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Skagit County Auditor

**AMENDED AND RESTATED DECLARATION
FOR MADDOX HIGHLANDS CONDOMINIUM I**

GRANTOR: MADDOX HIGHLANDS CONDOMINIUM I ASSOCIATION

GRANTEE: MADDOX HIGHLANDS CONDOMINIUM I ASSOCIATION

LEGAL DESCRIPTION: MADDOX HIGHLANDS CONDOMINIUM I, ACCORDING
TO THE DECLARATION THEREOF RECORDED UNDER
SKAGIT COUNTY RECORDING NUMBER 200101230038;
AND THE SURVEY MAP AND PLANS RECORDED
UNDER SKAGIT COUNTY RECORDING NUMBER
200101230037.

ASSESSOR'S TAX PARCEL ID#: P117716 THROUGH P117725, INCLUSIVE;
P117731, P120811, P120812

REFERENCE #: 200101230038

Maddox Highlands Condominium I Association - WUCIOA Declaration

**AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
FOR MADDOX HIGHLANDS CONDOMINIUM I**

This Amended and Restated Declaration for MADDOX HIGHLANDS CONDOMINIUM I is made as of the date of its recording.

RECITALS

A condominium declaration submitting real estate to the Washington Condominium Act, Laws of 1989, Chapter 43 (RCW 64.34) as amended, entitled Declaration of Maddox Highlands Condominium I, was recorded on January 23, 2001, under Recording No. 200101230038 in Skagit County, Washington (the "Original Declaration"). The Survey Map and Plans were recorded on January 23, 2001, in Skagit County, Washington under Recording No. 200101230037.

The Original Declaration has been previously amended by instruments recorded under the following recording numbers in Skagit County, Washington: 200101260084, 200301210025, 201706290115, and 201712140086.

The Survey Map and Plans have been previously amended by instruments recorded under the following recording number in Skagit County, Washington: 200309120221.

Maddox Highlands Condominium I is a subdivision of Maddox Creek PUD. The declaration for Maddox Creek PUD, titled Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Maddox Creek, was recorded on September 20, 1996 under Skagit County Recording No. 9609200054. Maddox Creek PUD Phase 3 was added by amendment to the Master Subdivision Covenants under Skagit County Recording No. 200011030078. The plat map for Maddox Creek PUD Phase 3 is recorded under Skagit County Recording No. 200008140137.

Along with other amendments to the Declaration, the Association also desires to amend the statute which governs the Community, by adopting the Washington Uniform Common Interest Ownership Act (WUCIOA), RCW 64.90 et seq, as provided for in RCW 64.90.095(3)(d), in that at least thirty percent (30%) of the votes in the Association were cast, and sixty-seven percent (67%) of those votes were in favor of the proposal to adopt WUCIOA.

Pursuant to Article 16 of the Original Declaration, this Amended and Restated Declaration was approved by a majority of the Board of Directors.

Pursuant to Article 16 of the Original Declaration, not less than sixty-seven percent (67%) of the Owners in the Association approved this Amended and Restated Declaration.

Pursuant to Section 13.2.2 of the Original Declaration, there are no Eligible Mortgage Holders to seek approval from for material amendments to the Declaration.

To accomplish the foregoing purposes, the undersigned President and Secretary, respectively, of the Maddox Highlands Condominium I Association, the Association duly authorized to govern the Maddox Highlands Condominium I, do hereby certify that the

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requirements of the Declaration have been complied with and therefore the Association declares and adopts the following Amended and Restated Declaration:

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ARTICLE 1: INTERPRETATION**1.1 Remedies to Be Liberally Administered.**

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of this Condominium under the provisions of Washington law. It is intended and covenanted that the provisions of applicable Washington statutes be liberally construed so as to effectuate the intent of this Declaration. The remedies provided under the Act must be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. However, consequential, special, or punitive damages may not be awarded except as specifically provided in the Act or by other rule of law.

1.2 Supplemental General Principles of Law Applicable.

The principles of law and equity, including the law of corporations, the law of real estate, and the law relative to the capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement this Declaration, except to the extent inconsistent with the Act or this Declaration.

1.3 Obligation of Good Faith.

Every contract or duty governed under this chapter imposes an obligation of good faith in its performance or enforcement.

1.4 Construction and Validity of Governing Documents.

(1) All provisions of the governing documents are severable. If any provision of a governing document, or its application to any person or circumstances, is held invalid, the remainder of the governing document or application to other persons or circumstances is not affected. (2) If a conflict exists between the Declaration and the organizational documents, the Declaration prevails except to the extent the Declaration is inconsistent with law. Should there be a conflict between the provisions of this Declaration and the Maddox Creek PUD Declaration as described in Article 21, the Maddox Creek Declaration controls to the extent that the provisions cannot be harmonized.

1.5 Consistent with Act.

The terms used herein are intended to have the same meaning as given in the Washington Uniform Common Interest Ownership Act (RCW 64.90) unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.6 Covenant Running with Land.

This Declaration shall operate as a set of covenants running with the land, or equitable servitudes, binding on all Owners of the Property or a Unit, together with their

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grantees, successors, heirs, executors, administrators, devisees or assigns, supplementing and interpreting the Act, and operating independently of the Act, should the Act or any part thereof be, in any respect, inapplicable.

1.7 Captions and Exhibits.

Captions given to the various articles and section herein are for convenience only and are not intended to modify or affect the meaning of any substantive provisions of this Declaration. The various Exhibits referred to and attached shall be deemed incorporated herein.

1.8 Inflationary Increase in Dollar Limits.

Any dollar amounts specified in the Declaration in connection with any proposed action or decision of the Board or Association shall be increased proportionately by the increase in the Consumer Price Index for the City of Seattle, Washington for All Urban Consumers ("Index"), prepared by the United States Department of Labor over the base Index of January 1 of the calendar year in which the Restated Declaration is recorded, to adjust for any change in the value of the dollar, as provided in RCW 64.90.065.

1.9 Form of Words.

Each use of the masculine, neuter or feminine gender herein will be deemed to include the other genders, and each use of the plural will include the singular, and vice versa, in each case as the context requires.

1.10 Definitions.

The definitions in this section apply throughout this Declaration unless the context clearly requires otherwise. Any definition in the Act shall control over the Declaration.

"The Act" or **"Act"** means the Washington Uniform Common Interest Ownership Act (WUCIOA) as provided in Chapter 64.90 RCW.

"Allocated interests" means the following interests allocated to each Unit: the undivided interest in the Common Elements, the Common Expense liability, and votes in the Association;

"Assessment" means all sums chargeable by the Association against a Unit, including any Assessments levied or imposed through the budget process; specially allocated expenses or any expense chargeable to an Owner or Unit as provided by the Declaration or law; fines or fees levied or imposed by the Association pursuant to the governing documents; interest and late charges on any delinquent account, and all costs of collection incurred by the Association in connection with the collection of a delinquent Owner's account, including reasonable attorneys' fees. Delinquent Assessments are regular Assessments past due by at least fifteen (15) days or special Assessments (including fines and other Assessments) not paid by the due date.

"Association" means the Unit Owners Association organized under this Declaration, known as Maddox Highlands Condominium I Association.

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"Ballot" means a Record designed to cast or register a vote or consent in a form provided or accepted by the Association.

"Board" or **"Board of Directors"** means the body designated in the Declaration with primary authority to manage the affairs of the Association, as further described in the Bylaws. "Board Members" and "Directors" are synonyms and mean the same thing.

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

"Bylaws" mean the Bylaws of the Association as they may from time to time be amended.

"Capital Addition or Improvement" means additions to the existing Condominium Property. This shall not include maintenance, repair or replacement of existing structures and Buildings, even if there are changes to or replacement of an existing material with different material. These do not include making, in the ordinary course of management, repairs to Common Elements or replacements of the Common Elements with substantially similar items, subject to: (A) Availability of materials and products, (B) prevailing law, or (C) sound engineering and construction standards then prevailing.

"Common Elements" means all portions of the Condominium other than the Units. It is synonymous with Common Areas in the Original Declaration.

"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.

"Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to Exhibit A. The Common Expense Liability is equal to the Percentage Ownership Interest.

"Common Interest Community" means the Maddox Highlands Condominium I. It is synonymous with "Condominium" and with "Community."

"Declaration" means this Amended and Restated Declaration for Maddox Highlands Condominium I, as it may be amended from time to time.

"Dispute" means a conflict or a controversy arising out of or related to the provisions of the Governing Documents and duly authorized decisions of the Board. "Dispute" does not include enforcement by the Board of any Violation of the Governing Documents, though enforcement of a Violation may evolve into a Dispute if the final decision of the Board regarding a Violation is challenged. "Dispute" does not include the collection of unpaid Assessments as provided in Article 12.

"Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

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"Electronic Transmission" or **"Electronically Transmitted"** means any electronic communication (a) not directly involving the physical transfer of a Record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.

"Eligible Mortgagee" means the holder of a security interest 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.

"Governing Documents" means the organizational documents, Bylaws, Survey Maps and Plans, Declaration, rules and regulations, or other written instruments by which the Association has the authority to exercise any of the powers provided for in the Act or to manage, maintain, or otherwise affect the Property under its jurisdiction. In the event of, and only to the extent of a conflict between the following, applicable statutes control over the Declaration, the Declaration controls over the Bylaws, and the Bylaws control over the Rules, Regulations and policies adopted by the Board.

"Limited Common Element" means a portion of the Common Elements allocated by the Declaration or by operation of law for the exclusive use of one or more, but fewer than all, of the Unit Owners, the boundaries of which are described in Article 6. It is synonymous with Limited Common Areas in the Original Declaration.

"Maddox Creek" or **"Maddox Creek PUD"** means the Master Association within which Maddox Highlands Condominium I is a sub-association.

"Master Subdivision Covenants" means the Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Maddox Creek, Recorded in Skagit County under Recording Number 9609200054, as they may be amended from time to time. Such covenants control over this Declaration as provided in Article 21.

"Organizational Documents" means the instruments filed with the secretary of state to create an entity and the instruments governing the internal affairs of the entity including, but not limited to, any articles of incorporation, certificate of formation, and Bylaws (which need not be filed or recorded).

"Owner Improvement" means any improvements or alterations by an Owner of a Unit to the as-built condition of the Unit or the Limited Common Elements of the Unit, and may include portions of the Common Elements.

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

"Property" includes all Common Areas, Common and Limited Common Elements, Lots, Units, and all real property subject to the jurisdiction of the Association.

"Record," when used as a noun, means information inscribed on a tangible medium or contained in an electronic transmission, as further defined in Section 10.4.

"Related Party" means the adopted or birth relatives of any Owner and such Owner's spouse (whether by marriage or common law), if any, including without limitation: great-grandparents, grandparents, parents, children (including stepchildren and adopted children), grandchildren, and great-grandchildren thereof; and such

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Owner's (and such Owner's spouse's) brothers, sisters, cousins, respective lineal ancestors and descendants, any other ancestors and/or descendants, and any spouse of any of the foregoing.

"Rule" or "Regulation" 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 governs the conduct of persons or the use or appearance of Property.

"Specially Allocated Expense" means any expense of the Association, including allocations to reserves, allocated on a basis other than the Common Expense Liability pursuant to Section 12.3.

"Survey Map and Plans" means those certain Survey Map and Plans of the Condominium recorded in Skagit County, Washington, under recording number 200101230037, as it may be amended from time to time.

"Tangible Medium" means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material.

"Unit" means a physical portion of the condominium designated for separate Ownership or occupancy, the boundaries of which are described in Article 4. It is synonymous with "Apartment" in the Original Declaration.

"Unit Owner" or "Owner" means a person that owns a Unit, but does not include a person having an interest in a Unit solely as security for an obligation. It also means the vendee, not the vendor, of a Unit under a recorded real estate contract.

"Violation" means an infraction or breach of the Governing Documents, any duly authorized, lawful decision of the Board, or applicable federal, state, or local law and **"Violate"** means to commit such an infraction or breach.

