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**AFTER RECORDING, RETURN TO:**

**ADAPTIVE LAW FIRM PS**  
107 State Street  
Sedro-Woolley, WA 98284

**TITLE OF DOCUMENT:**

**CONDOMINIUM DECLARATION CONTAINING  
COVENANTS, CONDITIONS, RESTRICTIONS AND  
RESERVATIONS FOR BRICKYARD TOWNHOMES**

**GRANTOR/GRANTEE:**

**SINGH ENTERPRISES LLC**

**FULL LEGAL:**

Lots 1, 3 and 4 as delineated on Short Plat No. (SW) SP-04-99,  
as approved on May 7, 2007 and recorded on May 24, 2007  
under Auditor's File No. 200705240095 formerly known as Lot  
7, Block 2, "Rosedale Garden Tracts of Sedro Woolley", as per  
plat in Volume 3 of Plats, Page 52, records of Skagit County,  
Washington.

Access provided across "Tract A - Shared Driveway" according  
to said Short Plat.

Subject to and together with Easements of Record.

**TAX PARCEL NOS:**

**P126138, P126139, P126140**

**THIS DECLARATION AND ACCOMPANYING SURVEY MAP DO NOT CREATE, AND ARE  
NOT INTENDED TO CREATE, ANY NEW TAX PARCELS.**

**CONDOMINIUM DECLARATION CONTAINING  
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS  
FOR BRICKYARD TOWNHOMES**

**ARTICLE I:  
INITIAL MATTERS**

1.1 **Name and Type of Community and its Association.** The name of the Community is Brickyard Townhomes. The Community is a condominium as defined in the Governing Law. The Community's Association, described with greater particularity in Section 7.1 below, is a Washington Nonprofit Miscellaneous and Mutual Corporation known as Brickyard Townhomes Owners Association.

1.2. **Description and Dedication of Real Property Included in Condominium.** The legal description of the land on which the Unit Structures and other improvements of the Condominium are located is as follows:

Lots 1, 3 and 4 as delineated on Short Plat No. (SW) SP-04-99, as approved on May 7, 2007 and recorded on May 24, 2007 under Auditor's File No. 200705240095 formerly known as Lot 7, Block 2, "Rosedale Garden Tracts of Sedro Woolley", as per plat in Volume 3 of Plats, Page 52, records of Skagit County, Washington.

Access provided across "Tract A – Shared Driveway" according to said Short Plat.

Subject to and together with Easements of Record.

Singh Enterprises, LLC hereinafter referred to as the "Declarant," hereby submits said land, together with all legally associated easements, rights, appurtenances and improvements, collectively referred to hereinafter as "the Property," to the provisions of the Washington Uniform Common Interest Ownership Act ("WUCIOA," or "Governing Law", i.e., Chapter 64.90 of the Revised Code of Washington).

1.3. **Reference to Survey Map.** Contemporaneously with the recordation of this Declaration, the Declarant has recorded with the Auditor of Skagit County, Washington a Survey Map and Plans for Brickyard Townhomes showing the location and dimensions of the land described in Section 1.2 above and the location and dimensions of the improvements constructed or contemplated to be constructed thereon, together with other information required by the Governing Law; this instrument is hereinafter together referred to as the "Survey Map"; the Survey Map is recorded at Auditor's File No.

**202005220095**

1.4. **Purpose of Declaration.** This Declaration states covenants, conditions, restrictions and reservations intended by the Declarant to effect a common plan for the Condominium development of the Property mutually beneficial to all of the described Units. The covenants, conditions, restrictions, reservations and plan, including without limitation the statutory lien for Assessments described at Subsection 10.15 hereof, that may be foreclosed by the Association non-judicially under the Power of Sale granted herein, are binding upon the entire Property and upon each such Unit created therein as a

parcel of realty, and upon its Owners and their heirs, personal representatives, family members, guests, invitees, tenants, licensees, successors and assigns, through all successive transfers of a Unit or of any other any part of the Property, irrespective of whether specifically referred to in deeds, contracts or security instruments, and regardless of any subsequent forfeitures, foreclosures, or sales of Units under security instruments, or of any forfeitures, foreclosures, or sales instituted for nonpayment of government tax, levy or assessment of any kind.

1.5. **Nature of the Units.** The boundaries of each Unit are established by the Survey Map.

## **ARTICLE II: DEFINITIONS**

2.1. “Allocated Interest” means the undivided interest in the Common Elements, the Common Expense liability, and votes in the Association allocated to each Unit by the provisions of Sections 5.2, 7.4.2 and 10.5 of this Declaration, pursuant to RCW 64.90.235.

2.2. “Areas of Common Responsibility” means the Common Elements, obligations imposed on the Condominium by easements or other recorded documents prior to the date of this Declaration, and any other areas for which the Association has or assumes responsibility pursuant to the terms of this Declaration, or other applicable easements, covenants, contracts, or agreements. The Areas of Common Responsibility include the following to the extent they are Common Elements: the concrete driveways, covered entry walkways, concrete patios, stairwells, landings, backyard area, exterior fencing, all retaining walls, mailbox facility, any improvements or portion of the driveway and landscaping located within the adjoining shared driveway (Tract A).

2.3. “Assessment” means all sums chargeable by the Association against a Unit including, without limitation: (a) Regular and Special Assessments for Common Expenses, and Specially Allocated Assessments for other expenses, charges, or fines imposed and levied by the Association; (b) interest and late charges on any delinquent account; and (c) all costs of collection, including reasonable attorneys’ fees, incurred by the Association in connection with the collection of a delinquent Owner’s account.

2.4. “Association” means the Brickyard Townhomes Owners Association that is described in Article VII of this Declaration.

2.5. “Board” means the body with primary authority to manage the affairs of the Association, as provided in RCW 64.90.410(1).

2.6. “Bylaws” means the bylaws of the Association as initially promulgated by the Declarant and as amended from time to time by the Association.

2.7. “Common Elements” means all portions of a Condominium other than the Units.

2.8. “Common Expense” means any expense of the Association, including allocations to Reserves, allocated to all of the Unit Owners in accordance with Common Expense liability. The term “General

Common Expenses” is sometimes used herein to describe Common Expenses other than Specially Allocated Expenses.

- 2.9. “Common Expense Liability” means the liability for Common Expenses allocated to each Unit pursuant to the Governing Law and Section 10.6 of this Declaration.
- 2.10. “Condominium” means the Brickyard Townhomes created by this Declaration and the Survey Map recorded simultaneously therewith pursuant to the Governing Law.
- 2.11. “Declarant” means Singh Enterprises, LLC and its successors and assigns.
- 2.12. “Declaration” means this document, which creates the Condominium by setting forth the information required by Governing Law, and any amendments to this document.
- 2.13. “Eligible Mortgagee” means the holder of a mortgage on a Unit that has filed with the Secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of mortgagees. The term “Eligible Mortgagee” also includes the “servicer” of a mortgage that has been acquired by a secondary mortgage market entity such as the Federal National Mortgage Association (“FNMA” or “Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”) or the like.
- 2.14. “Foreclosure” means a statutory forfeiture or a judicial or nonjudicial foreclosure of a security interest or a deed or other conveyance in lieu of a security interest.
- 2.15. “Governing Documents” means the Declaration, the Survey Map, any Rules or resolutions adopted by the Board of Directors, and any amendments to any such instruments.
- 2.16. “Governing Law” means the Washington Uniform Common Interest Ownership Act (Chapter 64.90 RCW) or any successor statute, and any amendments thereto.
- 2.17. “Identifying Number” means a symbol or address that represents the designation of each Unit or in the Condominium. A list of Identifying Numbers for both the Units, along with other information required by the Governing Law, is attached as Exhibit “A” to this Declaration.
- 2.18. “Limited Common Element” means a portion of the Common Elements allocated by Article VI of the Declaration for the exclusive use of one or more but fewer than all of Units.
- 2.19. “Manager” or “Managing Agent” shall mean a natural person or business entity regularly engaged in the business of managing common interest communities.
- 2.20. “Mortgage” means a mortgage, deed of trust or real estate contract.
- 2.21. “Notice” means a notice provided under the provisions of RCW 64.90.515.
- 2.22. “Occupant” means a natural Person lawfully occupying any Unit; the term includes without limitation Unit Owners, and family members, employees and tenants of Unit Owners.

- 2.23. "Organizational Documents" means the instruments filed with the Secretary of State to create the Association and the instruments governing the internal affairs of the Association including, but not limited to, its Articles of Incorporation and Bylaws.
- 2.24. "Person" means an individual, corporation, business trust, estate, the trustee or beneficiary of a trust that is not a business trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal entity.
- 2.25. "Preventative Maintenance" means such Upkeep as shall be necessary from time to time to prevent premature failure, of any component of a Unit, Unit Structure, or the Common Elements.
- 2.26. "Purchaser" means any Person, other than the Declarant or a dealer, who or which by means of a voluntary transfer acquires a legal or equitable interest in a Unit other than as security for an obligation.
- 2.27. "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- 2.28. "Reserve" or "Reserves," when used as a noun, means money on deposit in a Reserve Fund or Reserve Account, which terms are synonymous, established pursuant to RCW 64.90.535.
- 2.29. "Rule" means a policy, guideline, restriction, procedure, or regulation of the Association, however denominated, that is not set forth in the Declaration or Organizational Documents and that governs the conduct of Persons or the use or appearance of property. Rules may be adopted by the Board.
- 2.30. "Security Interest" means an interest in real estate or personal property, created by contract or conveyance that secures payment or performance of an obligation. "Security interest" includes a lien created by a mortgage, deed of trust, real estate contract, lease intended as security, assignment of lease or rents intended as security, and any other consensual lien or title retention contract intended as security for an obligation.
- 2.31. "Specially Allocated Expense" means any expense of the Association, including allocations to Reserves, allocated to some or all of the Unit Owners and assessable against their respective Units pursuant to RCW 64.90.480 (4) through (8).
- 2.32. "Specially Allocated Assessment" means an Assessment made or deemed to be made by the Association against Units to which Specially Allocated Expenses are allocated under Section 10.8 of this Declaration.
- 2.33. "Survey Map" means the Map for the Condominium and any amendment thereto prepared in accordance with the Governing Law.
- 2.34. "Timeshare" shall have the same meaning specified in the timeshare act, RCW 64.36.010(11).
- 2.35. "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 4.2 hereof.

2.36. "Unit Owner" means the Declarant or any other Person who owns a Unit but does not include a Person who has an interest in a Unit solely as security for an obligation. "Unit Owner" means the vendee and not the vendor of a Unit under a real estate contract.

2.37. "Unit Structure" means the residence located within a Unit.

2.38. "Upkeep" means any care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction that is necessary to maintain property in a decent, safe and sanitary condition, in keeping with standards established in the Governing Documents of the Condominium.

### **ARTICLE III: DESCRIPTION OF LAND, PROJECT TYPE & BUILDINGS**

3.1. **Land and Street Address.** The Condominium is located at 219, 221 and 225 North Reed Street, Sedro-Woolley, Skagit County, Washington, which is more particularly described in Section 1.2 above.

3.2. **Project Type—Buildings.** This Condominium is a duplex condominium project with Units that contain half of an existing duplex structure (or Unit Structure) designed for residential use, as described with greater particularity in Subsections 9.1.1 and 9.1.2 of this Declaration. The duplex building has attached dwellings, which means the Unit Structure in each Unit is attached to each other and shall remain attached.

### **ARTICLE IV: THE CONDOMINIUM UNITS**

4.1. **Units.** The Condominium contains six (6) Units. All Units are shown on the Survey Map. All the space, the Unit Structure and other improvements located within the boundaries of a Unit shall constitute that Unit. It is intended that each Unit will contain only one residence and that each Unit Structure will be located entirely within its Unit.

4.2. **Unit Boundaries.** The Units consist of an envelope of space, the perimeter boundaries of which on the surface of the land are located and depicted on the Survey Map and which boundaries extend below and above the ground elevation for each Unit as shown on the Survey Map. A Unit shall include the Unit Structure, improvements, and fixtures now or hereafter located within the Unit, except any items located therein that are designated Common Elements. A Unit does not include any of the Common Elements described in Section 6 or shown on the Survey Map, even if these Common Elements are located partially or entirely within a Unit and the Association shall have an easement over the Unit to access the Common Element.

