alpine Fairway Villas Condominium Owner's Association that executed the within and forgoing instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Allen L. Collins  
Notary Public in and for the State of Washington,  
Residing at Moient Vernon  
My Commission Expires 05-15-2015



### Exhibit A

Lot #	Parcel ID	Address	Unit sf	Levels	Fireplace	Bdrms	Baths	Garage stalls	% Allocation
1A	113813	1400	1630	2	1	4	3	2	4.76%
1B	113814	1402	2900	2	2	2	3	2	4.76%
2A	113815	1406	2663	2	1	3	3	2	4.76%
2B	113816	1408	2689	2	1	3	3	2	4.76%
3A	113817	1412	1491	1	1	2	2	2	4.76%
3B	113818	1414	1850	1	1	3	2	2	4.76%
4A	113819	1416	2243	2	1	3	3	2	4.76%
4B	113820	1418	1820	1	1	3	2	2	4.76%
5A	113821	1504	1536	1	1	2	2	2	4.76%
5B	113985	1508	1685	1	1	2	2	2	4.76%
6A	113987	1518	2361	2	1	3	3	2	4.76%
6B	113988	1520	2361	2	1	3	3	2	4.76%
7A	113989	1501	2100	2	1	3	3	2	4.76%
7B	113990	1507	1615	1	1	2	2	2	4.76%
7C	113991	1509	2166	1	1	3	2	2	4.76%
8A	113992	1415	2170	1	1	3	2	2	4.76%
8B	113993	1417	1844	1	1	3	2	2	4.76%
9A	113994	1407	1428	1	1	2	2	2	4.76%
9B	113995	1409	1710	1	1	2	2	2	4.76%
10A	113996	1401	1904	1	1	3	2	2	4.76%
10B	113997	1405	1995	1	1	3	2	2	4.76%



201212120046  
Skagit County Auditor