"Voting Power" means the weight of a Unit Owner's vote and is equal to the Unit Owner's percentage of undivided Ownership interest in the Common Elements set forth in Exhibit A. All Units have equal Voting Power.

"Written" means embodied in a tangible medium. It includes communications by electronic transmission 1) only for persons who have agreed to accept Notice by electronic transmission, and 2) which can be printed by both the sender and recipient.

ARTICLE 2: DESCRIPTION OF LAND

The land consists of three lots within the Maddox Creek PUD. All of the lots have easements for private roads which provides access to the lots, and other property within Maddox Creek PUD.

Legal Description

The land on which the Buildings and improvements provided for in this Declaration are located is as described below:

Lots B-9, B-10 and B-11 Maddox Creek P.U.D., Phase 3, as recorded August 14, 2000, under Skagit County Auditor's File No. 200008140137, records of Skagit County, Washington.

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ARTICLE 3: DESCRIPTION OF BUILDINGS AND IMPROVEMENTS**3.1 Description of Buildings.**

There are thirteen (13) Units across three (3) buildings. The buildings were constructed in phases, with phase 1 being buildings 1 and 2, and phase 2 being building 3. The Buildings are further described on the Survey Map and Plans. The buildings are of wood frame construction on concrete foundations, originally with vinyl siding and asphalt shingle roofs.

ARTICLE 4: DESCRIPTION OF UNITS**4.1 Number and Location.**

Each Unit is identified in this Declaration by a number. The Unit number of each Unit, its location, approximate area, number of rooms and the immediate Common Elements to which it has access are described in Exhibit A and the Survey Map and Plans.

4.2 Unit Boundaries.

The unfinished perimeter walls, lower floor and upper ceilings are designated as the boundaries of a Unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors, or ceilings are a part of the Common Elements.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

Subject to the above, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

Any fireplaces, shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

This definition of Unit Boundary is not materially different from that stated in RCW 64.90.210(1)a.

4.3 Items Included in the Units.

Each Unit includes:

4.3.1 The plaster, lath, wallboard, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof.

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4.3.2 The outlets of any utility service lines such as water, sewage, gas or electricity and ventilating ducts within the Unit, but shall not include any part of such lines or ducts themselves regardless of whether such lines or ducts run through air space or in walls encompassed by the Unit or any partition within a Unit;

4.3.3 Electrical panels, lights, fans, outlets, switches and any other electrical fixture in or connected to the Unit are part of the Unit. (Wires inside the walls and floors are part of the Common Elements.)

4.3.4 Valves, drains, traps, supply lines, wax rings, and other plumbing fixtures in or connected to the Unit are part of the Unit. (Pipes inside the walls and floors are part of the Common Elements.)

4.4 Monuments as Boundaries.

(1) Except as provided in subsection (2) of this section, if the construction, reconstruction, or alteration of a building or the vertical or lateral movement of a building results in an encroachment due to a divergence between the existing physical boundaries of a Unit and the boundaries described in the Declaration or Plans, the existing physical boundaries of a unit are its legal boundaries, rather than the boundaries described in the Declaration.

(2) Subsection (1) of this section does not apply if the encroachment results from willful misconduct of the Owner that claims a benefit under subsection (1) of this section.

ARTICLE 5: DESCRIPTION OF COMMON ELEMENTS

5.1 Common Elements and Facilities.

5.1.1 The land above described.

5.1.2 The windows, roof, foundation, columns, girders, studding, joists, beams, supports, main walls (excluding only non-bearing interior partitions in Units), chimneys and all other structural parts of the Building to the interior surfaces of the Units' perimeter walls floors, ceilings, windows and doors. The structural walls, floors, and ceilings, and the windows and doors form the boundaries of the Units as the boundaries are defined in this Declaration. The term "interior surfaces" shall not include paint, wallpaper, carpeting, tiles or other such decorative surface coverings or finishes, which are a part of the Unit.

5.1.3 Installations of central services such as power, light, gas, water, and in general all apparatus and installations existing for common use. To the extent that these central services support only one Unit, the Unit Owner of said Unit is responsible for the maintenance of the central services providing for their Unit.

5.1.4 The driving areas which provide access to the Limited Common Elements for parking and any guest parking or other parking areas not assigned to Units.

5.1.5 The yard, gardens or landscaped areas and walkways which surround and provide access to the Building or are used for recreational purposes.

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5.1.6 All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

5.1.7 Certain items which could ordinarily be considered Common Elements such as, but not limited to: screen doors; window screens; locks on doors, windows and mail boxes; awnings; storm windows; planter boxes; and similar items, are designated as items to be furnished and maintained by Unit Owners at their individual expense in good order according to standards and requirements set by the Board by rule, regulation or by law. Plaster, lath, wallboard, etc. on the perimeter walls of each Unit are designated as items to be maintained by Unit Owners. The Board may declare other similar items as items to be maintained by individual Owners.

5.2 Conveyance or Encumbrance of Common Elements.

Portions of the Common Elements may be conveyed or subjected to a security interest by the Association only as provided by RCW 64.90.465

5.3 Incorporation into Limited Common Elements or Units.

Common Elements may be incorporated into Limited Common Elements or Units only as provided in RCW 64.90.240.

ARTICLE 6: DESCRIPTION OF LIMITED COMMON ELEMENTS

6.1 Limited Common Elements.

The Declaration specifies to which Unit or Units each Limited Common Element is allocated. The Survey Map and Plans show the Limited Common Element driveway areas in front of each garage door.

6.2 Reallocation of Limited Common Elements.

(a) A Limited Common Element may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Unit Owners between or among whose Units the reallocation is made, as provided in RCW 64.90.240.

6.3 Parking Spaces and Garages.

6.3.1 The boundaries of parking spaces are defined by the walls or striping separating the spaces, and are the surface of the pavement enclosing said parking space. Boundaries of the garages are the walls, floors and ceilings, with boundaries and maintenance responsibilities to match those of a Unit.

6.3.2 Parking spaces and garages may not be leased to third parties.

6.5 Building Components that Serve Only Unit.

As provided by Statute [RCW 64.90.210 (1)(b) and (3)] and which are described in the description of the Unit Boundaries in Article 4.

Maddox Highlands Condominium I Association - WUCIOA Declaration**6.6 Other Limited Common Elements.**

6.6.1 All patios and patio storage, decks, stairways and storage, and driveways, each of which shall pertain to the Unit which it adjoins as shown on the Survey Map and Plans. There are no uncovered parking areas assigned to Units as Limited Common Elements.

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

6.6.3 All crawl spaces located within the confines of the foundation walls under all lower Units have restricted use. Use of this crawl space for storage or any other purpose than maintenance of the building and/or existing mechanical devices is not allowed by local municipal code, and is expressly prohibited.

ARTICLE 7: VALUE AND PERCENTAGE INTEREST**7.1 Percentage Interest of Each Unit.**

The schedule attached hereto as Exhibit A sets forth the percentage of undivided interest in the Common Elements appertaining to each Unit and its Owner for all purposes, including voting and sharing of Common Expenses. Each Unit has an equal percentage of undivided interest.

7.2 Percentage of Unit Owners or Mortgagees.

For purposes of determining the percentage Ownership interest herein, where a Unit Owner owns, or a Mortgagee holds a first mortgage on, more than one Unit, they shall be deemed a separate Unit Owner or Mortgagee for each Unit.

ARTICLE 8: EASEMENTS**8.1 In General.**

Unit Owners have an easement in the Common Elements for access to their Units. Subject to the Declaration and rules, 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.

8.2 Right of Entry for Maintenance, Emergencies or Improvements.

The Association shall have the right to have access to each Unit from time to time as may reasonably be necessary for inspection, routine maintenance, repair, or replacement or improvement of any of the Common Elements accessible therefrom, or for making repairs necessary to prevent damage to the Common Elements or to other Units, or for any emergency situations.

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8.3 Easement through Units and Limited Common Elements.

The Association, its vendors and agents, have easements through all Units and Limited Common Elements to allow for the inspection, maintenance and repair of the Property.

8.4 Easements Benefiting Owners.

In addition to the rights and easements reserved or provided for by law, each Unit is granted easements as required through Common Elements and other Units for the location and maintenance of all pipes, wiring and plumbing and for all structural or service elements necessary or convenient for the occupation of the Unit for its intended use. All such easements shall be located as such features are located in the buildings as built, or as they may become located due to settling, repair, or reconstruction. The easements extend to reasonable access for purposes of repair, replacement or maintenance so long as the areas where they are located are restored after completion of such work. The easements here created are intended for implementing and maintaining the original building as built, but not to authorize features not contemplated in the original Plans unless such new features are authorized by Board action and do not materially and adversely affect the Common Elements or any Unit.

8.5 Utility Easements.

The Board, on behalf of the Association and all Members thereof, shall have the authority to grant utility, road and similar easements, licenses and permits under, through or over the Common Elements, the roadways and the areas shown as easements on the Survey Map and Plans, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Property and which would not materially interfere with the use and enjoyment of the easements.

8.6 Encroachments.

Each Unit and all Common and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common and Limited Common Elements, for the purpose of accommodating any encroachment due to engineering errors, or errors in original construction, reconstruction, repair of any portion of the Building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners.

8.7 Additional Easements on Survey Map and Plans. Additional easements are listed on the Survey Map and Plans to effectuate the Condominium's existence. These easements cover the following topics:

- (1) Utilities and roads; and
- (2) Private Drainage.

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The specifics of these easements are detailed in the Plat Map.

ARTICLE 9: OWNERS ASSOCIATION

9.1 Form of Association.

The Condominium shall be administered by the Maddox Highlands Condominium I Association, a non-profit corporation formed pursuant to the Articles of Incorporation of Maddox Highlands Condominium I Association, filed for record with the Office of the Secretary of State, State of Washington. The rights and duties of the Members of such corporation shall be governed by the provisions of this Declaration, the other Governing Documents and applicable Washington statutes.

9.2 Membership Qualification.

The membership of the Association at all times consists exclusively of all Unit Owners or, following termination of the common interest community, of all former Unit Owners entitled to distributions of proceeds under the Act, or their heirs, successors, or assigns.

9.3 Bylaws.

The governance of the Association shall be as provided in the organizational documents, including the Bylaws, to deal with meetings, voting and election and removal of Board Members.

9.4 Meetings.

Meetings of the Association and the Board shall be held at the time and in the manner provided in the Bylaws.

ARTICLE 10: MANAGEMENT / POWERS OF THE ASSOCIATION

10.1 Management by Board.

The Association shall be administered and managed by a Board of Directors as provided in the Bylaws. Except as provided otherwise in the Governing Documents or law, the Board acts on behalf of the Association.

10.2 Authority of the Association.

10.2.1 Duties: The Association Must:

- (a) Adopt budgets as provided in RCW 64.90.525;
- (b) Impose assessments for Common Expenses and specially allocated expenses on the Unit Owners;
- (c) Prepare financial statements. At least annually, the Association shall prepare a financial statement of the Association in accordance with accrual based accounting practices. The financial statements must be audited at least annually by a certified public accountant, but if the annual budget is less than \$50,000, then it may be waived

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annually by Unit Owners to which a majority of the votes in the Association are allocated;

(d) The Association must keep all funds of the Association in the name of the Association with a qualified financial institution. The funds must not be commingled with the funds of any other association, any managing agent or any other person, or be kept in any trust account or custodial account.