4.3. **Monuments as Boundaries.** The physical boundaries of a Unit constructed in substantial accordance with the original Survey Map constitute its boundaries, rather than any metes and bounds

expressed in the Survey, regardless of settling or lateral movement of the Unit Structures or minor variance between boundaries shown on the Survey Map and those of the Unit Structures.

**4.4. Maintenance and Repair of Unit Structures Within Units.**

4.4.1. Except as otherwise provided here, each Unit Owner, at their sole expense, has the right and the duty to keep the interior and exterior of their Unit Structure, and all other improvements within the Unit (including their half (1/2) of the duplex dwelling structure, all fixtures, 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. There may be a limited area of landscaping within the Unit around the Unit Structures that is the responsibility of the Unit Owner. The Unit Owner shall maintain such areas in a good and orderly condition. All Common Elements, including the Areas of Common Responsibility, shall be the responsibility of the Association, as described in this Declaration.

4.4.2. If the Association maintains insurance on the Unit Structures within a Unit then pursuant to the Declaration the Association shall supervise and cause to be performed any repairs resulting from an insured loss-by using available insurance proceeds. Otherwise, the Unit Owner shall be responsible for the replacement or repair of any Unit Structure in each Unit if all, or any portion thereof, is destroyed by fire or any other cause. In the event any Unit Structure or any portion thereof is destroyed by fire or other cause, such work shall be completed within six (6) months from the date of damage. In the event that the Unit Owner fails to repair or replace the Unit Structure located within their Unit within said six (6) months, then the Association shall have the right (but not obligation) to undertake and complete said repairs or replacement. Upon demand any insurance proceeds with respect to the damage or borrowed funds shall be paid to the Association by the Unit Owner or insured. Any funds expended by the Association on the repair or replacement of the Unit shall constitute a Special Assessment against the damaged Unit and a lien under the provisions of the Declaration, together with applicable interest and attorney fees: This right to rebuild is not intended to constitute the sole remedy of the Association for the failure of a damaged or destroyed Unit Owner to repair or rebuild, but all rights for such breach are preserved. In the event that the Association fails to exercise its rights to rebuild under this section, the Owner of the Unit adjoining the damaged Unit shall have the right to do so and shall have all rights granted to the Association hereunder.

4.4.3. Unless one hundred percent (100%) of the votes in the Association vote otherwise, the Unit Structure exteriors shall be reviewed and cost estimates obtained every ten (10) years and painted at least once every fifteen (15) years. Replacement roofing and siding material shall be the same, as far as possible, in color and style as the roofing and siding Materials as of the recording of this Declaration, including paint, on the residences within the Condominium. Utilization of different exterior materials including, without limitation, roofing materials, building siding materials and fencing must be approved by the Association before installation.

4.4.4. Subject to the provisions of this Declaration and other provisions of law, a Unit Owner may make any improvements to or within the Owner's Unit that does not cause the external appearance of the

Unit Structure to be in any manner inconsistent with this Declaration and does not affect the structural integrity or mechanical or electrical systems or lessen the support of any Unit or any portion of the Condominium. Provided, this Section does not apply to any portion that is part of the Common Element. In addition, all landscaping shall remain substantially the same as what exists as of the date of this Declaration, unless changes are approved by the Association.

4.4.5. The Association is authorized and empowered, but not required, to assess monies for maintenance, repair and replacement of the roof, siding and for exterior painting of the Unit Structures. This includes the right to establish reserve accounts for said work. The Association shall supervise and manage all work on the roof, siding and all exterior painting.

4.4.6. The current Unit Structures shall continue to be attached single family dwellings and both sides shall remain architecturally the same.

4.4.7. In addition to the rights provided herein, the Association may perform all major maintenance, repairs and replacements of the building enclosures and any, regular maintenance which it elects to perform for both Unit Structures. In such an event, the Association's cost of maintaining the building enclosures for the Unit Structures shall be a Specially Allocated Expense to the Owner of that residence and the Association shall conduct a Specially Allocated Assessment.

4.5 **Relocation of Unit Boundaries.** Subject to the provisions of any applicable building, zoning, or other applicable regulations and the consent of any Eligible Mortgagees, boundaries of adjoining Units may be relocated as provided in the Governing Law and subject to the provisions of this Declaration. All fees and costs in connection with such reallocations, including without limitation, legal fees and recording costs for the amendment to the Declaration and the Survey Map, shall be the sole responsibility of the Unit Owners seeking the relocation shall be paid directly by such Unit Owners or upon the Association's presentation of invoice for such amounts.

#### **ARTICLE V: COMMON ELEMENTS**

5.1. **Description of Common Elements.** Except as otherwise specifically reserved, assigned or limited by the provisions of Article VI hereof, the Common Elements of the Condominium consist of the following:

5.1.1. The real property described in Section 1.2 above, except the portions thereof contained within a Unit.

5.1.2. Any utility lines providing service to both of the Units. Installations of services for common use such as main power lines, exterior lighting, main water or sewer lines, pipes, conduits, and wires, wherever they may be located, whether in partitions or otherwise; any tanks, pumps, motors, fans, compressors, heating or cooling units, filtration systems, chutes or ducts serving common areas; any common trash receptacles, containers, any common mailbox facilities, and in general any and all apparatus and installations existing for common use rather than for any one Unit.

5.1.3. The asphalt driveway and asphalt area (not part of the Unit or not allocated as a Limited Common Element by this Declaration), as shown on the Survey Map.

5.1.4. The backyard areas.

5.1.5. Any perimeter or privacy fence and all retaining walls within the Property.

5.1.6. Any appurtenant easements benefiting the Condominium.

5.1.7. The Areas of Common Responsibility.

5.1.8. Those areas shown as Common Elements on the Survey Map.

5.2. **Allocated Interests in the Common Elements.** Pursuant to RCW 64.90.235, the Declarant has allocated to each existing Unit in the Condominium an undivided interest in the Common Elements of the Condominium, which is known as the Unit's Allocated Interest in the Common Elements. These undivided interests have been allocated equally among the Units. Each Unit's Allocated Interest in the Common Elements is expressed as a percentage and stated with particularity on the attached Exhibit "A".

5.3. **Maintenance, Repair and Replacement.** The Condominium Association is generally responsible for maintenance, repair, and replacement of the Common Elements, including the Limited Common Elements and all Areas of Common Responsibility. The Common Elements and Areas of Common Responsibility shall be maintained in good order and repair by the Association and shall not be modified or changed without approval of the Association.

5.4. **Schedules for Preventative Maintenance, Other Routine Maintenance and Reserves.** The Board, with the assistance of competent professionals, should develop a schedule of routine Preventative Maintenance for all components of the Common Elements that require same, establishing appropriate times during each year when such maintenance should occur, and identifying qualified contractors to perform such inspections and Preventative Maintenance.

5.5. **Rights of Use and Access.**

5.5.1. *Owners' Rights of Use of Common Elements.* Subject to the provisions of Section 5.6 below and other provisions of the Governing Documents, the Unit Owners have a right to use the Common Elements that are not Limited Common Elements for the purposes for which the Common Elements were intended.

5.5.2. *Units Subject to Rights of Access.* Each Unit Owner shall afford to the Association and, as needed, to other Unit Owner(s), and to their respective agents or employees, access through such Owner's Unit and any appurtenant Limited Common Elements reasonably necessary for the purposes stated in Subsection 8.4.1 below, including necessary inspections by the Association, and for repairs to the other Unit or to Limited Common Elements. If damage is inflicted on the Common Elements, or on any Unit through which access is taken the Unit Owner responsible for the damage, or the Association if it is responsible, shall be liable for the repair thereof.

5.6. **No Interference with Common Elements.** No Person shall obstruct any of the Common Elements nor shall any Person place or cause or permit anything to be placed or stored on or in any of the Common Elements (except those areas designated for storage by the Governing Documents) without the approval of the Board. Nothing shall be damaged, altered, constructed in, or removed from the Common Elements except with the prior written consent of the Board of Directors.

5.7. **Parking Spaces.** There are no Common Element parking spaces in the Condominium. Each Unit Owner must park within their Unit, as indicated on the Survey Map. Unit Owners, Occupants, and their tenants and guests may park within the Common Element asphalt driveway area, as long as they do not block access to any other Units, and such parking is temporary in nature. In addition, they must be operative automobiles and someone must be present within the Unit who may move the vehicle if necessary. Additionally, the shared driveway (Tract A) is shared with Lot 2, as indicated on the Survey Map. No parking or other action shall be done to interfere with such use. Parking of any motor vehicle at any location within the Condominium, outside of the boundaries of a Unit, is subject to the absolute limitation that no such motor vehicle shall obstruct in any fashion the free passage of vehicles and/or pedestrians to and from the other Unit. Unit Owners, Occupants, and their tenants and guests may park their motor vehicles within their respective Units at any time without limitation.

#### ARTICLE VI: LIMITED COMMON ELEMENTS

6.1. **Description of Limited Common Elements.** Limited Common Elements consist of the following:

6.1.1. Any utility or service lines providing service to one of the Units but not the adjacent Unit.

6.1.2. The concrete driveway areas and patios shown on the Survey Map, which are allocated to the immediately adjacent Unit(s).

6.1.3. The roofs, foundations, columns, girders, studding, joists, beams, supports, main walls, and all other structural parts of the Building, to the boundaries of the Units as described in Section 4.2 of this Declaration and depicted on the Survey Map.

6.1.4. Any other Limited Common Elements as may be depicted and labeled on the Survey Map, as amended.

6.2. **Reservation of Use.** Limited Common Elements are reserved for the exclusive use of the Unit Owner of the Unit to which they are assigned by this Declaration and such Owner's respective tenants, invitees, and licensees.

6.3. **Maintenance and Installation of Limited Common Elements.** Each Owner of a Unit to which any of the above-described Limited Common Elements are appurtenant shall be responsible for cleaning and caring for such Limited Common Elements and keeping them in sightly condition.

**ARTICLE VII:  
UNIT OWNERS ASSOCIATION**

7.1. **Name and Form of Association.** The name of the Association shall be “Brickyard Townhomes Owners Association.” The Association has been or will be incorporated by the Declarant prior to the first conveyance of a Unit in the Condominium as a non-profit corporation under the laws of the State of Washington. The rights and duties of the members and of said corporation shall be governed by the provisions of the Governing Law and of this Declaration. The Association shall remain organized as a nonprofit corporation. In case of any conflict between Chapter 24.06 RCW, the Nonprofit Miscellaneous and Mutual Corporations Act, and the Governing Law, the Governing Law shall control.

7.2. **Powers & Duties of Association.**

7.2.1. *Duties & Responsibility of Association.* The purposes for which the Association was formed are: to maintain, repair, replace and manage the Common Elements of the Community; to provide necessary insurance coverage; and to enforce provisions of the Governing Documents, so as to protect the safety and well-being of Occupants of the Condominium and preserve the long-term value of the Condominium Property for the benefit of the Unit Owners. The Board shall consistently adopt Budgets for the Association for operations and Reserves that are reasonably calculated to assure that these essential purposes are realized each year of its existence, on into the indefinite future.

7.2.2. *Statutory Powers Exercised by Board of Directors.* Except for rights of Unit Owners explicitly reserved in the Governing Law or as elsewhere provided in the Governing Documents, the Board of Directors shall have the exclusive right and power to govern the Association and shall have all powers available to community associations under the Governing Law in order to do so. Such powers are set forth with particularity in the Initial Bylaws of the Association and, except as otherwise expressly provided herein are not limited in this Declaration.

7.3. **Membership in Association.** Membership in the Association is automatically associated with and appurtenant to the ownership of a Unit in the Condominium under the Governing Law. Except in the case of a termination of the Condominium, the membership of the Association at all times consists exclusively of all Unit Owners. Rights and privileges of membership are specified in the Bylaws of the Association.