10.2.2 Powers. The Board (or the Managing Agent to the extent delegated by the Board) shall exercise all powers of the Association except as restricted by the Act, the Declaration or the Bylaws; shall enforce the provisions of this Declaration and of the Bylaws; and shall have all powers and authority permitted to the Board under applicable Washington statutes and the Declaration. Without limiting the generality of the foregoing, the Association shall have the powers to:

(a) Amend organizational documents and adopt and amend rules;

(b) Amend budgets pursuant to ratification as provided in the Bylaws;

(c) Hire and discharge managing agents and other employees, agents, and independent contractors as required to properly manage the affairs of the Condominium to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Elements, regardless whether such personnel are employed directly by the Board or are furnished by the Managing Agent. Such authority is subject to section 10.3.6;

(d) Except as limited by Article 16, Institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings or any other legal proceeding in its own name on behalf of itself or two (2) or more Unit Owners on matters affecting the Condominium or the Association;

(e) Except as limited by section 10.3, make contracts and incur liabilities, including:

(i) To contract for all goods and services, including painting, maintenance, repair and all landscaping and gardening work, for the Common Elements and such furnishings and equipment for the Common Elements as the Board shall determine are necessary or proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Elements, including Limited Common Elements;

(ii) To employ legal and accounting services as may be reasonably necessary or proper in the operation of the Association affairs, administration of the Common Elements, or the enforcement of this Declaration and other Governing Documents;

(iii) To perform maintenance and repair of any Unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Condominium, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written Notice to the Owner, and provided that the Board shall levy a special

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charge against the Unit of such Owner or Owners for the cost of such maintenance or repair;

(f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements, including the Limited Common Elements;

(g) Except as limited by section 10.3, cause additional improvements to be made as a part of the Common Elements;

(h) Except as limited by section 10.3, acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal Property, but Common Elements may be conveyed or subjected to a security interest pursuant to RCW 64.90.465 only;

(i) Grant easements, leases, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;

(j) Impose and collect any reasonable payments, fees, or charges for:

(i) The use, rental, or operation of the Common Elements, other than Limited Common Elements assigned to a Unit;

(ii) Services provided to Unit Owners; and

(iii) Moving in, moving out, or transferring title to Units and one time, or monthly, fees to recover expenses associated with Units rented by their Owners;

(k) Collect assessments and impose and collect reasonable charges for late payment of assessments;

(l) Enforce the governing documents and, after Notice and Opportunity to be Heard, impose and collect reasonable fines for violations of the governing documents in accordance with a previously established schedule of fines adopted by the Board of Directors and furnished to the Owners;

(m) Impose and collect reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates (as required under RCW 64.90.640) lender questionnaires, or statements of unpaid assessments; The maximum reasonable charge for a Resale Certificate shall be adjusted as provided in RCW 64.90.065;

(n) Provide for the indemnification of its Officers and Board Members, to the extent provided in RCW 23B.17.030;

(o) Maintain policies of insurance providing coverage for (i) fire and other hazard, (ii) liability for personal injury and property damage, (iii) fidelity coverage, and (iv) directors and officers liability, and such other insurance as the Board deems appropriate to protect and maintain the Property and its value;

(p) Subject to subsection 10.2.3 of this section, assign its right to future income, including the right to receive assessments;

(q) Join with the Master Association for its activities;

(r) Establish and administer a reserve account as described in RCW 64.90.535;

(s) Prepare a reserve study as described in RCW 64.90.545;

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(t) Exercise any other powers conferred by the declaration or organizational documents;

(u) Exercise all other powers that may be exercised in this state by the same type of entity as the Association;

(v) Exercise any other powers necessary and proper for the governance and operation of the Association;

(w) Disputes between the Association and Unit Owners or between two (2) or more Unit Owners regarding the condominium shall be resolved as provided in Article 16; and

(x) Suspend any right or privilege of a Unit Owner who fails to pay an assessment, but may not: (i) Deny a Unit Owner or other occupant access to the Owner's Unit; (ii) Suspend a Unit Owner's right to vote; or (iii) Withhold services provided to a Unit or a Unit Owner by the Association if the effect of withholding the service would be to endanger the health, safety, or property of any person.

10.2.3 Enforcement against Tenants. If a tenant of a Unit Owner violates the governing documents, and fails to cure the violation within ten (10) days, in addition to exercising any of its powers against the Unit Owner, the Association may enforce as provided in section 16.10.

10.2.4 Board Discretion Regarding Enforcement. The Board may determine whether to take enforcement action as provided in section 16.9

10.2.5 Board Exercises Control. The Board shall have the exclusive right to contract for all goods and services, payment of which is to be a Common Expense. The Board may delegate such powers to the Managing Agent or others, subject to the terms hereof.

10.2.6 Acquisition of Property. The Board may acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such Property shall be owned by the Owners in the same proportion as their respective interests in the Common Elements, and such Property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the Association as the Board may direct.

10.2.7 High Risk Components. The Board may by rule designate physical components of the Property for which a Unit Owner is otherwise responsible that present a heightened risk of damage or harm to persons or property if the physical components fail. The Association may require that specific measures be taken by the Unit Owner or the Association to diminish that risk of harm. If a Unit Owner fails to accomplish any necessary maintenance, repair, or replacement to those components, or fails to take any other measures required of the Unit Owner under this subsection, the Association may, after Notice to a Unit Owner and an Opportunity to be Heard, enter the Unit to perform such maintenance, repair, replacement, or measure at the expense of that Unit Owner. High risk components include, but are not limited to, Toilets, showers, sinks, dishwashers, washing machines, hot water heaters, ice makers, and smoke detectors. **Owners may be liable for damage or loss caused by failure to**

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comply with the standards for maintenance, repair and replacement of such components as provided in Section 12.3.

The Association has the right to enter each unit (following appropriate Notice) to inspect all high risk components, and to inspect all windows, doors and decks. Unless the Board adopts a different standard for replacement of water heaters, they must be replaced by owners when they reach 12 years following the date of manufacture located on the water heater, or the unit owner has installed a water sensor system that includes and automatic water shutoff feature.

10.2.8 Entry for Repairs. Upon prior Notice, except in case of an emergency, each Unit Owner must afford to the Association, and to its agents or employees, access into and through that Owner's Unit and Limited Common Elements reasonably necessary for maintenance and repair of the Property, including necessary inspections by the Association. The Board and its agents may enter any Unit or Limited Common Elements appurtenant thereto when the Board deems necessary in connection with any inspection, maintenance, repair, landscaping or construction carried out by the Board, in the event of an emergency, or in connection with any maintenance or other necessary repairs, replacement, construction, or other activity for which the Unit Owner is responsible but has failed to perform. Except in an emergency which threatens an occupant, or is causing physical damage to a Unit, the Board or its agents may only enter a dwelling with permission of the occupant or a court order.

a) Such entry shall be made with as little inconvenience to the Owner and/or Occupant as practicable. Except in emergencies, Notice shall be provided at least five (5) days in advance, and shall be posted on the door to the Unit at least forty-eight (48) hours in advance of entry.

b) Each Owner shall provide the Association access into their Unit for compliance with this Section. Common Expenses incurred due to an Owner's failure to provide access will be assessed to the Unit.

c) 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, is liable for the prompt repair of the damage.

If an Owner or other occupant is displaced due to fire, damage, or necessary repairs to the condominium, the Association has no liability for the cost of moving, storage, or alternative housing. These are risks that each Owner can insure themselves for. If an Owner refuses to remove the occupants or contents of a Unit when necessary for the Association to perform its work, any costs incurred by the Association for the removal or protection of persons or contents shall be assessed against the Owner and the Unit.

10.2.7 Association Authority. Each Owner, by the mere act of becoming an Owner or contract purchaser of a Unit, shall irrevocably appoint the Association as their attorney-in-fact, with full power of substitution, to take action only as is reasonably necessary to perform the duties of the Association and the Board hereunder, including but not limited to the duties to maintain, repair, or improve the Property, to deal with the

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Owner's Unit upon condemnation, damage, or destruction, and to secure any and all insurance proceeds.

10.3 Specific Limitations on Association's Authority.

10.3.1 Loan Ratification. Any borrowing by the Association that is to be secured by an assignment of the Association's right to receive future income requires ratification by the Unit Owners in the same manner as required for a special assessment. Ratification of a loan and associated budget may be combined into a single meeting.

10.3.2 Flags. Unit Owners may display the flag of the United States, or the flag of Washington state, on or within a Unit or a Limited Common Element, subject to reasonable restrictions adopted by the Board pertaining to the time, place, or manner of displaying the flag of the United States necessary to protect a substantial interest of the Association. For purposes of this section, "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. All other flags may be regulated or prohibited by Rules adopted by the Board.

10.3.3 Signs. Owners may display signs regarding candidates for public or Association office, or ballot issues, on or within a Unit or Limited Common Element, subject to reasonable rules adopted by the Board pertaining to the placement and manner of those displays. All other signs may be regulated or prohibited by Rules adopted by the Board.

10.3.4 Capital Additions and Improvements. The Board of Directors may not undertake any capital additions or improvements to the Common Elements in any one year costing in excess of \$5,000, unless such expenses are approved by a majority of the total voting power. Any additions, alterations, or improvements costing \$5,000 or less, in any one year, may be made by the Board of Directors without approval of the Unit Owners, and the cost thereof shall constitute a Common Expense.

10.3.5 Operating a Business. 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.

10.3.6 Management Contracts. Any agreement for professional management shall provide for termination by the Condominium Association without cause or payment of a termination fee on ninety (90) days' written Notice and shall have a maximum duration of one year, but may be renewed each year; Also see Section 17.4.

10.3.7 Heat Pumps. For the purposes of this section, a "heat pump" means a heating or refrigerating system used to transfer heat. The heat pump condenser and evaporator may change roles to transfer heat in either direction. By receiving the flow of air or other fluid, a heat pump is used to cool or heat. Additionally, "reasonable restriction" means a restriction that does not significantly increase the cost of a heat pump or significantly decrease its efficiency or specified performance.

(a) The Association may not adopt or enforce a restriction, covenant, condition, bylaw, rule, regulation, provision of a governing document, or master deed provision that:

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- (i) Effectively prohibits or unreasonably restricts the installation or use of a heat pump in compliance with the requirements of this section and for the personal use of a unit owner within the boundaries of a unit; or
- (ii) Is in conflict with the provisions of this section.
- (b) Nothing in this section prohibits the Association from imposing reasonable restrictions on heat pumps.
- (c) This section must not be construed to permit installation by a unit owner of heat pump equipment on or in Common Elements without approval of the Board.

10.4 Association Records.

10.4.1 Records to be Kept. The Association must retain the following Records (which may be kept electronically as provided by RCW 1.80.110):

- (a) The current budget, detailed Records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting Records within the last seven (7) years;
- (b) Minutes of all meetings of its Unit Owners and Board, other than executive sessions, a Record of all actions taken by the Unit Owners or Board without a meeting, and a Record of all actions taken by a committee in place of the Board on behalf of the Association;
- (c) The names of current Unit Owners, mailing addresses used by the Association to communicate with them, and the number of votes allocated to each Unit;
- (d) The declaration or restated declaration, organizational documents, all amendments to the declaration and organizational documents, any policies and procedures adopted by the Board, and all Rules and Regulations currently in effect;
- (e) All financial statements and tax returns of the Association for the past seven (7) years;
- (f) A list of the names and mailing addresses of its current Board Members and Officers;
- (g) Its most recent annual report delivered to the secretary of state, if any;
- (h) Financial and other Records sufficiently detailed to enable the Association to prepare a resale certificate as required by law;
- (i) Copies of contracts to which it is or was a party within the last seven (7) years;
- (j) Materials relied upon by the Board or any committee to approve or deny any requests for design or architectural approval for a period of seven (7) years after the decision is made;
- (k) Materials relied upon by the Board or any committee concerning a decision to enforce the governing documents for a period of seven (7) years after the decision is made;
- (l) Copies of insurance policies under which the Association is a named insured;

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(m) Any current warranties provided to the Association;

(n) Copies of all Notices provided to Unit Owners or the Association in accordance with the Act or the governing documents for a period of two (2) years; and

(o) Ballots, proxies, absentee ballots, and other Records related to voting by Unit Owners for one year after the election, action, or vote to which they relate.

(p) Board Members' emails are not Association Records. Emails between Board Members, or between Board Members and managers are not Association Records, unless they are the written authorization to take Board action outside of a Board meeting.

10.4.2 Owners Right to Review Records. Subject to Subsections 10.4.3 and 10.4.4, all Records required to be retained by the Association must be made reasonably available for examination and copying by all Unit Owners, holders of mortgages on the Units, and their respective authorized agents as follows, unless agreed otherwise:

(a) During reasonable business hours and at the offices of the Association or its Managing Agent, or at a mutually convenient time and location; and

(b) Upon 10 days' notice, unless the size of the request or need to redact information reasonably requires a longer time, but in no event later than twenty-one (21) days without a court order allowing a longer time.

10.4.3 The list of Unit Owners required to be retained by an Association under subsection (1)(c) of this section is not required to:

(i) Be made available for examination and copying by holders of mortgages on the Units; or

(ii) Contain the electronic addresses of Unit owners who have elected to keep such addresses confidential pursuant to RCW 64.90.515(3)(a).

10.4.3 Protected Records.

10.4.3.1 Protected List of Owners. The list of Unit Owners required to be retained by the Association under 10.4.1(c):

(a) is not required to be made available for examination and copying by holders of mortgages on the Units; and

(b) is to be redacted or otherwise have removed the address of any Unit Owner or resident who is known to the Association to be a participant in the address confidentiality program for victims of domestic violence, sexual assault or stalking (RCW 40.24) or any similar program established by law prior to disclosure.

10.4.3.2 In General. Records retained by the Association must have the following information redacted or otherwise removed prior to disclosure:

(a) Personnel and medical Records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

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(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the Association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the Board;

(h) Individual Unit files other than those of the requesting Unit Owner;

(i) Unlisted telephone number of any Unit Owner or resident, electronic address of any Unit Owner that elects to keep such electronic address confidential, or electronic address of any resident;

(j) Security access information provided to the Association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the Members.

(l) Any information which would compromise the secrecy of a ballot cast under RCW 64.90.455(9).

10.4.4 Costs of Records Review.

(a) Except as provided in 10.4.4(b), the Association may charge a reasonable fee for producing and providing copies of any Records under this section and for supervising the Unit Owner's inspection.

(b) A Unit Owner is entitled to receive a free annual electronic or written copy of the list retained under 10.4.1(c) from the Association.

10.4.5 Right to Copies of Records. A right to copy Records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available, upon request by the Unit Owner. Any costs incurred by the Association to provide such copies shall be assessed to the Unit Owner.

10.4.6 Records as Kept in the Course of Business. The Association is not obligated to compile or synthesize information. Records need only be made available as kept by the Association.

10.4.7 No Commercial Use. Information provided pursuant to this section may not be used for commercial purposes.

10.4.8 Management Records. The Association's managing agent must deliver all of the Association's original books and Records to the Association upon termination of its management relationship with the Association, or upon such other demand as is made by the Board. Electronic Records must be provided within five business days of termination or the Board's demand and written records must be provided within 10

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business days of termination or the Board's demand. The managing agent may keep copies of the Association Records at its own expense.

10.5 Security.

The Association does not have a duty to provide for the safety or security of persons or property at the condominium.

ARTICLE 11: USE OF UNITS**11.1 Residential Use.**

The Buildings and Units shall be used for and restricted to use as single-family residences only, on an Ownership basis for reasonable activities normally incident to such use not inconsistent with the provisions of this Declaration nor applicable zoning and for the purposes of operating the Association and managing the Condominium if required. The foregoing restrictions as to residence shall not, however, be construed in such a manner as to prohibit a Unit Owner from maintaining their personal professional library therein; keeping their personal business and professional Records or accounts therein; or handling their personal business or professional telephone calls or correspondence therefrom. Use of a Unit for hotel or transient purposes is not consistent with residential use. Use of a Unit for short term guests, such as through services like Airbnb, are prohibited, even if the Unit is concurrently occupied by the Owner.

11.2 Trade or Business Use.

11.2.1 In General. No Trade or Business of any kind may be conducted in or from any Unit or any portion of the Property, except that an Owner or Occupant may conduct a Business activity within the Unit only if:

- (a) the existence or operation of the Business activity within the Unit is not apparent or detectable by sight, sound, or smell from the exterior of the Unit;
- (b) the Business activity conforms to all zoning and land-use requirements for the Property;
- (c) the Business activity does not involve persons who do not reside in the Condominium coming onto the Property;
- (d) the Business activity does not increase the liability or casualty insurance obligation or premium of the Association; and
- (e) in the sole discretion of the Board, the Business activity is consistent with the residential character of the Association and does not constitute a nuisance or hazardous or offensive use.

11.2.2 Child Care. A Unit may be operated as a family home child care or child day care center as defined in RCW 43.216.010. Any Unit doing so is required to comply with restrictions as provided in RCW 64.90.570. The Association may adopt reasonable rules and regulations affecting the child care Unit so long as they affect other Units equally.

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11.3 Restrictions on Occupancy.

Units may only be occupied by the owner or a related party.

11.4 Leasing of Units.

11.4.1 Leasing Defined and Regulated.

(1) Leasing (also referred to as renting) is defined as occupancy of a Unit by a Related Party, whether or not money is paid to the Owner. Leasing includes occupancy of one or more rooms in a Unit, whether or not rent is paid, by occupants residing in a Unit with the Unit Owner.

(2) The Leasing of a Unit shall be governed by the provisions of this Declaration. Notwithstanding anything herein to the contrary, this Section shall not be applicable to (a) the Lease of a residential Unit acquired by the Association following a Foreclosure of the Association's lien for Assessments; (b) the Lease of a residential Unit by a receiver appointed on the motion of the Association in connection with a lien Foreclosure action filed by the Association; or (c) a Mortgagee, institutional holder or loan servicer in possession of a residential Unit following default on a mortgage or deed of trust (or Foreclosure of the same).

(3) Leasing Units. A unit or portion of a unit may be leased or rented only to a Related Party.

(4) Timesharing (as defined in RCW 64.36.010(11)) is prohibited.

11.4.2 Minimum and Maximum Lease Terms Required. Every Lease Agreement shall be for a fixed term of not less than six (6) months and not more than twelve (12) months. No Owner or Tenant shall cause or allow the overnight accommodation of employees or business invitees in any Unit on a temporary or transient basis, which shall be defined as the lease, rental occupancy or use by a Tenant or other non-Owner Occupant for an occupancy period of less than six (6) months.

11.4.3 Owner-Occupancy Required. No Owner shall Lease their Unit except to a Related Party. This provision may not be enforced against any Unit with a mortgage guaranteed by the Federal Housing Authority, and is subject to the Hardship Exception below.

11.4.4 Rental Restrictions. Subject to the conditions and exceptions below, no Units may be leased except to Related Parties.

11.4.4.1 Hardship Exception. Where, on written application from an Owner, the Board determines in its discretion that a hardship exists whereby that Owner would suffer serious and substantial harm by virtue of the Rental prohibition contained herein, the Board may, in its discretion, grant an Owner a waiver of the Leasing restriction for a period of time determined by the Board, not to exceed six (6) months, with the possibility of renewal upon application by the Unit Owner. The obligation to pay a mortgage by itself is not sufficient to qualify as a hardship.

11.4.5 Written Leases. If a lease is permitted by the Board, no Lease of a Unit shall be valid or enforceable unless it shall be by means of a written Lease Agreement between the Owner of the Unit and the Tenant(s). A copy of each Lease Agreement

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shall be provided by the Owner to the Board or its designated agent promptly after execution by the parties thereto, and before the tenancy commences.

11.4.6 Lease Requirements. If a lease is permitted by the Board, every lease or rental agreement must provide that:

(a) its terms shall be subject in all respects to the provisions of the Declaration and Bylaws and the Rules and Regulations of the Association;

(b) any failure by the tenant to comply with the terms of the Declaration, Bylaws, and Rules and Regulations shall be a default under the lease or rental agreement; and

(c) the Owner grants to the Board and the managing agent the authority to evict the tenant on Owner's behalf for any default under the Lease, upon only such Notice as is required by law.

11.4.7 Tenant Screening. If a lease is permitted by the Board, any Owner desiring to Lease a Unit must have any prospective Tenant screened or a credit report obtained, at the Owner's sole cost and expense, by a tenant screening service designated or approved by the Board, and to furnish the report of the tenant screening service to the Owner or its designated agent prior to an Owner entering into a Lease Agreement with a prospective Tenant. The Board may require proof that the tenant screening requirement has been fulfilled before approval of any lease. There is no requirement to provide a copy of the report to the Board.

11.4.8 Governing Documents. If a lease is permitted by the Board, The Unit Owner shall provide a copy of all Governing Documents to the Tenant(s) prior to the signing of the Lease Agreement by the Tenant(s). The Unit Owner shall provide the Board with a signed statement from each Tenant that they have received and read the Governing Documents and will abide by the same.

11.4.9 Association's Right to Evict and Levy Fines. If a lease is permitted by the Board, each Unit Owner shall have the responsibility to ensure compliance by their Tenant(s) with the Condominium's Governing Documents and with all applicable state and federal laws. A Unit Owner may be assessed fines by the Association in accordance with the Rules and Regulations if any Tenant of the Owner fails to comply with the Governing Documents. If a Tenant continues to fail to comply with the Governing Documents or applicable local, state and federal law, after written Notice of a Violation has been given to the Unit Owner, the Association shall have the power and authority to evict the Tenant. Neither the Association nor the manager shall be liable in any way to the Unit Owner or any Tenant for any exercise of its right to evict made in good faith. The Unit Owner shall be responsible for all costs of eviction, including legal fees, which costs shall be levied against the Unit as an Assessment, and which may be collected and foreclosed by the Association in the same manner as other Assessments may be collected and foreclosed upon pursuant to this Declaration.

11.4.10 Limitation of Association's Liability. The Association shall not be liable in any way to any Related Party, Tenant or other Occupant to any greater extent than it would be to an Owner for any accident or injury occurring in, on, around, or caused by the Common Elements, the Unit, or the Limited Common Elements, except

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as covered by insurance and according to the Association's standard policy. Each Owner who Leases a Unit hereby agrees to indemnify the Association and to hold the Association harmless for any claims brought against the Association by the Unit's Tenants, Occupants, guests, invitees or agents.

11.4.11 Insurance Carried by Tenants. If a lease is permitted by the Board, Tenants must obtain and provide proof of insurance for the contents of the Unit they are Leasing, liability insurance, and insurance for loss of use.

11.4.12 Tenants' Subleasing Units. If a lease is permitted by the Board, no Tenant may sublease a Unit or any part of a Unit (e.g., a room).

11.4.13 Incorporation of Governing Documents. If a lease is permitted by the Board, and any lease does not contain the foregoing provisions, such provisions are nevertheless deemed to be a part of the lease and binding upon the Owner and the tenant by reason of their being stated in the Declaration.

11.5 Use of the Units and Condominium.

11.5.1 Nuisances. No noxious or undesirable thing, or noxious or undesirable use, shall be permitted or maintained in any Unit or in any other portion of the Property. No Person shall cause any unreasonably loud noise anywhere in the Property. If the Board of Directors determines that a thing or use is undesirable or noxious, or that a noise is unreasonably loud, that determination shall be conclusive.

11.5.2 Smoking and Outdoor Cooking. The Association has determined that smoking of tobacco, marijuana or any other substance constitutes an offensive activity that is harmful to the Members of the Community. Smoking shall include vaping, or any other airborne means of distributing nicotine or other substances. Smoking is hereby prohibited within owner's units and on balconies. Smoking is allowed as long as it is at least 25 feet away from entrances, windows, and air intakes and vents. Each Owner shall be responsible for the compliance with this prohibition by the Unit Owner and by any and all Tenants and Occupants, whether permanent or temporary, and by all guests, employees, and invitees thereof. The Board may make an exception for medical use of marijuana.

Barbecues, smokers, or outdoor cooking devices of all kinds are prohibited except as may be specifically allowed by Rules adopted by the Board.