7.4. **Voting.**

7.4.1. *Voting Process.* The manner of voting shall be as prescribed in the Bylaws.

7.4.2. *Allocated Interests for Voting.* The Declarant has allocated to each Unit in the Condominium an equal vote in the Association that is known as the Unit’s Allocated Interest for voting, or “vote.”

7.5. **Bylaws of Association.**

7.5.1. *Bylaws.* Bylaws for the administration of the Association and for other purposes

not inconsistent with this Declaration have been or will be prepared by the Declarant.

7.5.2. *Hierarchy of Authority.* If a conflict ever exists between the Declaration and the Bylaws or other Organizational Documents, the Declaration prevails except to the extent the Declaration is inconsistent with the Governing Law.

**ARTICLE VIII:  
MANAGEMENT OF CONDOMINIUM ASSOCIATION**

**8.1. Authority of the Board.**

8.1.1. *General Authority.* The Board, for the benefit of the Condominium and the Owners, shall have the authority to manage the project and enforce the provisions of the Governing Documents and Bylaws. The Board has all powers and authority granted to the Association under the Governing Law and this Declaration that are not expressly subject to the approval of Unit Owners.

8.1.2. *Common Expenses.* The Board shall acquire and shall pay for, as Common Expenses, all goods and services requisite for the proper functioning of the Condominium.

8.1.3. *Liens or Encumbrances.* The Board may also pay any amount necessary to discharge any lien or encumbrance that is claimed to constitute a lien against Common Elements or any portion thereof in violation of RCW 64.90.490(1). Where one or more Owners are responsible for the existence of such lien, they shall lie jointly and severally guilty of willful misconduct or gross negligence and thus liable for the cost of discharging it, and any costs and expenses incurred by the Board by reason of such lien or liens shall constitute Specially Allocated Assessments against the Units responsible, to the extent of their responsibility.

8.1.4. *No Business Authority.* Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

8.1.5. *Restrictions on Regulatory Authority.* Pursuant to RCW 64.90.510, the Board may adopt reasonable Rules governing the time, place, or manner of displaying the flag of the United States necessary to protect a substantial interest of the Association, and may also adopt Rules governing the time, place, size, number, and manner of the display of signs regarding candidates for public or Association office, or ballot issues, on or within a Unit or Limited Common Element. See Subsection 9.1.4 hereof for further details; and,

8.1.6. *Further Restrictions on Board's Authority.* Pursuant to RCW 64.90.410(4), the Board may not, without the vote or agreement of the Unit Owners:

- (a) Amend the Declaration, except as provided in RCW 64.90.285;
- (b) Amend the Organizational Documents of the Association;
- (c) Terminate the Condominium;

(d) Elect members of the Board, but the Board may fill vacancies in its membership not resulting from removal for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of Board members; or

(e) Determine the qualifications, powers, duties, or terms of office of Board members.

8.2. **Board as Attorney in Fact.** Each Owner, by the act of becoming an Owner of a Unit, shall be deemed to have irrevocably appointed the Board of Directors as their attorney-in-fact, with full power of substitution, to take such actions as are reasonably necessary to perform the duties of the Association and Board hereunder, including, but not limited to, the duties to maintain, repair and improve the Property, to deal with the Unit upon damage or destruction, to grant licenses and easements, and to secure and distribute condemnation awards- and/or insurance proceeds.

#### **ARTICLE IX: PERMITTED USES; ARCHITECTURAL CONSISTENCY**

##### **9.1. Permitted Uses.**

9.1.1. *Residential Use.* The Unit Structures and Units shall be used for residential purposes and for common social, recreational or other reasonable uses normally incident to such purposes. Portions of a Unit Structures may also be used for a professional office or other low impact commercial use, provided that such use is consistent with all applicable laws, ordinances and regulations of any governmental authority with jurisdiction, and so long as such use does not generate any appreciable levels of client or customer traffic, bulk shipping or receiving, or create noise, odors, vibration or other unreasonable disturbance to other lawful Occupants of the Condominium.

9.1.2. *Commercial Uses Restricted.* Other than any commercial uses authorized in Section 9.1.1 hereof, there shall be no commercial uses permitted within Units or on the Condominium Property.

9.1.1. *Vehicle Parking and Operation—Storage Areas.* Parking areas, including but not limited to the Limited Common Element driveway areas, are restricted to use for parking of operable, properly licensed automobiles, motorcycles, light trucks and family vans. Other items and equipment may be parked or kept therein only if expressly permitted by Rules and only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. The Association may direct that any vehicle or other item improperly parked or kept on the Common Elements be removed at the risk and cost of the Owner thereof. See Section 5.7 for more details on Parking.

9.1.4. *Signs and Flags.* Except as otherwise provided herein, no sign of any kind shall be displayed to the public view on or from any Unit or Common Elements, including their windows and deck areas; without the prior consent of the Board. PROVIDED, that this Subsection shall not apply to Declarant or Declarant's agents, nor shall it be deemed to prohibit the Owner of a Unit from displaying a sign, of such type and in such location as may have been approved in writing by the Board, for a period of fling in which the Owner's Unit is for sale or rent. This provision is subject to matters governed by applicable state or federal law, and in particular the provisions of RCW 64.90.510, regarding the flying of flags and the display of political signage. In this regard: (1) "flag of the United States" means the flag of

the United States as described in 4 U.S.C. Sec. 1 *et seq.* that is made of fabric, cloth, or paper. “Flag of the United States” does not mean a flag, depiction, or emblem made of lights, paint, roofing, siding, paving materials, flora, or balloons, or of any similar building, landscaping, or decorative components; and (2) the Association may not prohibit display of signs regarding candidates for public or Association office, or ballot-issues, on or within a Unit or Limited Common Element, but the Association may adopt Rules governing the time, place, size, number, and manner of those displays, and no flag or sign may be placed in the General Common Elements without the advance written consent of the Board which consent may be withheld for any or no reason.

9.1.5 *Animals.* The maintenance, keeping, boarding and/or raising of animals, livestock, poultry, or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of small birds, aquarium fish, well-behaved dogs and/or cats and other well-behaved domestic animals that do not normally leave the Unit or its adjacent Limited Common Elements is permitted, subject to Rules adopted by the Board of Directors. The owner of any animal maintained within the Condominium Property shall exercise appropriate control over the animal, and shall clean up after such animal and shall not permit deposits of fecal matter, urinary residue or foodstuffs from or for such animal to remain anywhere within the Common Elements, but shall properly dispose of all such waste material in a safe and sanitary fashion. Any Person who keeps or maintains any animal upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal within the Condominium. All animals shall be registered and inoculated as required by law.

9.1.6. *Offensive or Illegal Activity.* No noxious, offensive, smelly or illegal activity shall be carried on in any Unit or the Common Elements, nor shall anything be done therein that is or may become an unreasonable source of nuisance to other Owners or other lawful Occupants of the Condominium Property.

9.1.7. *Decks, Patios and Carport Areas.* To preserve an uncluttered and uniform architectural appearance to the Unit Structures, and to protect the health and safety of Occupants of the Condominium, it shall be regulated as to prevent unsightly, unsafe or unsanitary accumulations of material that are visible from the other Unit, the Common Elements or from outside the project, or that pose an unreasonable risk of harm to persons or property. Each such deck, patio, or carport area shall be maintained by the Owner of the Unit to which it is incorporated in a neat and tidy manner, consistent with such rules and regulations that the Board of Directors may promulgate with respect thereto. At a minimum, no additional light fixtures or lighting devices may be placed within or upon any deck or patio structure absent the written approval of the other Unit Owner. The angle of light fixtures and use of bulbs shall be done to reasonably minimize the light impact on the adjoining Unit.

9.1.8. *Effect on Insurance.* Nothing shall be done or maintained in any Unit or in the Common Elements that will increase the rate of insurance on the Common Elements or Units without the prior written consent of the Board. No Owner or Occupant shall permit anything to be done or maintained in their Unit or in the Common Elements that will result in the cancellation of any policy of insurance maintained by the Association.

9.1.9 *Timesharing*. Timesharing is not permitted in this Condominium, and no Unit in the Condominium may be conveyed or held pursuant to any timeshare plan.

9.1.10. *Non-Smoking Policy*. The entire Condominium, except for the interior of a Unit Structure, is declared to be a no smoking area. No Unit Owner, tenant, Occupant or guest shall smoke cigarettes, cigars, pipes or any other tobacco, marijuana or other smoking product or substance within the Common Elements of the Condominium, including any Limited Common Elements. Nor shall any Unit Owner, tenant, Occupant or guest, cause the release of any smoke of any sort out of the boundaries or confines of a Unit Structure. Any failure to adhere to these requirements which unreasonably annoys, injures or endangers the comfort, repose, health or safety of any person(s) lawfully occupying any other Unit, Unit Structure or using any of the Common Elements of the Condominium, shall constitute a nuisance. The Board may by written resolution provide for smoking areas within the Condominium property, which may be modified or terminated at the discretion of the Board.

## ARTICLE X: COMMON EXPENSES AND ASSESSMENTS

### 10.1. **Annual Budget for the Association.**

10.1.1. *General Provisions for the Annual Budget*. At such other time as may be deemed necessary or desirable by the Board of Directors, but more than thirty (30) days prior to the Meeting described in Section 10.2 hereof, the Board shall prepare an Annual Budget that shall estimate the Common Expenses and those Specially Allocated expenses that are subject to inclusion in the Budget, to be paid during such year. Specially Allocated Expenses assessable under Section 10.8 shall be budgeted in such fashion that they will be properly apportioned and assessed against only the affected Units. The Declarant or the initial Board may at any suitable time establish the first such estimate. If deemed necessary by the Board of Directors, any Annual Budget may be revised prior to the end of its budget year, subject to the provisions of Sections 10.2 and 10.7.

10.1.2. *Specific Statutory Requirements for Annual Budget*. The Board's proposed Budget must include:

- (a) The projected income to the Association by category;
- (b) The projected Common Expenses and those Specially Allocated Expenses that are subject to being budgeted; described below in Subsection 10.7.1, both by category;
- (c) The amount of the Assessments per Unit and the date the Assessments are due;
- (d) The current amount of regular Assessments budgeted for contribution to the Reserve account;
- (e) A statement of whether the Association has a Reserve Study that meets requirements of RCW 64.90.550 and, if so, the extent to which the Budget meets or deviates from the recommendations of that Reserve Study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per Unit basis.

10.2. **Meeting of Association to Ratify Budget.** Within thirty (30) days after adoption of any proposed Budget for the Condominium, the Board must provide a copy of the Budget to all the Unit Owners and set a date for a Meeting of the Unit Owners to consider ratification of the Budget not less than fourteen (14) nor more than fifty (50) days after providing the Budget. Unless at that Meeting the Unit Owners of Units to which a majority of the votes in the Association are allocated reject the Budget, the Budget and the Assessments against the Units included in the Budget are ratified, whether or not a quorum is present. In the event the proposed Budget is rejected or the required Notice is not given, the periodic Budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent Budget proposed by the Board of Directors.

10.3. **Reserves for Major Repairs, Replacements, & Insurance Deductibles.** The Association may establish an interest-bearing account for the deposit of funds, to be maintained under the Board's direct control, for the costs of major repairs, replacements and insurance deductibles, subject to any requirements of RCW 64.90.540 and RCW 64.90.545. All

10.4. **Assessments against Units.**

10.4.1. *Liability of Units.* Assessments for Common Expenses and those Specially Allocated Expenses that are subject to inclusion in a Budget must be made at least annually based on a Budget adopted in the manner described in Sections 10.1 and 10.2 hereof.

10.4.2. *Assessments in Proportion to Common Expense Liability.* All Common Expenses must be assessed against all the Units in accordance with their allocated Common Expense Liabilities.

10.4.3. *Payable in Installments.* Unless otherwise determined by the Board of Directors, the annual Assessment against each Unit for its proportionate share of the Common Expenses shall be payable in twelve (12) equal, monthly installments, and each installment shall be payable in advance by the first day a month.