11.5.3 Animals. No animals shall be raised, bred or kept in any Unit, except for dogs, cats or other household pets of a Unit Owner, provided that they are not kept for any commercial purposes, and provided further that they shall be kept in strict accordance with the Rules and Regulations relating to household pets from time to time adopted or approved by the Board of Directors, and provided that they shall not in the judgment of the Board of Directors constitute a nuisance to others. The Board may require the removal of any animal that it finds is a nuisance or is disturbing other residents, even though they may allow other animals to remain in the Condominium.

11.5.4 Building Security. The Association has no obligation to provide for the safety or security of persons or property at the condominium.

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11.5.5 Exterior Lighting or noisemaking devices and antennas. Except with the consent of the Board of Directors of the Association or manager, no exterior lighting or noisemaking devices shall be installed or maintained on any Unit and no antennas or transmitting towers shall be affixed to the general or Limited Common Elements.

11.5.6 Trailers, campers and boats. Except with the consent of the Board of Directors of the Association or manager, no trailer, truck camper, motorcycle, boat or boat trailer, or other recreational vehicle shall be parked on any portion of the Condominium, except in areas designated for such purpose by the Board of Directors.

11.5.7 Trash. No part of any Unit or any part of the Common Elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

11.6 Unit Maintenance.

11.6.1 Each Unit Owner shall, at their sole expense, have the right and the duty to keep the interior of their Unit and its equipment, appliances, and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting, and finishing which may at any time be necessary to maintain the good appearance and condition of their Unit. Such maintenance obligations extend to any Owner Improvement previously made to the Unit or Limited Common Elements.

11.6.2 In addition to decorating and keeping the interior of the Unit in good repair, each Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating equipment including air ducts, air conditioning equipment including air ducts, lighting fixtures, fireplaces, refrigerators, dishwashers, ranges, or any other appliances that may be in or connected with their Unit.

11.6.3 Unit Owners are responsible for maintenance and repair of Common Elements assigned in Section 5.1.7, subject to approval of, and rules and regulations adopted by the Board. Owners are responsible for the maintenance and repair of water pipes, drains, wires, and air ducts which are within or serve only their Unit. Included in the Owner's responsibility are: shower valves; shutoff valves; toilet wax rings; supply lines and drains under sinks; and shower and tub drains and overflows, including the traps. See section 5.1.3 as well.

11.6.4 Each Unit Owner shall maintain a minimum temperature in their Unit in the winter of fifty (50) degrees, and shall not do or allow anything to be done in their Unit which may increase the rate of, or cause cancellation of, insurance on other Units or on the Common Elements and facilities.

11.6.5 Each Owner must: (i) keep all window, wall or ceiling vents and exhaust fans for the Owner's Unit (including bathroom and kitchen fans and dryer vents) in good working order and must notify the Association if vent or fan ducts require cleaning. Owners must use the exhaust vents and fans to prevent undue moisture in the Unit; (ii) promptly clean and dry all liquid spills or leaks within the Unit; (iii) promptly repair any leaking plumbing fixtures (including pipes, hoses, drains, toilets, showers, tubs,

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dishwashers, faucets, garbage disposals, and shower heads) water heaters, or hot water tanks; and (iv) promptly notify the Association of any suspected water leak, water infiltration or excessive moisture in the Unit or Common Elements within the building, any water damage, or any evidence of mold or fungus growth in the building. Each Unit Owner must promptly and properly remove any mold from the Unit. Unit Owners must indemnify the Association for any damages suffered or expenses incurred by the Association for maintenance, repair, cleaning or remediation to the Unit or Common Elements in the building caused by the failure of the Owner to properly or promptly comply with this Section.

The Association may provide for cleaning of all dryer vent ducts and assess the cost for that service to all owners equally, or based on actual cost for each Unit.

11.6.6 Unit Owners are responsible to pay for maintenance, repair and replacement of the wallboard at the perimeter and within the Unit, their garage, and at the perimeter of any assigned storage closet, and are responsible to pay for maintenance, repair and replacement of doors, pipes, air ducts, and wires that serve only their Unit. For windows and skylights, Owners are responsible for glass, screens, locks and weather-strips, but the frames that integrate with the siding system or roof are an Association responsibility. The Board may permit or require Owners to perform maintenance of such items, and may require use of specific materials or vendors for their maintenance, repair, replacement or modification.

11.6.7 Unit Owners are responsible for the clearing of clogged drains of any plumbing serving only their Unit. The Association is responsible for the clearing of clogged drains of any plumbing serving more than one Unit. Only approved, licensed, and insured plumbers are to be used to clear clogged drains. The use of plumber snakes by unlicensed persons to clear clogged drains is prohibited.

11.6.8 The Association is responsible for replacing the following items when they have reached the end of their useful life: windows, front doors, garage doors, and sliding glass doors to patios.

11.7 Limited Common Element Maintenance.

The Unit Owner also shall, at their sole expense, keep any Limited Common Element assigned to their Unit in a clean and sanitary condition. Each Unit Owner shall not display, hang, store or use any signs, clothing, sheets, blankets, laundry, or other articles within or outside their Unit, or which may be visible through their windows from outside (other than draperies, curtains or shades of a customary nature and appearance, subject to the Rules and Regulations of the Board of Directors), or paint or decorate or adorn the outside of their Unit, or install outside their Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors or Manager.

Window coverings, such as draperies or blinds, must appear neutral when viewed from outside the Condominium. Neutral is considered white or almond and the absence of any specific color or pattern.

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No clothing, towels, rugs, hammocks, swings or other items may be hung or located within or on Limited Common Element if they are visible to the public. Planters, wind-chimes and decorative lights may be permitted by the Rules and Regulations.

No Unit owner or occupant shall permit anything to fall from a window or balcony of the Condominium property, nor sweep or throw from the windows or decks any dirt or other substance or debris, including, water or cleaning solutions, onto any of the balconies or elsewhere in the building or upon the common areas. Methods of cleaning open decks may be prescribed in the Rules and Regulations.

11.8 Damages to Property.

If, due to the act or neglect of a Unit Owner, or of a Related Party or their household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements and facilities or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not covered by the Association's insurance.

11.9 Reasonable Use of Units.

No Unit Owner shall overload the electrical wiring in the buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others. No Owner shall connect any machines, appliances, accessories or equipment to the heating, or air-conditioning system or plumbing system, without the prior written consent of the Board of Directors or Manager.

11.10 Common Elements and Facilities.

The Common Elements and facilities shall be used only for access, ingress and egress to and from the respective Units by the occupants, and their guests, household help, and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Units; and in special areas shall be used for the purposes approved by the Board of Directors. The use, maintenance and operation of the Common Elements and facilities shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner or Related Party.

11.10.1 Decoration of Common Elements. Subject to Rules and Regulations adopted by the Board, Owners may decorate the Common Elements immediately outside their Unit doorway. Under no circumstances may decorations penetrate doors or their jambs, or create obstructions or protrusions into hallways or adjacent Unit entries. The Board may adopt rules and regulations for decoration of the exterior, including decks and patios.

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11.11 Architectural Control.

Except as otherwise provided in this Declaration, the Association must maintain, repair, and replace the Common Elements and Limited Common Elements, and each Unit Owner must maintain, repair, and replace that Owner's Unit.

11.11.1 Alterations of Units. Subject to the provisions of the Declaration and other provisions of law, a Unit Owner:

(1) May make any improvements or alterations to the Owner's Unit that do not affect the Common Elements, structural integrity, acoustical characteristics, or mechanical or electrical systems of the Property or lessen the support of any portion of the condominium. Owners must notify the Board of any improvement to their Unit with a value greater than \$10,000, to ensure that adequate insurance can be obtained;

(2) May not change the appearance of the Common Elements, Limited Common Elements or the exterior appearance of a Unit without permission of the Association;

(3) May not, without first obtaining written consent of the Board of Directors, make or permit to be made any structural alterations, improvements, or addition in or to their Unit, or in or to the exterior of the buildings or any other areas and facilities;

(4) Shall obtain all permits required by the City for any modification to their Units. All work done to the plumbing and electrical systems must be done by appropriately licensed contractors as required by Code. Owners shall obtain a building permit for any modification in the walls or ceiling of their Unit, and for any electrical or plumbing modifications;

(5) Shall obtain permission from the Board prior to any modification to their Unit's electrical, mechanical, architectural or structural features, plumbing, flooring, or drywall or any exterior or load bearing wall. Such request for permission must be made in writing and submitted to the Board. The Board shall have sixty (60) days to review the request. If no response is given by the end of that time, the Board is deemed to have denied the request. The Board may adopt additional Rules and Regulations for reviewing Unit modifications or granting approval pending certain conditions, such as, but not limited to, work hours, debris removal or project timeline;

(5) Shall ensure that all contractors working within the Units are licensed and Insured, with no exclusion in their insurance for work in condominiums. If an Owner performs the work themselves, they are required to sign a hold harmless agreement shifting liability for any resulting damage away from the Association or Board to the Owner. Owners are not allowed to modify or repair pipes and wires that are inside walls, floors or ceilings;

(6) May not paint or decorate any portion of the exterior of the buildings or other Common Elements and facilities without first obtaining written consent of the Board of Directors, or as provided in Section 11.11.1;

(7) May not install any visible radio or television antenna, satellite dish or other similar type of exterior equipment on any Common Element, unless approved by the Board. The locations of any dish antenna shall be subject to the Rules and Regulations of the Board;

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(8) May not alter the sound transmission characteristics of the walls, ceilings or floors adjacent to other Units. Owners of Units above another Unit may not install or alter any flooring material which reduces the Sound Isolation Class (for both airborne and structure borne sound transmission) of the flooring assembly. This includes installation of tile and hardwood flooring materials, and removal of carpet or other flooring materials. Units must have sound-dampening materials to produce a minimum sound insulation rating of IIC 60 and STC 60 for walls, ceilings, or floors adjacent to another Unit. The sound-dampening material must be moisture resistant. The Board may adopt additional procedures and policies related to replacement of floors, which may include alteration or repair to subfloor structures;

(9) May, after acquiring an adjoining Unit or an adjoining part of an adjoining Unit, with approval of the Board of Directors, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the condominium. Removal of partitions or creation of apertures under this subsection is not a relocation of boundaries. The Board of Directors shall approve a Unit Owner's request, which request shall include the plans and specifications for the proposed removal or alteration, under this subsection within sixty (60) days, unless the proposed alteration does not comply with the Act or the Declaration, or impairs the structural integrity or mechanical or electrical systems in the condominium. All costs, including reasonable attorneys' fees, incurred by the Association for such alteration must be assessed to the Unit.

11.11.2 Relocation of Unit Boundaries. Unit boundaries may be adjusted as provided in RCW 64.90.260.

11.11.3 Subdivision and Combination of Units.

(1) A Unit may be subdivided into two (2) or more Units only if it was the combination of previously existing Units. Otherwise, Units may be combined and subdivided in accordance with RCW 64.90.265

11.12 Rules and Regulations.

11.12.1 All Unit Owners shall recognize and be bound by the Rules governing the details of the operation of Condominium, as the Board of Directors may from time to time adopt and amend. Each Unit Owner shall fully observe and perform the same and be responsible for their strict observance and performance by the Unit Owner's lessees (including sublessees), tenants, invitees, guests, employees, under-tenants and agents of said Unit Owner. The Unit Owners are equally bound by the Governing Documents for Maddox Creek PUD.

11.12.2 A copy of the Rules and of each amendment thereto shall be delivered to each Unit Owner in the manner set forth for Notices in Article 15.

11.12.3 The Association's internal business operating procedures need not be adopted as rules.

11.12.4 The Board must, before adopting, amending, or repealing any rule, give all Unit Owners Notice of: (a) Its intention to adopt, amend, or repeal a rule and

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provide the text of the rule or the proposed change; and (b) A date on which the Board will act on the proposed rule or amendment after considering comments from Unit Owners.