10.4.4. *Initial Assessments.* **Annual Assessments are initially set at Twelve Hundred Dollars (\$1,200.00), with a mandatory "buy-in" contribution of Two Hundred Dollars (\$200.00) for all new Unit Owners.**

10.5. **Allocated Interests for Common Expense Liability.** Pursuant to RCW 64.90.235(1)(a), the Declarant has allocated to each Unit in the Condominium a liability for payment of the Common Expenses of the Association that is known as the Unit's Allocated Interest for Common Expense Liability. This liability has been allocated equally among the Units in the Condominium. Each Unit's Allocated Interest for Common Expense Liability is expressed as a percentage and is stated with particularity on the Attached Exhibit "A".

10.6. **Special Assessments.** The Board at any time may propose a Special Assessment. The Assessment is effective only if the Board follows the procedures for ratification of a Budget described in Sections 10.1 and 10.2 hereof and the Unit Owners do not reject the proposed Assessment. The Board may provide that the Special Assessment may be due and payable in installments over any period it determines. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the Special

Assessment is not payable in installments, the full amount of such Special Assessment, in proportion to their Allocated Interests for Common Expense Liability.

10.7. **Specially-Allocated Assessments.** If one or more Units or the Common Elements are not separately metered, the utility service shall be paid as a Common Expense, and the Board may either allocate, by reasonable formula, a portion of such expense to each such Unit as a Special Limited Common Expense, or reimburse any Unit Owner who pays, in whole or in part for utilities serving the Common Elements or other Units, as appropriate; or, any special allocation pursuant to Subsection 4.4.7.

10.7.1. *Expenses Not Subject-to Inclusion in Budget.* The items included below in this Subsection constitute Specially Allocated Expenses that are not subject to inclusion in the Association's Annual Budget:

(a) Costs of services provided to or expenses incurred on behalf of one of the Unit Owners on a one-time or irregular basis, reasonable charges for the preparation and recordation of amendments to the Declaration benefitting particular Unit Owners, resale certificates, lender questionnaires, or statements of unpaid Assessments, "move-in" and/or "move-out" charges established by the Board, fines imposed by the Board, the costs and attorney's fees described in RCW 64.90.485(19), or that may be imposed pursuant to the Bylaws, and interest on any delinquent account.

(b) To the extent that any expense of the Association is caused by the negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee, or Occupant, the Association may assess that expense against the Unit Owner's Unit after Notice and an opportunity to be heard as provided in the Bylaws, to the extent of the Association's deductible and any expenses not covered under an insurance policy issued to the Association. See Section 13.2 hereof.

(c) To the extent that any expense of the Association is caused by willful misconduct or gross negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee, or Occupant, the Association may assess that expense against the Unit Owner's Unit after Notice and an opportunity to be heard as provided in the Bylaws, even if the Association maintains insurance with respect to that damage or Common Expense. See Section 13.2 hereof.

10.8. **Accounts; Commingling Prohibited—Funds generally maintained in Washington.** The Association must keep all funds of the Association in the name of the Association with a financial institution. The funds must not be commingled with the funds of any other association or with the funds of any Managing Agent of the Association or any other Person, or be kept in any trust account or custodial account in the name of any trustee or custodian.

10.9. **Surplus Funds.** Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of Reserves must either be paid annually to the Unit Owners in proportion to their Common Expense Liability or credited to them to reduce their future Common Expense Assessments, at the Board's discretion.

#### 10.10. **Liability of Unit Owners for Association Obligations.**

10.10.1. *General Liability Principles.* A Unit Owner is not liable, solely by reason of being a Unit Owner, for an injury or damage arising out of the condition or use of the Common Elements. Neither the Association nor any Unit Owner except the Declarant is liable for that Declarant's torts in connection with any part of the Condominium which that Declarant must maintain. An action alleging a wrong done by the Association, including an action arising out of the condition or use of the Common Elements, may be maintained only against the Association and not against any Unit Owner.

10.10.2. *Proportionate Liability for Liens.* A judgment for money against the Association perfected under RCW 4.64.020 is not a lien on the Common Elements, but is a lien in favor of the judgment lienholder against all of the other real estate of the Association and all of the Units in the Condominium at the time the judgment was entered. Other property of a Unit Owner is not subject to the claims of creditors of the Association. Whether perfected before or after the creation of the Condominium, if a lien, other than a deed of trust or mortgage, including a judgment lien or lien attributable to work performed or materials supplied before creation of the Condominium, becomes effective against two or more Units, the Unit Owner of an affected Unit may pay to the lienholder the amount of the lien attributable to the Unit, and the lienholder, upon receipt of payment, must promptly deliver a release of the lien covering that Unit. The amount of the payment must be proportionate to the ratio that the Unit Owner's Common Expense liability bears to the Common Expense liabilities of all Unit Owners that are subject to the lien. After payment, the Association may not assess or have a lien, against that Unit Owner's Unit for any portion of the Common Expenses incurred in connection with that lien.

10.11. **Assessments to Pay Judgment against Association.** Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Interests for Common Expense liability at the time the judgment was entered.

#### 10.12. **Owners Personally Liable for Common Expenses.**

10.12.1. *Owners Jointly & Severally Liable for Assessments.* In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

10.12.2. *Suit against Unit Owner Authorized.* Suit to recover a personal judgment for any delinquent Assessment is maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

10.12.3. *Association's Failure to Adopt Budget Does not Release Owners.* The failure or delay of the Board of Directors to adopt the Annual Budget for any year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay their allocable share of the Common Expenses as herein provided, and in the absence of an Annual- Budget or adjusted Annual Budget, each Unit Owner shall

continue to pay (with or without Notice) a monthly Assessment at the rate established for the preceding fiscal year until an Assessment is made under a current Annual Budget or adjusted Annual Budget and Notice thereby has been sent to the Unit Owner.

10.12.4. *Late Fees Authorized.* The Association may from time to time establish reasonable late charges and a rate of interest to be charged, not to exceed the maximum rate calculated under RCW 19.52.020, on all subsequent delinquent Assessments or installments of Assessments. If the Association does not establish such a rate, delinquent Assessments bear interest from the date of delinquency at the maximum rate calculated under RCW 19.52.020 on the date on which the Assessments became delinquent.

10.12.5. *No Waiver or Exemption of Liability for Assessments.* No Unit Owner may exempt himself or herself from liability with respect to any portion of the Common Expenses for any reason, including without limitation a waiver of the enjoyment of the right to use any of the Common Elements or by leasing, rental or abandonment of their Unit or otherwise.

### 10.13. **Liability Following Conveyance of Unit.**

10.13.1. *Liability of Unit Owner following Sale of Unit.* In a voluntary conveyance other than by foreclosure, the grantee of a Unit is jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee.

10.13.2. *Liability of Mortgagee or other Purchaser following Foreclosure or Sale.* Except as provided in Subsection 10.18.2 hereof, the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of the Unit through foreclosure is not liable for Assessments or installments of Assessments that became due prior to such right of possession. Such unpaid Assessments are deemed to be Common Expenses collectible from all the Unit Owners, including such mortgagee or other purchaser of the Unit. Foreclosure of a mortgage does not relieve the prior Unit Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale as provided in this Subsection as provided above.

### 10.14. **Statement of Unpaid Assessments.**

10.14.1. *Board Required to Deliver Statement of Unpaid Assessments.* The Board, upon written request, shall furnish to a Unit Owner or a mortgagee a statement signed by an Officer or authorized-agent-of the Association setting forth the amount of unpaid Assessments against that Unit. The statement shall be furnished within fifteen days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner, unless and to the extent known by the recipient to be false.

10.14.2. *Unit Owners Deemed to Consent to Notice to Lender.* **Every Unit Owner, by virtue of taking title to a Unit in this Condominium, shall be deemed for all purposes to have consented in advance to the Association furnishing a statement of unpaid Assessments to a mortgagee holding a security interest in the Unit Owner's Unit—no additional consent or authorization from any Unit**

**Owner shall be required in advance of the Association providing such a statement under circumstances that require such a delivery.**

**10.15. Lien for Assessments and Power of Sale.**

10.15.1. The Association has a statutory lien on each Unit for any unpaid Assessment against the Unit from the time such Assessment is due.

10.15.2. Each and every Unit Owner of any Unit in the Condominium, by virtue of their acquisition by any means of title to such Unit, shall take such title subject to the Association's lien for Assessments. Pursuant to RCW 64.90.485(13)(b), the Declarant as "Grantor" does hereby grant, bargain, sell and convey to ADAPTIVE LAW FIRM PS, a Washington professional service corporation, as "Trustee" in trust WITH POWER OF SALE, the Units and all other real property in the Condominium described in Section 1.2 above, which property is not used principally for agricultural purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any manner appertaining, and the rents, issues and profits thereof, to secure the obligations of the Unit Owners to the Association, as "Beneficiary," for the payment of any Assessments lawfully levied under this Declaration. Each and every Unit Owner shall be deemed for all purposes, as of the time of his or her acquisition of title to any Unit in the Condominium, to have joined as an additional "Grantor" in the conveyance in trust above described, and to have that time granted, bargained, sold and conveyed their Unit, along with its undivided Allocated Interest in the Common Elements and any Limited Common Elements assigned thereto, to such Trustee, to secure all obligations imposed by this Declaration on such Unit Owner to pay Assessments to the Association. The Power of Sale provided and granted herein shall be operative in the case of a default in the obligation to pay Assessments. Upon default by such Unit Owner in the payment of any indebtedness secured -hereby, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, the Trustee shall sell the Unit as trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any Person except Trustee may bid at Trustee's sale. The Trustee shall apply the proceeds of the sale as follows: (1) to the expenses of sale, including a reasonable trustee's fee and attorney's fee; (2) to the Obligations secured by this Declaration; (3) the surplus, if any, shall be distributed to the Persons entitled thereto.

**10.16. Automatic Perfection of Lien.** Recording of this Declaration constitutes record notice and perfection of the Association's statutory lien. Further notice or recordation of any claim of lien for Assessments is not required, but is not prohibited. The Board may thus record a Notice of Claim of Lien for delinquent Assessments in the real property records of any county in which the Condominium is located.

**10.17. Priority of Lien.**

10.17.1. *General Lien Priority.* The Association's statutory lien shall be prior to all other liens and encumbrances on a Unit except: (a) Liens and encumbrances recorded before the recordation of this Declaration; (b) Except as otherwise provided in Subsection 10.17.2 below, a security interest on the Unit recorded before the date on which the unpaid Assessment became due; and (c) liens for real property taxes and other governmental assessments or charges against the Unit.

10.17.2. *Association's Super-priority Lien for Assessments.* Except as provided in Subsection 10.17.2 hereof, The Association's statutory lien also has priority over the security interests described in Subsection 10.17.1(b) above, to the extent of an amount equal to the following:

(a) The Common Expense Assessments, excluding any amounts for capital improvements, based on the periodic Budget adopted by the Association pursuant to Sections 10.1 and 10.2 hereof, along with any Specially Allocated Assessments that are properly assessable against the Unit under such periodic Budget, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the Association's lien or a security interest described in Subsection 10.17.1(b) hereof.

(b) The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the Notice described in Subsection 10.17.2(c) hereof; provided, however, that the costs and reasonable attorneys' fees that will have priority under this Subsection 10.17.2 shall not exceed two thousand dollars or an amount equal to the amounts described in Subsection 10.17.2(a), whichever is less;

(c) The priority amounts described in Subsection 10.17.2 shall be prior only to the security interest of the holder of a security interest on the Unit recorded before the date on which the unpaid Assessment became due **and only if the Association has given that holder not less than sixty days' prior written Notice that the Owner of the Unit is in default in payment of an Assessment. The Notice shall contain:**

(A) Name of the borrower;

(B) Recording date of the trust deed or mortgage;

(C) Recording information;

(D) Name of condominium, Unit Owner, and Unit, designation stated in the Declaration or amendment thereto;

(E) Amount of unpaid Assessment; and

(F) A statement that failure to, within sixty days of the written Notice, submit to the Association payment of six months of Assessments as described in Subsection 10.17.2(a) hereof will result in the priority of the amounts described in Subsection 10.17.2(b); and

(d) Upon payment of the amounts described in Subsection 10.17.2(a) by the holder of a security interest, the Association's lien described in Subsection 10.17.2 shall be thereafter fully subordinated to the lien of such holder's security interest on the Unit.

(e) The Notice described in Subsection 10.17.2(c) hereof shall be mailed by ordinary mail to the holder of the security interest on the Unit at an address for Notice provided to the Association by the holder, or if the Association mails the Notice to the holder by certified mail, return receipt requested, at that address. If the holder has not provided an address for Notice to the Association, either for the purpose

of becoming an Eligible Mortgagee, or for the purposes of receiving the Notice required under Subsection 10.17.2(c) above or otherwise, then consistent with the provisions of RCW 64.90.285(9), the Association must provide Notice to the address appearing in the security interest of record which Notice shall be deemed for all purposes to satisfy the Notice requirements of RCW 64.90.485(3)(a)(iii).

**(f) Every Unit Owner, by virtue of taking title to a Unit in this Condominium, shall be deemed for all purpose to have consented in advance to the Association giving the Notice described in Subsection 10.17.2(c) hereof to a mortgagee under the circumstances that require such a delivery. No additional consent or authorization from any Unit Owner shall be required in advance of the Association providing such a Notice.**

10.17.3. *Special Definitions Relating to Association's Lien Rights.* For the purposes of this Section 10.17:

(a) "Institution of proceedings" means either:

- (i) The date of recording of a notice of trustee's sale by a deed of trust beneficiary;
- (ii) The date of commencement, pursuant to applicable court rules, of an action for judicial foreclosure either by the Association or by the holder of a recorded security interest; or
- (iii) The date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract.

10.17.4. *Amendments to Budgets to Include Improper Amount's are Prohibited.* The adoption of a periodic Budget that purports to allocate to a Unit any fines, late charges, interest, attorneys' fees and costs incurred for services unrelated to the foreclosure of the Association's lien, other collection charges, or Specially Allocated Assessments assessed under Section 10.7 hereof does not cause any such items to be included in the priority amount affecting such Unit:

10.17.5. *Mechanic's Liens — Homesteads.* This Section 10.17 does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association. The Association's lien is not subject to the provisions of chapter 6.13 RCW relating to Homesteads.

#### 10.18. **Enforcement of Association's Lien.**

10.18.1. *Judicial Foreclosure Proceedings Authorized.* The Association's lien may be enforced judicially by the Association or its authorized representative in the manner set forth in Chapter 61.12 RCW, subject to any rights of redemption under chapter 6.23 RCW.

10.18.2. *Nonjudicial Foreclosure Proceedings Authorized.* The Association's lien also may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust. 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. The Association may elect to take a deed in lieu of foreclosure in any such proceeding.

10.18.3. *Limitations Associated with Nonjudicial Foreclosures.* If the Association forecloses its lien nonjudicially pursuant to Chapter 61.24 RCW, the Association shall not be entitled to the lien priority provided for under Subsection 10.15 hereof, and is subject to the limitations on deficiency judgments provided in chapter 61.24 RCW.

10.18.4. *Additional Remedies for Nonpayment of Assessments.* This Section 10.18 does not prohibit actions against Unit Owners to recover sums for which Section 10.16 hereof creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

10.18.5. *Restrictions on Commencement of Foreclosure Proceedings.* The Association may not commence an action to foreclose a lien on a Unit unless:

(a) The Unit Owner, at the time the action is commenced, owes a sum equal to at least three months of Common Expense Assessments; and

(b) The Board approves commencement of a foreclosure action specifically against that Unit.

10.18.6 *Six Year Statute of Limitation on All Enforcement Proceedings.* The Association's lien for unpaid Assessments and the personal liability a Unit Owner for payment of those Assessments are extinguished unless proceedings to enforce the lien or collect the debt are instituted within six years after the full amount of the Assessments sought to be recovered becomes due.

**10.19. Rent Subject to Lien for Assessments—Other Remedies for Nonpayment.**

10.19.1. *Rent Payable to Association Upon Default of Owner.* (a) If a Unit is rented or, leased by its Owner, and if the Owner becomes delinquent in the payment of Assessments for more than 90 days, the Association may collect the delinquent amount from the tenant, who shall pay over to the Association so much of the rent for such Unit as is required to pay such delinquency, plus interest, attorneys' fees and other costs of collection. In order to avail itself of the remedy contained in this Subsection, the Association shall first send a Notice jointly to the Owner and the Tenant by First Class U.S. Mail, advising both parties [i] of the Owner's delinquency in Assessments, [ii] of the tenant's obligations under this Subsection of the Declaration, and [iii] notifying both parties that if such delinquency is not cured within ten (10) days of mailing, the tenant must commence paying rent to the Association until the delinquency has been cured. The tenant shall not have the right to question payment to the Association, and such payment shall discharge both the tenant's duty to pay rent to the Unit Owner and the Unit Owner's obligation to pay Assessments to that extent. The Association shall not resort to this remedy where a receiver has been appointed and is collecting such rents, as provided immediately below in Subsection 10.19.2. (b) **Every Unit Owner, by virtue of taking title to a Unit in this Community and subsequently renting the Unit, shall be deemed for all purpose to have consented in advance to the Association giving the Notice described in this Subsection 10.19.1 to a tenant of the Owner under circumstances that authorize such a delivery. No additional consent or authorization from any Unit Owner shall be required in advance of the Association providing such a Notice.**

10.19.2. *Association Entitled to Appointment of Receiver During Foreclosure.* In an action by the Association to collect Assessments, or to foreclose a lien on a Unit that is not occupied by the Owner thereof, the Court may appoint a receiver to collect all sums alleged to be due and owing to the Unit Owner before commencement or during pendency of the action. The receivership is governed under chapter 7.60 RCW. During pendency of the action, the Court may order the receiver to pay sums held by the receiver to the Association for any Assessments against the Unit. The exercise of rights under this Subsection by the Association does not affect the priority of preexisting liens on the Unit.

10.20 **Remedies Cumulative.** The remedies provided herein are cumulative and the Board may pursue them concurrently, along with any other remedies that may be available under the law although not expressed herein. Suit to recover a personal judgment for any delinquent Assessment is maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

**ARTICLE XI:  
INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION**

11.1. **Authority, General Provisions, Name of Insured.** Commencing not later than the time of the first conveyance of a Unit to a Purchaser, the Board shall obtain and maintain for the Association: property insurance, commercial general liability insurance, fidelity insurance, and other insurance that satisfies the minimum insurance requirements of RCW 64.90.470. The Board may acquire insurance in excess of the minimum statutory requirement in its discretion.

11.2. **Association's Policies and Coverage.**

11.2.1. *Master Policy.* If reasonably available, the "master" insurance policy obtained by the Association shall afford protection against:

(a) loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard "broad form" and/or "special" extended coverage endorsements or their equivalent, together with Common Expense assessments coverage with respect to the Units during any period of repair or reconstruction; and such other perils customarily covered by insurance for similar Condominium projects. Such coverage shall insure all Unit Structures and Common Elements that are normally included in coverage. The policy shall also cover all of the Unit Structures and their bathroom, laundry and kitchen equipment, fixtures and cabinets, together with all included electrical and plumbing fixtures and equipment, any heating and ventilating and other equipment supplied-or installed at any time by the Declarant or by or on behalf of Unit Owners. The policy shall also cover other common property including fixtures, building service equipment and common personal property and supplies owned by the Unit Owners Association or included in the Common Elements. Currently, an insurance policy that includes any one of the following endorsements will assure full insurable value replacement cost coverage:

(i) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost); or

(ii) a Replacement Cost Endorsement (under which the insurer agrees to pay up to 100% of the Property's insurable replacement cost, but no more) and, if the policy includes a coinsurance clause, an Agreed Value Option endorsement which waives the requirement for coinsurance; or

(iii) an Extended Replacement Cost Endorsement (under which the insurer agrees to pay more than the property's insurable replacement cost).

(b) The following Special Endorsements, or their functional equivalent:

(i) an Inflation Guard Endorsement, when it can be obtained; and

(ii) Building Ordinance or Law Endorsement, if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction.)

(c) Liability for death, personal injury and property damage arising from the use, ownership or maintenance of any of the Common Elements. Coverage should be afforded under a commercial general liability policy for the entire project, including all areas under the supervision of the Association. Limits of liability shall in no event be less than \$1,000,000 with respect to any single occurrence; and

(d) Medical payments coverage, in such amounts as are customarily provided in such policies.

11.2.2. *Flood Insurance.* If any part of the Condominium's improvements are in a Special Flood Hazard Area (SFHA), that has federally mandated flood insurance purchase requirements, or is located in an "Otherwise Protected Area," the Association must maintain a "master" or "blanket" policy of flood insurance that should cover buildings and any other improvements constituting Common Elements. The amount of flood insurance should be at least equal to the maximum coverage available under the appropriate National Flood Insurance Administration program. The form of such policy should be that of the standard policy issued under the NFIP or by a private insurer. The terms and conditions of the flood insurance coverage must be at least equivalent to the terms and conditions of coverage provided under the standard policy of the NFIP for the appropriate property type. Coverage under the master flood insurance policy must be at least equal to the lower of 80% of the replacement cost, or the maximum insurance available from NFIP per unit (currently \$250,000).

11.2.3. *Earthquake Insurance.* Unless earthquake insurance is not reasonably available, it shall be required for the Condominium, unless there is unanimous consent by the Owners to not have it. Funds to cover defined portions of any deductible applying to such coverage may be included in the Association's operating reserve account, as provided in section 9.2.

11.2.4. *Directors' and Officers' Insurance.* Unless not readily available, the Board shall acquire Directors' and Officers' errors and omissions insurance to satisfy the Association's indemnification responsibilities under the Bylaws of the Condominium.

11.2.5. *Fidelity Insurance—Manager Coverage.* The Association shall obtain blanket fidelity insurance for any person who either handles (or is responsible, for) funds that he or she holds or administers, whether or not that individual receives compensation for services. The policy shall name the Association as the insured and must include a provision that, calls for thirty days' written Notice to the Association and all Eligible Mortgagees before the policy can be canceled or substantially modified for any reason, in the manner provided in this Declaration. The policy should cover the maximum funds that will be in the custody of the Association or its Manager at any time while the policy is in force. A Manager that handles funds for the Association shall be named either as an employee or as a designated agent under the Association's fidelity policy, or an endorsement thereto, as appropriate.

11.2.6. *General Policy Provisions and Limitations.* Insurance obtained pursuant to the requirements of this Article X shall be subject to the following provisions:

(a) Each policy shall be written with a company or companies that are licensed to do business in the State of Washington that meet or exceed the following rating requirements - the carrier needs to meet only one of the following rating categories, even if it is rated by more than one agency:

(i) Carriers rated by the A.M. Best Company, Inc. must have either: a "B" or better Financial Strength Rating in Best's Insurance Reports; or, an "A" or better Financial Strength Rating and a Financial Size Category of "VIII" or better in Best's Insurance Reports Non-US Edition.

(ii) Carriers rated by Demotech, Inc. must have an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings.

(iii) Carriers rated by Standard and Poor's must have a "BBB", or better Insurer Financial Strength Rating in Standard and Poor's Rating's Direct Insurance Service.

(iv) Carriers not so rated may be acceptable if designated as acceptable by Federal National Mortgage Association [FNMA or "Fannie Mae"] or the Federal Housing Administration [FHA] or other governmental or quasi-governmental agencies involved in the secondary mortgage market or in residential mortgage loan guarantee programs, so long as any such agency is an Eligible Mortgagee or the Unit Owner of a Unit within the Condominium.

(b) The master policy will be primary, even if a Unit Owner has other insurance [excluding automobile liability insurance] that covers the same loss, and no insurance coverage obtained and maintained pursuant to the requirements of this Article XI shall be brought into contribution with insurance purchased individually by any of the Unit Owners or their Mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Board of Directors pursuant to the requirements of this section shall exclude such policies from consideration.

(c) Each policy shall provide that it may not be canceled, substantially modified or reduced without at least ten (10) days' prior written Notice to all insureds named thereon, including all named Mortgagees.