11.12.5 Following adoption, amendment, or repeal of a rule, the Association must give Notice to the Unit Owners of its action and provide a copy of any new or revised rule.

11.12.6 Every rule adopted by the Board must be reasonable.

11.13 Registration of Occupants, Animals and Vehicles.

Owners shall provide information requested by the Board about the Owners and Occupants of the Units, which shall include, but not be limited to: names, addresses, phone numbers and emails of Owners; names, phone numbers, emails and approximate age of all occupants and regular visitors; names and descriptions of all animals; year, make, model and color of all vehicles associated with the Unit; name, phone number and emails for local managers for rented Units; and any other information reasonably requested by the Board in relation to the ownership or occupancy of the Unit.

11.14 Heat Pumps.

The Association may require an Owner to submit an application for approval for the installation of a heat pump before installing the heat pump. The application for approval must be processed and approved in the same manner as an application for approval of any other architectural modification.

ARTICLE 12: ASSESSMENTS, FEES, LIENS AND COLLECTIONS**12.1 Common Expense Assessments.**

12.1.1 Annual Budget. Assessments for Common Expenses and those specially allocated expenses that are subject to inclusion in a budget shall be made at least annually based on a budget adopted by the Association in the manner provided in Section 12.4 herein.

12.1.2 Allocation of Common Expenses. Except as provided otherwise in this Article, all Common Expenses must be assessed against all the Units in accordance with their Common Expense liabilities.

12.1.3 Common Expenses Shall Include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of Common Elements and facilities.
- (c) Costs of insurance and bonds required by this Declaration and/or the Bylaws.
- (d) A general operating reserve.
- (e) Reserve for replacements and deferred maintenance.

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(f) Any deficit in Common Expenses for any prior period.

(g) Any assessment due to the Maddox Creek PUD. Assessments paid to the Maddox Creek PUD shall be paid by the Association with equal shares assessed to each Unit, regardless of how many Units are located within the original Maddox Creek Lots on the Plat Maps. The Community includes three (3) lots and 13 units within Maddox Creek.

(h) Any other items properly chargeable as expenses of the Association.

12.1.4 Accounts. The Association must establish and maintain its accounts and Records in a manner that will enable it to credit assessments for Common Expenses and specially allocated expenses, including allocations to reserves, and other income to the Association, and to charge expenditures, to the account of the appropriate Units.

12.1.5 Account Reconciliation; surpluses. To assure that the Unit Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association must be reconciled at least annually unless the Board determines that a reconciliation would not result in a material savings to any Unit Owner. Any surplus funds of the Association remaining after the payment of or provision for Common Expenses and any prepayment of reserves may be refunded to the Unit Owners in proportion to their Common Expense liabilities or retained in the Associations operating or reserve account to reduce future Common Expense assessments.

12.2 Payment by Owners.

Each Owner shall be obligated to pay its share of Common Expenses and special charges made pursuant to this Article to the treasurer for the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate. No Owner may exempt himself from liability for payment of Assessments for any reason, including waiver of use or enjoyment of any of the Common Elements or abandonment of the Owner's Unit.

12.3 Specially Allocated Expenses.

The following expenses of the Association must be assessed against the individual Units on some basis other than Common Expense Liability. The Association may assess:

(a) Units Benefited. Expenses benefiting fewer than all of the Units or their Unit Owners exclusively against the Units benefited. Examples of expenses that benefits only one Unit are costs to remediate water damage to a Unit, even if the common walls and ceiling are involved; but if the Common Expense is for the maintenance, repair, or replacement of a Common Element other than a Limited Common Element, the expense may be assessed exclusively against them only if the Declaration reasonably identifies the Common Expense by specific listing or category;

(b) Limited Common Elements. The costs of maintaining Limited Common Elements to the Unit to which they are assigned. If a Limited Common Element is shared, the cost shall be divided equally between the assigned Units; See Exhibit B for clarification regarding responsibility for maintenance, repair and replacement.

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(c) Misconduct. The Association may assess exclusively against a Unit Owner's Unit Common Expenses, including expenses relating to damage to or loss of property, caused by the:

(i) Willful misconduct or gross negligence of the Unit Owner or the Unit Owner's tenant, guest, invitee, or occupant;

(ii) Failure of the Unit Owner to comply with a maintenance standard prescribed by the declaration or a rule, if the standard contains a statement that an Owner may be liable for damage or loss caused by failure to comply with the standard; or

(iii) Negligence of the Unit Owner or the Unit Owner's tenant, guest, invitee, or occupant. Owners may be liable for damage or loss caused by negligence of that Unit Owner or the Unit Owner's tenant, guest, invitee, or occupant.

(d) Ordinary Negligence. 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, to the extent of the Association's deductible and any expense not covered under an insurance policy issued to the Association. Owners may be liable for damage or loss caused by the negligence of an owner, tenant, guest, invitee or occupant of the Unit.

(e) The Insurance Deductible. As provided in Article 13, in the event of a loss or damage that would be covered by the Association's Property insurance policy, but that is within the standard deductible under that policy, the Association may assess the amount of the loss up to the deductible against that Unit, even if a claim is not submitted. This subsection does not prevent a Unit Owner from asserting a claim against another person for the amount assessed if that other person would be liable for the damages under general legal principles, but such claim shall not relieve the Owner of their obligation to pay amounts within the deductible;

Before an Association makes an Assessment under subsections a, b, c, d or e, the Association must give notice to the Unit Owner and provide an Opportunity for a Hearing. The Assessment is limited to the expense the Association incurred under these subsections (which may include management and attorney fees) less any insured proceeds received by the Association, whether the difference results from the application of a deductible or otherwise.

(f) Late Fees, Interest. Late fees, interest and costs of collection for delinquent accounts;

(g) Fines and Expenses. Fines and costs for enforcement are assessed against individual Owners in accordance with this Declaration or law;

(h) Special Charges for Services Provided to Unit Owners. Pursuant to the authority granted the Association under RCW 64.90.405(2)(j)(ii), a Unit Owner shall reimburse the Association for expenses incurred or amounts paid by the Association for any services requested by such Unit Owner, including, but not limited to the following: (a) review of a request for approval by the Board of a prospective lease agreement for the rental of any Unit, (b) preparation of a Resale Certificate, and (c) review of a request

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for approval by the Board for any architectural, structural, or related alteration to the interior or exterior of any Unit or Unit Structure; and

(i) Capital Contribution, Move in Fees. Each subsequent Purchaser of any Unit shall pay to the Association, in addition to other amounts due, an amount equal to two (2) months' of the then pertaining regular monthly Assessments as a contribution to the Association's working capital. The Association may establish move-in fees and transfer fees to recover expenses associated with changes in occupancy, and one time, or monthly fees to recover expenses associated with Units rented by their Owners.

(j) Other as provided by law or the Declaration. Any other expense that can be assessed to a Unit under the Act or provisions of this Declaration.

12.4 Adoption of Budgets—Assessments and Special Assessments.

About sixty (60) days prior to the beginning of each calendar year, or other fiscal year as the Board may adopt, the Board shall: a) estimate the charges including Common Expenses and any special charges for particular Units to be paid during the year; b) shall make provision for creating, funding, and maintaining reasonable reserves for contingencies and operations as well as for maintenance, repair, replacement and acquisition of Common Elements; and, c) shall take into account any expected income and any surplus available from the prior year's operating fund.

12.4.1 Notice and Ratification. Budgets shall be ratified by the Members as set forth in the Bylaws or as otherwise provided by Law.

12.4.2 Supplemental Budgets. If the sum estimated and budgeted at any times proves inadequate for any reason (including non-payment for any reason of any Owner's Assessment), the Board may adopt a new budget which shall be ratified in the same manner as the annual budget. If the amounts budgeted and being collected at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds in excess of current needs to reserves, or refund the excess funds.

12.4.3 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 the Bylaws, 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 and may provide a discount for early payment.

12.5 Financial Accounts; Reserve Fund Withdrawals.

12.5.1 The Association may establish one or more accounts for the deposit of funds, if any, for operating expenses or the replacement costs of reserve components. Any reserve account must be an income-earning account. The Board is responsible for administering any accounts.

12.5.2 The Board may withdraw funds from the Association's reserve account to pay for unforeseen or unbudgeted costs that are unrelated to replacement costs of the reserve components as provided in RCW 64.90.540.

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12.6 Reserve Study Preparation.

12.6.1 The Association must prepare and update a reserve study in accordance with the law. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every third year by a reserve study professional based upon a visual site inspection conducted by the reserve study professional.

12.6.2 A Unit Owner's duty to pay Assessments is not excused because of the Association's failure to obtain a reserve study. A budget ratified by the Unit Owners pursuant to the Declaration is not invalidated because of the Association's failure to obtain a reserve study. Owners may enforce the Association's obligation to obtain a reserve study as provided in RCW 64.90.555.

12.6.3 Except for an award for attorneys' fees and costs, monetary damages or other liability may not be awarded against or imposed upon the Association or its Officers or Board Members, or upon any person who may have provided advice or assistance to the Association or its Officers or Board Members, for failure to: Establish or replenish a reserve account, have a current reserve study prepared or updated, or make reserve disclosures in accordance with the budget ratification process or other law.

12.7 CPA Audit.

At least annually, the financial statements of the Association shall be audited by a Certified Public Accountant. If the annual budget (and assessments) is less than \$50,000, the Unit Owners of Units to which a majority of the votes are allocated may waive this requirement. The Board at any time, or by written request of Owners having at least twenty-five percent (25%) of the total votes, may require that an audit of the Association and management books be performed and presented at any special meeting. A Unit Owner, at their own expense, may at any reasonable time make an audit of the books of the Board and Association.

12.8 Statement of Amounts Owed.

The Association, upon written request, must 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 or the priority amount against that Unit, or both. The statement must be furnished within fifteen days after receipt of the request and is binding on the Association, the Board, and every Unit Owner unless, and to the extent, known by the recipient to be false. The Association may charge a reasonable fee for the preparation of such statement.

12.9 Lien for Sums Due; Enforcement.

12.9.1 Lien. The Association has a statutory lien on each Unit for any unpaid assessment against the Unit from the time such assessment is due. The amount of any Assessment, whether regular or special, assessed in respect of any Unit, plus interest at the maximum rate provided by law, and costs, including reasonable attorneys' fees related thereto or incurred to collect same, shall be a lien upon such Unit from the time the Assessment is due. A payment on an Owner's Assessment account shall be applied

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to the oldest Assessments first, whether for fines, costs of collection, attorneys' fees, interest, late fees, regular Assessments, or Special Assessments.

12.9.2 Priority. A lien under this section has priority over all other liens and encumbrances on a Unit except:

(a) Liens and encumbrances recorded before the recordation of the declaration and;

(b) Except as otherwise provided in 12.9.3, a security interest on the Unit recorded before the date on which the unpaid assessment became due; and

(c) Liens for real estate taxes and other state or local governmental assessments or charges against the Unit.

12.9.3 Super Priority Lien. (a) A lien under this section also has priority over the security interests described in subsection (12.9.2)(b) of this section to the extent of an amount equal to the following:

(i) The Common Expense assessments, excluding any amounts for capital improvements, based on a budget adopted by the Association, along with any specially allocated assessments that are properly assessable against the Unit under such budget, which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of proceedings to foreclose either the Association's lien or a security interest described in subsection (12.9.2)(b) of this section;

(ii) The Association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the Notice described in (a)(iii) of this subsection; provided, however, that the costs and reasonable attorneys' fees that will have priority under this subsection (12.9.3)(a)(ii) shall not exceed two thousand dollars (\$2,000) or an amount equal to the amounts described in (a)(i) of this subsection, whichever is less;

(iii) The amounts described in (a)(ii) of this subsection 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 (60) 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 applicable supplemental declaration;

(E) Amount of unpaid assessment; and

(F) A statement that failure to, within sixty (60) days of the written Notice, submit the Association payment of six (6) months of assessments as described in (a)(i) of this

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subsection will result in the priority of the amounts described in (a)(ii) of this subsection; and

(iv) Upon payment of the amounts described in (a)(i) of this subsection by the holder of a security interest, the Association's lien described in this subsection (3)(a) shall thereafter be fully subordinated to the lien of such holder's security interest on the Unit.