(d) Each policy of casualty insurance shall contain a waiver of any right of the carrier to elect to restore, or repair damage or reconstruct in lieu of making a cash settlement if a decision is made pursuant to this Declaration not to do so.

(e) Each policy shall contain a waiver of subrogation by the insurer as to any and all claims against the Unit Owners, the Association, the Board of Directors, the Manager, and their respective agents, arising from the acts of any Unit Owner, member of the Owner's household, or lessee of the Unit Owner.

(f) Policy contracts shall provide that each Unit Owner is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association.

(g) Each policy shall provide that (i) the policy's coverage shall not be prejudiced by any act or neglect of Unit Owners or their agents, employees, tenants, Mortgagees or invitees when such act or neglect is not within the control of the insured or the Unit Owners collectively; and (ii) the policy shall not be prejudiced by failure of the insured or the Unit Owners collectively to comply with any warranty or condition with regard to any portion of the condominium over which the insured or the Unit Owners collectively have no control.

(h) Each policy must contain a standard mortgage clause and must name as covered Mortgagees each such covered Mortgagee, followed by the phrase "its successors and assigns."

(i) The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of chapter 48.18 RCW pertaining to the cancellation or non-renewal of contracts of insurance. The insurer shall not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy without complying with RCW 64.90.470(7).

(j) No policy shall refuse to recognize any Insurance Trust Agreement.

11.3. **Deductible.** Except as otherwise provided herein, the deductible under any policy of insurance purchased by the Board of Directors shall not exceed the lesser of \$10,000 or 1% of the face amount of the policy. Except as provided herein, the amount of the deductible shall be paid by the Association as a Common Expense. Funds to cover the amount of the deductible shall be included in the Association's reserve accounts. The deductible should be established at a level that is sufficiently high to eliminate minor "nuisance" claims which could cause cancellation of the Association's insurance policy.

11.4. **Certificates of Insurance Coverage.** An insurer that has issued an insurance policy to the Association must issue certificates or memoranda of insurance to the Association and, upon a request made in a Record, to any Lot Owner or holder of a security interest.

11.5. **Unit Owners' and Tenants' Policies.**

11.5.1. *Unit Owners to Acquire their own Insurance.* Each Unit Owner, at their election, shall obtain, at such Unit Owners expense, an insurance policy, to insure against loss or damage to the Unit

Structure and other improvements within the Unit, if such items are not covered by the Association's insurance and should obtain an insurance policy to insure against loss or damage to personal property used in or incidental to the occupancy of the Unit such as what is commonly referred to as an "HO-6 Policy" to insure against damage or loss not otherwise covered by the Association's policies in Section 10.2 above. The Unit Owner and Association should coordinate to make sure there is not duplicative coverage on the Unit Structure. Such coverage should afford protection against:

(a) loss or damage by fire, vandalism, mischief, windstorm, and other hazards covered by the standard "broad form" and/or "special" extended coverage endorsements or their equivalent, and such other perils customarily covered by insurance for Condominiums in similar projects.

(b) liability for death, personal injury and property damage arising from the use, ownership or maintenance of any part of the Unit, additional living expense, loss of rent, vandalism or malicious mischief, theft, personal liability, loss assessment coverage, and the like.

11.5.2. *Tenants must Acquire their own Insurance.* Tenants may be held liable to the Association under circumstances described in this Declaration, and to other third parties under general principles of law. As a result, any tenant must obtain an HO-4 insurance policy, or equivalent, to protect the tenant from liability for death, personal injury and property damage arising from the use, occupancy or maintenance of any part of the Unit, along with loss to personal property, additional living expense, vandalism or malicious mischief, theft and the like.

11.5.3. *Board has no Obligation to Monitor Unit Owners' Insurance.* The Board of Directors is not obligated to monitor the existence or nonexistence of any insurance required under this Section 11.5; such responsibility, and the risks to the Unit Owner or tenant arising from a failure to have proper insurance are to be borne solely by the Unit Owner or tenant. A Unit Owner or tenant who fails to maintain such insurance shall be deemed to have made an election to self-insure for the risks described in Section 11.5 and for any other risks for which coverage is readily available under certain policies.

11.6. **Unavailability, Cancellation or Nonrenewal.** If the insurance described in Section 11.2 hereof is not reasonably available, or is modified, canceled or not renewed, the board promptly shall cause Notice of that fact to be hand-delivered or sent prepaid by first class United States mail to all Unit Owners, to each Eligible Mortgagee, and to each mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

11.7. **Adjustment and Payment of Loss Proceeds.** All policies shall provide that adjustment of loss shall be made by the Board of Directors, and that proceeds payable pursuant to the policies shall be paid directly to the Board of Directors as Insurance Trustee, and not to any holder of security interest. The Board shall hold such proceeds in trust for the Unit Owners and lienholders as their interests may appear.

(a) Proceeds are to be paid first for the repair or replacement of the damaged property, and neither the Association, the Unit Owners, nor lienholders are 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 replaced, or the Condominium is terminated.

(b) If, pursuant to the provisions of Section 11.8 hereof, not all of the damaged or destroyed portions of the Condominium are to be repaired or replaced, insurance proceeds shall be payable as provided in that section.

#### 11.8 Reconstruction Following Casualty Loss.

11.8.1. *Compliance with Governing Law.* Any portion of the Condominium for which insurance is obtained under Section 11.2 and for property for which the Board has the responsibility of repair that is damaged or destroyed, repaired or replaced as required by RCW 64.90.470(8) and Article IV hereof.

11.8.2. *Manner of Reconstruction.* If destroyed or damaged property is to be reconstructed or repaired, the reconstruction or repair thereof shall be accomplished as nearly as practicable to the character of the building or improvement existing immediately prior to such casualty. Any reconstruction or repair shall be done in accordance with then prevailing Building Code requirements and may be done with contemporary building materials and achieved by utilizing updated construction systems and technology.

11.8.3 *Payment of and Procedure for Reconstruction.* The proceeds of insurance collected on account of casualty, any payments from or on behalf of Unit Owners pursuant to this Declaration on account of such casualty, and funds in the Association's Reserve Account, shall constitute a construction fund that shall be disbursed in payment of the costs of reconstruction and repair pursuant to Article IV.

### ARTICLE XII: CONDEMNATION

12.1 **Condemnation Affecting Whole 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 that may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Unit Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, all that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken wider this Subsection is thereafter a Common Element.

12.2 **Condemnation of Part of Unit.** Except as provided in Section 12.1 hereof, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value, of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

12.3. **Condemnation of Common Elements.** If part of the Common Elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective Allocated Interests in the Common Elements unless the Association at a Special Meeting called for such purpose, decides otherwise.

12.4. **Condemnation of Limited Common Elements.** Any portion of an award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

12.5. **Association Necessary Party to Proceeding.** The Association, through its Board of Directors, shall be a necessary party to any condemnation proceedings affecting more than one Unit or portions of the Common Elements and shall, to the extent feasible, act as a fiduciary on behalf of and in the best interests of any and all Unit Owners affected by such proceedings. Should the Association not act on the Owners' behalf in a condemnation proceeding, the affected Owners may individually or jointly act on their own behalf.

12.6. **Complete Taking.** In the event of a complete taking of the Condominium, or in the event that the taking by the condemning authority is so substantial as to render the remainder of the Condominium unsuitable or undesirable for use by the remaining Unit Owners, then the Condominium shall (in the case of complete taking) or may (as to a partial taking) be terminated in accordance with the terms and conditions of RCW 64.90.030(1), and Article XV hereof.

12.7. **Reconstruction and Repair.** Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XI hereof, provided that the Board may retain and apply such portion of each Owner's share of the condemnation award as necessary to discharge said Owner's liability for any Special Assessment arising from the operation of said Article XI.

12.8. **Notice to Eligible Mortgagees.** The Board of Directors shall promptly give written Notice to all Eligible Mortgagees of the pendency of any condemnation proceedings affecting any portion of the Condominium.

12.9. **Payment of Award.** When a Unit Owner becomes entitled to receipt of a condemnation award, or of any portion of such an award, or of any payment in lieu of such an award, then any such payment shall be made payable jointly to such Unit Owner and to the holders of any Mortgages encumbering such Owner's Unit, as their interests may appear.

### **ARTICLE XIII: COMPLIANCE WITH LAW AND COVENANTS**

13.1. **Compliance by Owners and Occupants.** Each Owner, tenant or other Occupant of a Unit shall comply strictly with the provisions of the Governing Law and the Governing Documents or Bylaws. All remedies provided to the Association in this Article may be enforced against any tenant or other Occupant of a Unit.

### 13.2. **Liability for Conduct Causing Common Expense.**

13.2.1. *Liability for Negligence.* Any expense of the Association caused by the negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee or Occupant may be assessed against the Unit Owner's Unit after notice and an opportunity to be heard, to the extent of the Association's deductible and any expenses not covered under an insurance policy issued to the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. See Section 10.7 hereof.

13.2.2. *Liability for Gross Negligence or Willful Misconduct.* To the extent that any expense of the Association is caused by willful misconduct or gross negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee or Occupant may be assessed against the Unit Owner's Unit after notice and an opportunity to be heard, even if the Association maintains insurance with respect to that damage or Common Expense. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. See Section 10.7 hereof.

13.2.3. *Hearing to Determine Owner's Liability.* An Owner whose conduct appears to justify imposition of a Specially Allocated Assessment pursuant to Subsections 13.2.1 through 13.2.2 above shall be first provided with Notice of the Board's intentions and an opportunity to be heard, in the manner provided in the Bylaws for hearings regarding the imposition of sanctions against an Owner.

13.3. **Enforcement by Association.** The Board of Directors shall have primary responsibility for maintaining and enforcing compliance with the covenants, conditions and restrictions contained in the Governing Documents or Bylaws. Without limiting the authority and powers conferred upon the Board by the Governing Law, the Board shall have the rights, powers and duties described in the Bylaws.

### 13.4. **Tenants and other Occupants Subject to Rights and Responsibilities of Owners.**

13.4.1 *General Principles.* Any Tenant or other Occupant of a Unit shall be deemed to be bound by all portions of the Governing Documents or Bylaws that are binding upon the Owner thereof, other than the direct obligation to pay Common Expense Assessments to the Association. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents or Bylaws shall be available to the Association when dealing with any tenant or other Occupant of an Owner.

13.4.2. *Remedies against Tenants.* If a tenant of a Unit Owner violates the Governing Documents, in addition to exercising any of its powers against the Unit Owner, the Association may:

- (a) Exercise directly against the tenant the powers described in RCW 64.90.480(2)(1);
- (b) After giving Notice to the tenant and the Unit Owner and an opportunity to be heard, levy reasonable fines against the tenant and the Unit Owner for the violation; and
- (c) Enforce any other rights against the tenant for the violation that the Unit Owner as the landlord could lawfully have exercised under the lease or that the Association could lawfully have exercised directly against the Unit Owner, or both. The rights referred to in this Subsection may be

exercised only if the tenant or Unit Owner fails to cure the violation within ten days after the Association notifies the tenant and Unit Owner of that violation.

13.4.3. *Association's Rights under Leases.* The Association shall have the right (but not the obligation) to terminate the lease of a tenant who, following a hearing held under provisions of the Bylaws regarding the imposition of sanctions, has been found to have violated the Governing Documents; the Association shall be deemed a "real party in interest" in any legal Proceeding brought to enforce this right. Unless a lease otherwise provides, the provisions of Subsection 13.4.2 above do not: (a) Affect rights that the Unit Owner has to enforce the lease or that the Association has under other law; or (b) Permit the Association to enforce a lease to which it is not a party in the absence of a violation of the Governing Documents.

### 13.5. Board's Discretion regarding Enforcement.

13.5.1. *General Discretion.* The Board may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commencing an action for a violation of the Governing Documents, including whether to compromise any claim for unpaid Assessments or other claim made by or against it.