(b) For the purposes of this subsection:

(i) "Institution of proceedings" means either:

(A) The date of recording of a Notice of trustee's sale by a deed of trust beneficiary;

(B) 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

(C) 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.

(ii) "Capital improvements" does not include making, in the ordinary course of management, repairs to Common Elements or replacements of the Common Elements with substantially similar items, subject to: (A) Availability of materials and products, (B) prevailing law, or (C) sound engineering and construction standards then prevailing.

(c) 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 RCW 64.90.480 (6) or (7) does not cause any such items to be included in the priority amount affecting such Unit.

12.9.4 Subsections 12.9.2 and 12.9.3 do not affect the priority of mechanics' or material suppliers' liens to the extent that law of this state other than WUCIOA gives priority to such liens, or the priority of liens for other assessments made by the Association.

12.9.5 A lien under this section is not subject to chapter 6.13 RCW.

12.9.6 If the Association forecloses its lien under this section nonjudicially pursuant to chapter 61.24 RCW, as provided under subsection 12.9.12 of this section, the Association is not entitled to the lien priority provided for under subsection 12.9.3 of this section, and is subject to the limitations on deficiency judgments as provided in chapter 61.24 RCW.

12.9.7 If two (2) or more Associations have liens for assessments created at any time on the same property, those liens have equal priority as to each other, and any foreclosure of one such lien shall not affect the lien of the other.

12.9.8 Recording of the declaration constitutes record notice and perfection of the statutory lien created under this section. Further notice or recordation of any claim of lien for assessment under this section is not required, but is not prohibited.

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12.9.9 A lien for unpaid assessments and the personal liability for payment of those assessments are extinguished unless proceedings to enforce the lien or collect the debt are instituted within six (6) years after the full amount of the assessments sought to be recovered becomes due.

12.9.10 This section does not prohibit actions against Unit Owners to recover sums for which subsection 12.9.1 creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

12.9.11 The Association upon written request must furnish to a Unit Owner or a mortgagee a statement of unpaid assessments as provided in section 12.8. The liability of a recipient who reasonably relies upon the statement must not exceed the amount set forth in any statement furnished pursuant to this section or RCW 64.90.640(1)(b).

12.9.12 The Association's lien may be foreclosed in accordance with (a) and (b) of this subsection.

(a) The Association's lien may be foreclosed judicially in accordance with chapter 61.12 RCW, subject to any rights of redemption under chapter 6.23 RCW.

(b) Nonjudicial foreclosures are not provided for in this Declaration.

12.9.13 In an action by the Association to collect assessments or to foreclose a lien on a Unit under this section, the court may appoint a receiver to collect all sums alleged to be due and owing to a 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.

12.9.14 Except as provided in subsection 12.9.3, 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.

12.9.15 In addition to constituting a lien on the Unit, each assessment is the joint and several obligation of the Unit Owner of the Unit to which the same are assessed as of the time the assessment is due. A Unit Owner may not exempt themselves from liability for assessments. 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. 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.

12.9.16 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

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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.

12.9.17 The Association is entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in a suit being commenced or prosecuted to judgment. The prevailing party is also entitled to recover costs and reasonable attorneys' fees in such suits, including any appeals, if it prevails on appeal and in the enforcement of a judgment.

12.9.18 The Association may not commence an action to foreclose a lien on a Unit under this section unless:

(a) The Unit Owner, at the time the action is commenced, owes a sum equal to at least three (3) months of Common Expense assessments; and

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

12.9.19 Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

12.10 Acceleration of Assessments.

In the event any monthly Assessment of special charge attributable to a particular Unit remains delinquent for more than sixty (60) days, the Board may, upon fifteen (15) days' written Notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly Assessments and special charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.

12.11 Delinquent Assessment Deposit.

(a) A Unit Owner may be required by the Board or by the Manager, from time to time, to make and maintain a deposit of three (3) months' estimated monthly Assessment and charges, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate account, be credited to the Unit owned by such Owner, and used for the purpose of establishing a reserve for delinquent Assessments.

(b) Resort may be had at any time when such Owner is ten (10) days or more delinquent in paying their monthly or other Assessments and charges. These deposits shall not be considered advance payments of regular Assessments. In the event the Board should draw upon the deposit as a result of a Unit Owner's delinquency in payment of any Assessments, the Owner shall continue to be responsible for the immediate and full payment of the delinquent Assessment (and all penalties and costs thereon) including the full restoration of the deposit. The Board shall continue to have

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all of the rights and remedies for enforcing such Assessment payment and deposit restoration as provided by this Declaration and by law.

12.12 Remedies Cumulative.

The rights and remedies set forth in this Article 12 are not exclusive, and the exercise of any right or remedy does not preclude the exercise of any other rights or remedies in this Section, or that may now or subsequently exist in law or in equity or by statute or otherwise.

ARTICLE 13: INSURANCE**13.1 Association Insurance.**

The Association shall maintain, to the extent reasonably available, insurance that complies with the requirements of FNMA and the secondary mortgage market, including:

(a) Property insurance on the condominium, which shall include equipment, improvements, and betterments in a Unit installed by the declarant or the Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than the replacement cost of the Common Elements and the Units, exclusive of land, excavations, foundations, and other items normally excluded from property policies. At the discretion of the Board, the Association may obtain insurance for earthquake, flood and terrorism;

(b) Liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than two million dollars (\$2 million), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, Ownership, or maintenance of the Common Elements;

(c) Fidelity bonds naming the Members of the Board, the manager and such other Persons as may be designated by the Board in amount equal to at least the amount of all bank accounts, plus three (3) months estimated cash to be collected as Assessments each year;

(d) Directors and Officers liability insurance;

(e) Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable; and

(f) Such other insurance as the Board deems advisable.

13.2 Unavailability of Insurance.

If the insurance described in subsection (1) of this section is not reasonably available, or is modified, canceled, or not renewed, the Association promptly shall cause Notice of that fact to be delivered to all Unit Owners and to each Eligible Mortgagee.

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13.3 Insurance Required.

Insurance policies carried pursuant to subsection (1) of this section shall provide that:

(a) Each Unit Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Unit Owner, member of the Owner's household, and lessee of the Owner; and

(c) No act or omission by any Unit Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

13.4 Loss Adjustment through Association.

Any loss covered by the Association's property insurance must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored or the condominium is terminated. Owners may not make a claim upon the Association's property insurance directly.

13.5 Certificate of Insurance.

An insurer that has issued an insurance policy under this section shall issue certificates insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of chapter 48.18 RCW pertaining to the cancellation or nonrenewal of contracts of insurance.

13.6 Policy Requirements.

The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance policies shall be obtained from insurance carriers that are generally acceptable for similar projects, licensed to do business in the state of Washington, and meet the specific requirements of FNMA, FHLMC, VA and HUD regarding the qualifications for insurance carriers. All such policies shall meet the specific requirements of FNMA, FHLMC, VA, and HUD for condominium projects. All such insurance policies and fidelity bonds shall provide that coverage shall not lapse and may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written Notice to any and all insureds named therein.

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13.7 Unit Owner Insurance.

13.7.1 Owner's Additional Insurance. Each Unit Owner shall obtain and maintain an individual insurance policy which provides coverage for the Owner's Unit (in an amount at least equal to the Association's deductible) and personal belongings therein, and, to the extent reasonably available:

- (a) Loss of use, loss of rental income, and loss Assessment exposures;
- (b) Comprehensive Personal Liability coverage for any damage to other Units or Common or Limited Common Elements arising or resulting from the Owner's negligence, carelessness, or acts or omissions, or from damage caused by fixtures or appliances maintained by the Owner; and
- (c) The minimum Real Property coverage for an Owner policy shall not be less than the amount of the deductible for the Association's policy of Property insurance, or any greater amounts as may be established by the Board.
- (d) The minimum Loss Assessment coverage shall be the amount of the deductible for the Association's policy of Property insurance.

13.7.2 Proof of Coverage. Unit Owners shall file a certificate of insurance for such individual policy or policies with the Board within thirty (30) days of any request by the Board. The Association shall have the right but not the obligation to monitor the maintenance of such insurance by Owners.

13.7.3 Unit Owner Obligations. The Association's obligation to insure shall not relieve Unit Owners of their obligations under any other Article of the Declaration, including, but not limited to, the obligation to perform and pay for repairs, maintenance, care and replacement of the Unit and/or Limited Common Elements for which the Owner is responsible.

13.7.4 Tenant or Occupant Insurance. Unit Owners shall require any Tenants, Related Parties, or other Occupants to obtain Renter's Insurance to protect their personal property, provide for loss of use, and to provide general liability insurance for acts and omissions by the Occupants and their guests, agents, pets and invitees.

13.7.5 Owner's or Occupant's Insurance Deductible. Under no circumstances shall the Association pay any insurance deductible due under a Unit Owner's individual insurance policy or any Tenant's or Occupant's policy of insurance.

The Board may require a Unit Owner to file a claim under the Owner's policy if the Owner is responsible for damage and has not otherwise paid their obligations for the necessary repairs.

13.7.6 Allocation of Repair Costs for Property Damage. In accordance with the provisions of this Declaration, including but not limited to the subparagraphs of this section, the costs for repair or damage events are apportioned as follows:

13.7.6.1 Damage Covered by Association Insurance. For damage events that are covered by the Association's insurance, repair costs over the Association's standard insurance deductible are paid for by Association insurance, or by the Association if the Board decides not to file a claim. Repair costs within the

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Association's standard insurance deductible are the responsibility of the Unit Owner and are allocated:

(a) All costs within the Association Deductible may be allocated to a responsible Owner after Notice and Opportunity to be Heard, if the damage resulted from negligence of that Owner, the Owner's Tenants, guest, invitee, or occupant;

(b) where there is gross negligence or willful misconduct by an Owner, Owner's Tenant, guest, invitee or occupant occurs, all costs may be allocated to the responsible Owner, after Notice and an Opportunity to be Heard, even if the Association maintains insurance with respect to that damage or Common Expense;

(c) if neither (a) nor (b) apply, then to an Owner whose Unit or Limited Common Elements were damaged or benefited by the repairs;

(d) if the damage is to more than one Unit and/or the Common or Limited Common Elements, and neither (a) nor (b) apply, the deductible is prorated between the Unit(s) and/or Common or Limited Common Elements based on the total benefit to each, as follows: (i) repairs to Units and Limited Common Elements that benefit only one Unit will be assessed solely to the individual Unit Owners; (ii) repairs to Limited Common Elements that benefit more than one Unit will be assessed to the Unit Owners benefitted; and (iii) repairs to Common Elements will be assessed as Common Expenses, divided among Owners in accordance with the formula specified for other Common Expenses.

13.7.6.2 Damage Not Covered by Association Insurance. For damage events that are not covered by the Association's insurance, repair costs shall be assessed:

(a) All costs within the Association Deductible may be allocated to a responsible Owner after Notice and Opportunity to be Heard, if the damage resulted from negligence of that Owner, the Owner's Tenants, guest, invitee, or occupant;

(b) where there is gross negligence or willful misconduct by an Owner, Owner's Tenant, guest, invitee or occupant occurs, all costs may be allocated to the responsible Owner, after Notice and an Opportunity to be Heard, even if the Association maintains insurance with respect to that damage or Common Expense;

(c) if neither (a) nor (b) apply, then to an Owner whose Units or Limited Common Elements were damaged or benefited by the repairs; or

(d) to the extent that the damage to the Property is not insured, and not the responsibility of an individual as noted above, then the Association shall restore all Common Elements and Limited Common Elements as a Common Expense, and Owners shall restore their Units at their own expense.