13.5.2. *No Absolute Duty to Enforce.* The Board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented: (a) The Association's legal position does not justify taking any or further enforcement action; (b) The covenant, restriction, or Rule being enforced is, or is likely to be construed as, inconsistent with law; (c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person of to justify expending the Association's resources; or (d) It is not in the Association's best interests to pursue an enforcement action.

13.5.3. *Exercise of Discretion Establishes No Precedent.* The Board's decision under Subsections 13.5.1 and 13.5.2 above to not pursue enforcement under one set of circumstances does not prevent the Board from taking enforcement action under another set of circumstances, but the Board may not be arbitrary or capricious in taking enforcement action.

13.6. **Remedies for Association, Owners and Occupants.** While the Board has enforcement authority as provided above in this Article XIII, Unit Owner's and other Occupants who are or may be harmed or aggrieved in some fashion also retain legal rights of enforcement on their own behalf and retain such remedies as are available under the law, and may bring an action to enforce a right granted or obligation imposed under the Governing Law or the Governing Documents. The court may award reasonable attorneys' fees and costs to the prevailing party in any such proceeding.

## ARTICLE XIV: LIMITATION OF LIABILITY

14.1. **Association Not a Guarantor—No Liability for Utility Failure, Etc.** The Association is not a guarantor of the health, safety or property of the Unit Owners and other Occupants of the Condominium.

Except to the extent covered by insurance obtained by the Board pursuant to Article XI, neither the Association nor the Board or the Declarant shall be liable for any failure of any utility or other service obtained by the Board, or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand that may leak or flow from outside or from any parts of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place, or damage from mold or rot, or for inconvenience or discomfort resulting from any action taken to make repairs to the Property, or to comply with any law, ordinance or Order of a governmental authority. No diminution or abatement of liability for 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.

14.2 **No Bailment.** Neither the Board of Directors, the Association, any Owner nor the Declarant shall be considered a bailee of any personal property stored or placed on the Common Elements (including property located in vehicles parked on the Common Elements), whether or not exclusive possession of the particular area is given to an Owner for parking or otherwise, nor shall they be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

14.3. **Liability of Directors and Directors—Indemnification.**

14.1.1. *Liability of Directors and Officers.* In the performance of their duties, Officers and Board members must exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized, and are subject to the conflict of interest rules governing directors and officers, under chapter 24.06 RCW.

14.1.2. *Indemnification of Officers and Directors.* The Association shall indemnify and hold harmless each of the Directors and Officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or Officers on behalf of the Association or the Unit Owners unless such contract was made in bad faith or contrary to the provisions of the Governing Documents or Bylaws. The Directors and Officers shall not be personally liable for contracts made by them on behalf of the Association. The Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that they are or were a Director or Officer of the Association, against amounts paid in settlement incurred by them in connection with such action; suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the Condominium or the Association, to the fullest extent authorized by RCW 23B.08.510, 520, 530, and 570, and any amendments thereto.

14.4. **Justification for Limitations on Liability.** The Association is required to maintain property and liability insurance more particularly described in Article 11 of this Declaration. Such coverage exists for the benefit of the Association and its Unit Owner members. The limitations of liability contained above in this Article 14 are designed to insulate the Association from liability for types of harm not covered by such insurance, and/or to encourage people to run for and hold positions as Directors and Officers in the Association generally without fear of personal liability arising from such service. These provisions are intended to represent an equitable sharing of risks, losses and liabilities between the Association and its members. Unit Owners and tenants are expected to acquire their own insurance, described with greater

particularity in Section 11.5 hereof, to protect themselves from the sorts of harm, damage, loss, inconvenience or discomfort that may be suffered as a result of the application of this Article 14.

**ARTICLE XV:  
MORTGAGEE PROTECTION**

**15.1 Rights of Secured Lenders.**

15.1. *General Authority Consistent with Governing Law.* Pursuant to RCW 64.90.295, this Declaration provides that specified percentages of lenders who hold security interests encumbering Units in the Condominium, or lenders who have extended credit to the Association, have rights to approve specified actions of the Unit Owners or the Association as a condition to the effectiveness of those actions, but no requirement for such approval may operate to:

- (a) Deny or delegate control over the general administrative affairs of the Association by the Unit Owners or the Board;
- (b) Prevent the Association or the Board from commencing, intervening in, or settling any litigation or proceeding; or
- (c) Prevent the Association's Board or any other insurance trustee from receiving any insurance proceeds except pursuant to RCW 64.90.470.

15.1.2. *Rights Available only to Eligible Mortgagees.* With respect to any action requiring the consent of a specified number or percentage of mortgagees, the consent of only Eligible Mortgagees holding a first lien security interest need be obtained and the percentage must be based-upon the votes attributable to Units with respect to which Eligible Mortgagees have an interest.

15.2. **Rights of Secured Lenders — Specific Provisions.** This Article establishes certain standards and covenants that are for the benefit of the holders, insurers and guarantors of certain mortgages. This Article is supplemental to, and not in substitution for, any other provisions of the Governing Documents, but in the case of conflict, this Article shall control.

**15.3. Consent of Eligible Mortgagees— Implied Approval in Absence of Response.**

15.3.1. *Consent of Eligible Mortgagees.* Wherever in this Declaration the approval or consent of a specified percentage of Mortgagees is required, it shall mean, pursuant to RCW 64.90.295(2), the consent of only Eligible Mortgagees holding a first lien security interest need be obtained and the percentage must be based upon the votes attributable to Units with respect to which Eligible Mortgagees have an interest.

15.3.2. *Implied Approval by Mortgagee.* The failure of an Eligible Mortgagee to respond within sixty (60) days to a written request from the Association delivered by certified or registered mail to such Eligible Mortgagee, "return receipt requested," seeking approval of an amendment to the Condominium Declaration or the Articles of Incorporation or Bylaws of the Association, or any other proposed action of the Association as to which the, approval of Eligible Mortgagees is required, shall constitute an implied approval by such Eligible Mortgagee of such amendment or other action.

15.4. **Notice of Actions.** The Association shall give prompt written Notice to each Eligible Mortgagee of, and each Unit Owner hereby consents to, and authorizes the giving of Notice of:

(a) Any 'condemnation loss or any casualty loss that affects a material portion of the Condominium or any Unit in which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgagee;

(b) Any delinquency in the payment of Common Expense Assessments owed by a Unit Owner whose Unit is subject to a first mortgage held, insured, or guaranteed, by such Eligible Mortgagee that remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action that would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 15.3 of this Schedule (in which case, Notice shall be provided by certified or registered mail, "return receipt requested"); and

(e) Any judgment rendered against the Association in excess of \$5,000.00 that is not covered by insurance.

15.5. **Consent and Notice Required:**

15.5.1. *Document Changes.* Notwithstanding any lower requirement permitted by this Declaration or the Governing Law, no amendment of any material provision of the Governing Documents by the Association or Unit Owners described in this Subsection, the effect of which would have a material adverse effect on lenders, may be effective without Notice to all Eligible Mortgagees, as required by Section 15.2(d) above, and the approval by Owners of Units to which at least 67% (or any greater Unit Owner vote required in Section 17.3. of this Declaration or the Governing Law) of the votes in the Association are allocated, and approval in writing by Eligible Mortgagees who represent at least 67% (or any greater Eligible Mortgagee approval required by this Declaration) of the votes attributable to Units with respect to which Eligible Mortgagees have an interest; the following (other than those taken, pursuant to rights reserved by the Declarant as Development Rights) are examples of actions that Fannie Mae historically viewed as holding the potential for a material adverse effect on lenders:

(a) Voting rights;

(b) Assessment liens or priority of Assessment liens;

(c) Reductions in requirements for Reserves for maintenance;

(d) Responsibility for maintenance and repairs;

(e) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use, except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding mortgages in such Units need approve such action;

(f) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved; or when a Unit is being lawfully subdivided by its Owner pursuant to Section 4:8 or 4.9 hereof, then only those Unit Owners and the Eligible Mortgagees holding mortgages in such Unit or Units need must approve such action;

(g) Convertibility of Units into Common Elements or Common Elements into Units;

(h) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(i) Hazard or fidelity insurance requirements;

(j) Imposition of any restrictions on the leasing of Units;

(k) Imposition of any restrictions on a Unit Owner's right to sell or transfer their Unit;

(l) Restoration or repair of the Condominium after damage or partial condemnation in a manner other than that specified in the Governing Documents;

(m) Any provision that expressly benefits mortgage holders, insurers, or guarantors, where the amendment would have a Material adverse effect on any such party.

15.5.2. *Actions.* Notwithstanding any lower requirement permitted by this Declaration or the Governing Law, the Association may not take any actions that would have a material adverse effect on lenders, without Notice to all Eligible Mortgagees as required by Section 15.2(d) above, approval by Owners of Units to which at least 67% (or the indicated percentage, if different) votes in the Association are allocated, and approval in writing by Eligible Mortgagees who represent at least 67% (or the percentage indicated below, if different,) of the votes attributable to Units with respect to which Eligible Mortgagees have an interest; the following (other than those taken pursuant to rights reserved by the Declarant as Development Rights) are examples of actions that Fannie Mae historically viewed as holding the potential for a material adverse effect on lenders:

- (a) Any action to abandon or terminate the legal status of the Condominium after condemnation or substantial destruction.
- (b) Any action to abandon or terminate the legal status of the Condominium for reasons other than substantial destruction or condemnation, as to which a sixty-seven percent (67%) Eligible Mortgagee approval is required.
- (c) Abandon, partition, subdivide, encumber, sell, transfer or convey the Common Elements or any portion thereof, as to which the approval of Owners to which at least eighty percent (80%) of the votes in the Association are allocated is required, and the procedures specified in Subpart 15.2 hereof must be followed. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Association will not be deemed a transfer within the meaning of this clause.
- (d) Change any of the Allocated Interests allocated to any Unit other than as permitted in Section 4.8. or 4.9 hereof; in any other case the vote or agreement of the Owner of each Unit particularly affected and their Mortgagee and the Owners of Units to which at least ninety

percent (90%) of the votes in the Association are allocated other than the Declarant must be obtained, pursuant to Section 17.3 hereof and to RCW 64.90.285(4).

- (e) Increase the number of Units, change the boundaries of any Unit (other than as provided in Section 4.8 or 4.9 hereof) or change the uses to which any Unit is restricted, as to which the approval of Owners of Units to which at least ninety percent (90%) of the votes in the Association are allocated must be obtained, pursuant to Section 17.3 hereof and to RCW 64.90.285(4).
- (f) The assignment of the future income of the Association, including its right to receive Common Expense Assessments.
- (g) The restoration or repair of the Property after hazard damage, as to which the approval of Owners to which at least eighty percent (80%) of the votes in the Association are allocated is required, or after a partial condemnation, in a manner other than specified in the Governing Documents.
- (h) The merger of the Condominium with any other common interest community.

15.5.3. *Timing of Payment of Assessments.* The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly without the consent of all Eligible Mortgagees.

15.6. **Inspection of Books.** The Association must maintain current copies of the Declaration, Bylaws, Articles of Incorporation, Rules, books and records, and financial statements. The Association shall permit any Eligible Mortgagee or other first mortgagee of a Unit, to inspect the books and records of the Association during normal business hours.

15.7. **Financial Statements.** The Association shall provide any Mortgagee who submits a written request, a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any Eligible Mortgagee requests it, in which case, the Eligible Mortgagee shall bear the cost of the audit.

15.8. **Enforcement.** The provisions of this Article are for the benefit of Eligible Mortgagees and their successors, and may be enforced by any of them by any available means, at law, or in equity.

15.9. **Attendance at Meetings.** Any representative of an-Eligible Mortgagee may attend and address any Meeting that a Unit Owner may attend.

15.10. **Appointment of Trustee.** In the event of damage or destruction under Article XI or condemnation of all or a portion of the Condominium, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Section 11.7 of this Declaration. Proceeds will thereafter be distributed pursuant to Article XI or pursuant to a condemnation award.

15.11. **Limitations on Mortgagees' Rights.** No requirement for approval contained in this Article may operate to (1) deny or delegate control over the general administrative affairs of the Association by the Unit Owners or the Board of Directors, or (2) prevent the Association or the Board of Directors from commencing, intervening in, or settling any litigation or proceeding, or (3) prevent any insurance trustee

or the association from receiving and distributing any insurance proceeds except pursuant to RCW 64.90.470.

**ARTICLE XVI:  
EASEMENTS**

**16.1. Easements for Units, Unit Owners and Association Functions.**

16.1.1. *Easements for Units.* Each Unit has an unrestricted, perpetual easement in and through each other Unit and the Common and Limited Common Elements for support and for utilities and, subject to the provisions of RCW 64.90.405(2)(f) and 64.90.465, each Unit Owner has an unrestricted perpetual right of ingress to and egress from their Unit over the Common Elements.

16.1.2. *Units Subject to Easement Rights.* The Units in the Condominium are subject to rights of access in favor of the Association and other Unit Owners. See Subsection 5.5.2 hereof for further details.

16.1.3. *Easements for Association Functions.* There is hereby reserved to the Association, or its duly authorized agents, contractors and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Governing Documents and Bylaws. Also see Section 4.2 of this Declaration.

16.2. **Easements Shown on Survey Map.** Easements shown or referenced on the Survey Map filed concurrently with this Declaration are hereby declared and established. Any easement shown or referenced on the Survey Map that benefits one or more Units in the Condominium, or that benefits any real property not included within the Condominium, confers various rights and benefits upon the owner(s) of such real property, and may also impose obligations upon the Association.

**ARTICLE XVII:  
AMENDMENT OF DECLARATION AND SURVEY MAP**

**17.1. Procedure for Amendment of Declaration.**

17.1.1. *General Provisions for Amendments.* Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" that sets forth the entire amendment. For purposes hereof, "amendment" means any change to the Declaration, including adding, removing, or modifying restrictions contained in a Declaration. Except as otherwise specifically provided for in this Declaration or in the Governing Law, any proposed amendment must be approved by the Board of Directors prior to its adoption by the Owners. Except in cases of amendments that may be adopted by the Declarant unilaterally by the Association under Section 17.7 hereof or under statutory authority in the case of condemnation or a termination of the condominium, the Declaration may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

17.1.2. **Additional Provisions — Advance Notice to Owners.** Amendments to the Declaration required to be executed by the Association must be executed by any authorized Officer of the Association who must certify in the amendment that it was properly adopted. Owners shall be entitled to Notice of a proposed amendment not less than thirty (30) days prior to the Meeting of the Association at which the amendment is to be considered. In the absence of fraud, an action to challenge the validity of an amendment adopted by the Association may not be brought more than one year after the amendment is recorded.

17.2. **Recordation Required.** Every amendment to the Declaration must be recorded with the County Auditor and is effective only upon recording. An amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously, recorded amendment thereto. An amendment other than an amendment pursuant to RCW 64.96.260(1) must be indexed in the grantee's index in the name of the Condominium and the Association and in the grantor's index in the name of the parties executing the amendment.

17.3. **Special Restrictions.** Except to the extent expressly permitted or required by other provisions of this Declaration, or of the Governing Law, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, or change the Allocated Interests of a Unit, without the consent of Unit Owners to which at least ninety percent (90%) of the votes in the Association are allocated, including the consent of any Unit Owner of a Unit, the boundaries of which or Allocated Interest of which is changed by the amendment, and that percentage of Eligible Mortgagees specified in Article XV hereof.

17.4. **Amendment of Survey Map.** The Survey Map may be amended by revised versions referred to and described as to effect in an amendment to the Declaration adopted as required above, subject to the provisions of RCW 64.90.245(4). Copies of any such proposed amendment to the Survey Map shall be made available for examination by every Owner. Such amendment to the Survey Map shall also be effective, once properly adopted, upon recordation in the appropriate County offices, along with the amendment to the Declaration that accompanies it.

17.5. **Consent of Mortgagees May be required — Limitations on Such Rights.** The consent of specified percentages of Eligible Mortgagees may be required, pursuant to Article XV of this Declaration, prior to recordation of certain amendments to the Governing Documents. Such consent is deemed granted if a refusal to consent in a Record is not received by the Association within sixty (60) days after the Association delivers Notice of the proposed amendment to the holder at an address for Notice provided to the Association by the holder, or if the Association mails the Notice to the holder by certified mail, return receipt requested, at that address. If the holder has not provided an address for Notice to the Association, the Association must provide Notice to the address appearing in the security interest of record.

17.6. **Amendments by Board of Directors Requiring Notice to Unit Owners.** Upon thirty-day advance Notice to the Unit Owners, the Association may, upon a vote of two-thirds of the members of the Board, without a vote of the Unit Owners, adopt, execute, and record:

17.6.1. **Statutory Rights.** An amendment to the Declaration designed to correct or supplement the Governing Documents in cases described in Subsection 17.6.2 above, or as authorized by RCW 64.90.285(1)(c) or (d).

17.6.2. *Amendment to Adopt Amendments to Governing Law.* An amendment to the Declaration designed to conform the Declaration to provisions of a corrective amendment to the Governing Law adopted by the Washington State Legislature.

**ARTICLE XVIII:  
TERMINATION OF CONDOMINIUM**

The Unit Owners may elect to terminate the Condominium status of the property only in accordance with the provisions of RCW 64.90.290 and or RCW 64.90.226, with the requisite approval of such Mortgagees and other lienholders as may be required by law, or by Article XV hereof.

**ARTICLE XIX:  
NOTICE**

19.1. **Notice to be provided in Form of a Record.** Notice to the Association, Board, or any Owner or Occupant of a Unit under the Governing Law must be provided in the form of a Record.

19.2. **Notice in a Tangible Medium.** Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or equipment that transmits a facsimile of the Notice.

19.2.1 *Notice to Association.* Notice in a tangible medium to the Association may be addressed to the Association's Registered Agent at its Registered Office, to the Association at its principal office shown in its most recent Corporate Annual Report or provided by Notice to the Unit Owners, or to the President or Secretary of the Association at the address shown in the Association's most recent Annual Report or provided by Notice to the Unit Owners.

19.2.2. *Notice to Unit Owner or Occupant.* Notice in a tangible medium to a Unit Owner or Occupant must be addressed to the Unit address unless the Unit Owner or Occupant, in a Record delivered to the Association, has requested that Notices be sent to an alternate address or by other method allowed by this Section 19 and the Governing Documents. New Unit Owners must supply their names, addresses, telephone numbers and, if desirable to receive official Notice from the Association by electronic transmission, an e-mail address or other information consistent with Subsection 19.3.1 below.

19.3. **Notice by Electronic Transmission.** Notice may be provided by electronic transmission as follows:

19.3.1. *Notice to Unit Owners or Board Members by Consent.* Notice to Unit Owners or Board members by electronic transmission is effective only upon Unit Owners and Board members who have consented, in the form of a Record, to receive electronically transmitted Notices under the Governing Law and have designated in the consent the address, location or system to which such Notices may be electronically transmitted, provided that such Notice otherwise complies with any other requirements of the Governing Law.

19.3.2. *Notice Deemed to Include Associated Materials.* Notice to Unit Owners or Board members under this Subsection includes material that the Governing Law or the Governing Documents require or permit to accompany the Notice.

19.3.3. *Consent to Notice by Electronic Transmission may be Revoked.* A Unit Owner or Board member who has consented to receipt of electronically transmitted Notices may revoke this consent by delivering a revocation to the Association in the form of a Record.

19.3.4. *Consent may be Automatically Revoked.* The consent of any Unit Owner or Board member is revoked if: The Association is unable to electronically transmit two consecutive Notices given by the Association in accordance with the consent, and this inability becomes known to the Secretary of the Association or any other Person responsible for giving the Notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any Meeting or other action.

19.3.5. *Alternative Methods of Notice by Electronic Transmission.* Notice to Unit Owners or Board members who have consented to receipt of electronically transmitted Notices may be provided by posting the Notice on an electronic network and delivering to the Unit Owner or Board member a separate Record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

19.3.6. *When Electronic Notice to Association is Effective.* Notice to the Association in an electronic transmission is effective only after the Association has designated in a Record an address, location, or system to which the Notices may be electronically transmitted.

19.4. **Alternative Methods of Giving Notice not Prescribed by Statute.** Notice may be given by any other method reasonably calculated to provide notice to the recipient.

19.5. **When Notice is Effective.** Notice is effective as follows:

19.5.1. *Effectiveness of Notice Provided in Tangible Medium.* Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when they send the fax.

19.5.2. *Effectiveness of Notice Provided in Electronic Transmission.* Notice provided in an electronic transmission is effective as of the date it:

(a) Is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or

(b) Has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

19.6. **Ineffectiveness of Notice does not Invalidate Action by Association.** The ineffectiveness of a good-faith effort to deliver Notice by an authorized means does not invalidate action taken at or without a Meeting.

19.7. **When Governing Law Requires Alternative Methods of Notice.** If the Governing Law prescribes different or additional notice requirements for particular circumstances, those requirements govern.

**ARTICLE XX:  
MISCELLANEOUS**

20.1 **Severability.** All provisions of the Governing Documents, and Organizational Documents are severable. If any provision of the governing document, or its application to any Person or Circumstances, is held invalid, the remainder of the governing document, Organizational Document or application to other Persons or circumstances is not affected.

20.2 **No Right of First Refusal.** There is no right of first refusal in the Association limiting or restricting the right of any Unit Owner to transfer or convey their Unit.

20.3 **No Discrimination.** The Association shall not discriminate on the basis of race, color, religion, national origin, familial status, handicap or other protected class. The Association shall make reasonable accommodations in its policies and procedures, and permit reasonable modifications of premises where necessary or appropriate to comply with law.

20.4 **Obligation of Good Faith.** Every duty governed under this Declaration or the Governing Law imposes an obligation of good faith in its performance or enforcement.

20.5 **Effective Date.** This Declaration shall take effect upon recording.

DATED ~~April~~ <sup>May</sup> 20 2020.

DECLARANT: Singh Enterprises, LLC

  
\_\_\_\_\_  
By: Hakam Singh, Its Governing Person

STATE OF WASHINGTON  
COUNTY OF SKAGIT



I hereby certify that I know or have satisfactory evidence that Hakam Singh is the person who appeared before me, and said person acknowledged it as the managing member of Singh Enterprises, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SIGNED on <sup>MAY</sup> 20 of ~~April~~, 2020.

  
\_\_\_\_\_  
Notary Public in and for the State of Washington  
My commission expires: 2-9-23

**EXHIBIT "A"**  
**TO DECLARATION FOR BRICKYARD TOWNHOMES**

Unit No.	Street Address	Approx. Sq Ft**	No. of Bedrooms/Bathrooms***	No. of Fireplaces***	Levels in Building***	Limited Common Elements	Allocated Interests / Votes*
219-A	219 N Reed St Unit A	1,975	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6
219-B	219 N Reed St Unit B	1,973	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6
221-A	221 N Reed St Unit A	1,974	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6
221-B	221 N Reed St Unit B	1,973	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6
225-A	225 N Reed St Unit A	1,992	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6
225-B	225 N Reed St Unit B	1,985	3/2.5	0	2	Adjacent patio and entry walkway; all structural parts of building	1/6

\* Allocated interests are the percentages of undivided interests in the Common Elements, fractional liability for the Common Expenses of the Association, and portions of the votes in the Association, allocated by the Declarant to each Unit, described in Sections 5.2, 7.4.2 and 10.5 of this Declaration.

\*\* Square footages are derived from surveyor's measurements of the Unit and is based on the perimeter boundaries of the Unit as shown on the Survey Map. They do not reflect the floor area of the Unit Structure within each Unit. Unit areas were provided by Declarant's surveyor and Declarant has not independently verified surveyor's calculations. Purchaser shall be responsible for confirming the area of their Unit and Unit Structure.

\*\*\* Boundaries of Units are "planes in space" as defined in Section 4.2 and shown on the Survey Map and includes all structures and improvements now or hereafter constructed within the Unit, and thus the Units are not located within a building nor located within or on floor level of a building. The number of bathrooms, bedrooms, and fireplaces are based upon the Unit Structure located within each Unit at the time recording of this Declaration and are subject to change.