13.7.7 Maximum Damage Assessment. Except to the extent covered by an Owner's or Tenant's insurance policy, the maximum one Unit can be assessed for any one damage event is the deductible under the Association's standard Property policy. Amounts within deductibles for earthquake or flood damage in excess of the standard Property deductible, combined with contributions required of Owners as provided for in

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this Declaration, shall be a Common Expense. This maximum shall not apply to Owners who cause damage through gross negligence or willful misconduct.

ARTICLE 14: DAMAGE AND DESTRUCTION

14.1 Application.

Any portion of the condominium for which insurance is required that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Condominium is terminated, in which case RCW 64.90.290 applies;
- (b) Repair or replacement would be illegal;
- (c) Eighty percent (80%) of the Unit Owners vote not to rebuild;

(d) An Owner responsible to contribute to the restoration of their Unit does not do so. If an Owner fails to contribute, the Association may hold any insurance proceeds in trust for the restoration of the Unit when the individual Owner fulfills their obligations under the Declaration; or

- (e) It is damage to individual Units described in Section 14.2.

14.2 Unit Damage.

If the Directors determine that the damage or destruction affects only a single Unit, then the Owner of the Unit shall promptly cause the damage or destroyed portion to be repaired. Insurance proceeds, if any, arising from the loss shall be used to pay the cost thereof, and any balance of such proceeds shall be paid to the Owner of the Unit or its mortgagee, if any, as their interests may appear. If there is damage to multiple Units, the Board may choose to repair the Common Elements, and permit or require individual Owners to restore their Units.

14.3 Costs.

The cost of repair or replacement not paid from insurance proceeds or due from individual Owners is a Common Expense.

14.4 Failure to Restore Common Elements.

If all of the damaged or destroyed portions of the common interest community are not repaired or replaced:

(a) The insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the common interest community; and

- (b) Except to the extent that other persons will be distributees:

(i) The insurance proceeds attributable to Units and Limited Common Elements that are not repaired or replaced must be distributed to the Unit Owners of those Units and the Unit Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and

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(ii) The remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all the Units.

14.5 Failure to Restore Units.

If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned under RCW 64.90.030(1), and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, RCW 64.90.290 governs the distribution of insurance proceeds if the condominium is terminated.

ARTICLE 15: NOTICE

15.1 Form.

Notice to the Association, Board, or any Owner or occupant of a Unit must be provided in the form of a Record.

15.2 Tangible Medium.

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

15.2.2 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 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.

15.2.3 Notice in a tangible medium to a Unit Owner or occupant must be addressed to the Unit address unless the Unit Owner or occupant has requested, in a Record delivered to the Association, that Notices be sent to an alternate address or by other method allowed by the governing documents.

15.3 Electronic Transmission.

Notice may be provided in an electronic transmission as follows:

15.3.1 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 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 Declaration and applicable law.

An owner's consent under this subsection, and any other Notice in the form of a Record delivered to the Association from time to time, may indicate whether the Owner elects to keep the Owner's Electronic address confidential and exempt from disclosure

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by the Association pursuant to RCW 64.90.495(2). Failure to deliver such notice permits disclosure by the Association.

The Association shall retain the Records which indicate an Owner's consent to receive Notice electronically, and shall maintain a list of electronic addresses to be used for such Notice.

15.3.2 Notice to Unit Owners or Board Members includes material that the law or the governing documents requires or permits to accompany the Notice.

15.3.3 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.

15.3.4 The consent of any Unit Owner or Board Member is revoked if: The Association is unable to electronically transmit two (2) 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.

15.3.5 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.

15.3.6 Notice to the Association in an electronic transmission is effective only if the Association has designated in a Record an address, location, or system to which the Notices may be electronically transmitted.

15.3.7 Notice may be given by any other method reasonably calculated to provide Notice to the recipient.

15.4 When Effective.

Notice is effective as follows:

15.4.1 Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

15.4.2 Notice provided in an electronic transmission is effective as of the date it:

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

(ii) 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.

15.5 Good Faith.

The ineffectiveness of a good-faith effort to deliver Notice by an authorized means does not invalidate action taken at or without a meeting.

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15.6 If the Act prescribed different or additional Notice requirements for particular circumstances, those requirements govern.

ARTICLE 16: ENFORCEMENT AND DISPUTE RESOLUTION

16.1 Compliance with the Governing Documents.

Compliance with the Governing Documents is enforced through two (2) distinct processes: Enforcement of Violations, and Disputes. The process for Enforcement of Violations is outlined in Sections 16.4 through 16.5. The process for Disputes is outlined in Section 16.7. Enforcement of a Violation is not a Dispute. However, Enforcement of a Violation can evolve into a Dispute if the final decision of the Board regarding a Violation is challenged. Unpaid Assessments are collected as provided in Article 12, and are not subject to Section 16.7.

16.2 Strict Compliance.

Each Owner, each Occupant, the Board and the Association shall comply strictly with this Declaration, the Bylaws, and the Rules and Regulations adopted pursuant thereto, as they may be lawfully amended from time to time, and the decisions of the Board.

16.3 Failure of Board to Insist on Strict Performance No Waiver.

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

16.4 Enforcement of Governing Documents.

Only the Board may determine whether any Person (including but not limited to Owners, Related Parties, Tenants, and Guests) has Violated or allowed a Violation of the Governing Documents. In determining whether any Person has Violated the Governing Documents, the Board shall conduct a reasonable inquiry and base its decision on objective information. The Board may, in its discretion, establish a committee to investigate suspected violations.

If the Board finds that a Person has committed a Violation of the Governing Documents, the Board is also authorized to, after Notice and Opportunity to be Heard, assess reasonable fines (in accordance with a previously established schedule adopted by the Board and furnished to the Owners), and prohibit the use of one or more Common Elements. If an Owner's or Occupant's conduct is repeatedly offensive to the Community, and is not corrected, following an Opportunity to be Heard and the Dispute Resolution Process, the Association may evict the Owner or Occupant from living in or visiting the Condominium.

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16.5 Opportunity to Be Heard.

Whenever this Declaration requires that an action of the Board be taken after Notice and "Opportunity to be Heard," the following procedure shall be observed: The Board shall give Notice, in accordance with Article 15, of the proposed action to all Owners or Occupants whose interest would be significantly affected by the proposed action. The Notice shall include a general statement of the proposed action and a statement that the affected Person may request a hearing, which request shall not be made more than ten (10) days from the date Notice is delivered by the Board, or may respond in writing.

The Board may conduct the hearing, or may delegate its hearing authority to the manager or to a committee. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally, in writing, or both, subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. If the affected Person does not request a hearing, or fails to attend a scheduled hearing, the Board or its delegate may base its decision (including, but not limited to, the decision to assess a fine or prohibit the use of one or more Common Elements) on the information it possesses. The affected Person shall be notified of the decision in the same manner in which Notice was given. The Board may establish additional procedures in the Rules and Regulations.

16.6 Challenge to Board's Decision.

If an Owner challenges any Board decision, including a decision to: (1) find that a Violation has been committed, or (2) to assess a fine or prohibit the use of one or more Common Elements, the Owner may use the Dispute Resolution process in Section 16.7.

16.7 Dispute Resolution.

16.7.1 Policy. The parties hope there will be no Disputes arising out of their relationship. To that end, each commits to cooperate in good faith and to deal fairly in performing its duties under this Declaration in order to accomplish their mutual objectives and avoid Disputes.

16.7.2 Disputes Between Owners. The Board has the discretion but not the obligation to initiate the Dispute Resolution process in response to a Dispute between or among Owners and/or Occupants. In deciding whether to do so, the Board shall consider whether it is in the best interests of the Association. All Owners have the right to initiate the Dispute Resolution process on their own behalf.

16.7.3 Initial Dispute Resolution Procedure. Except as provided in Article 12, for collection of unpaid Assessments, or in the enforcement of the Governing Documents initiated under Section 16.4, any parties who believe they have a Dispute involving the Association, any Board Member or Officer, a Unit Owner, Occupant, or an agent or employee of the above, shall first seek resolution of the Dispute through conversation between the parties. If conversation does not resolve the issues, the complaining party in the Dispute (the "Complainant") shall submit a written statement of the Dispute to the responsible party. This written statement shall include a description of the action taken

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in violation of the Governing Documents, the harm that resulted, and a proposed solution that would resolve the issue. The party who receives this settlement demand (the "Respondent") shall respond within fourteen (14) days to the Complainant directly, in writing, and shall either agree to the proposed resolution or propose an alternate means of resolution. If a resolution cannot be agreed upon, or if no response is received within fourteen (14) days of the initial demand for resolution, the Dispute shall proceed to mediation, as described in this Article.

16.7.4 Mediation. The parties agree that they will attempt to resolve any Dispute by nonbinding mediation, and that mediation is a condition precedent to any form of binding Dispute resolution, including arbitration. The parties are encouraged to use a mediator from a Dispute Resolution Center such as the DRC of Snohomish, Island & Skagit County or from a mediation clinic at the University of Washington School of Law or Seattle University School of Law. Unless otherwise agreed upon by all parties, the Mediator shall be selected from among Washington Arbitration and Mediation Services panelists. A request for mediation shall be made in writing, delivered to the other party. The request may be made concurrently with binding Dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. The parties shall split the cost of the mediation equally, or with equal shares to each participating entity if there are more than two (2).

16.7.5 Arbitration. The parties agree that if they are unable to resolve their Dispute through mediation, they will submit their Dispute to binding arbitration. The parties confirm that by adopting this alternate Dispute resolution process, they intend to give up their right to have Disputes decided in court by a judge or jury.

If a Dispute arises, which cannot be resolved by Mediation, the parties agree to resolve the Dispute by the arbitration process outlined here, provided that during this process the parties may pursue a settlement. Any Dispute between or among any party subject to this Declaration (including, without limitation, the Association, any Association Board Members or Officers, Unit Owners, and their employees or agents) arising out of or relating to this Declaration, a Unit, the Condominium or the Association shall be determined by Arbitration in Skagit County.

If the parties engage in Mediation but are unable to resolve their Dispute, either party may submit a written demand for Arbitration. If one party requests Mediation and the other refuses to participate, the requesting party may submit a written demand for Arbitration.

Unless otherwise agreed upon by all parties, the parties agree that the Arbitrator shall be selected from among Washington Arbitration and Mediation Services panelists. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. The party demanding Arbitration shall advance the initial costs of Arbitration. The arbitrator, as part of its decision shall allocate the costs and fees associated with Arbitration among the parties. The arbitrator shall also have the authority to decide any Disputes that arose out of Mediation, including but not limited to, allocation of the costs and fees associated with Mediation.

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16.7.6 Emergency Enforcement Action Exception. For violations of the Governing Documents that create safety hazards, affect the insurance coverage afforded to the Association, or otherwise require immediate action, the parties may use the courts for injunctive action to obtain temporary or preliminary rulings. Such actions may include the removal of Owners or Tenants, access to Units, the prohibition of specific activities, and restraining orders. The arbitrator shall have final jurisdiction over such Disputes through this Article.

16.7.7 Hearing – Law – Appeal Limited. The arbitrator shall take such steps as may be necessary to hold a private hearing within ninety (90) days of the initial demand for Arbitration and to conclude the hearing within one (1) day; and the arbitrator's written decision shall be made not later than fourteen (14) calendar days after the hearing. The arbitrator shall authorize such discovery as may be necessary to ensure a fair hearing. These time limits are intended to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including without limitation, attorney fees and costs to the prevailing party, joinder of parties or consolidation of this arbitration with any other involving common issues or law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages.

16.8 Attorney Fees and Costs.

The prevailing party in any proceeding, including litigation, administrative, mediation, or arbitration, shall be entitled to recover any costs (including all expenses and liabilities, including attorneys' fees and costs, incurred in an action, whether commenced or merely threatened (including proceedings for which the Association is obligated to indemnify a Board Member, Association committee member, Association Officer, or Managing Agent) and reasonable attorney's fees incurred in connection with any enforcement action, whether or not such action results in a proceeding actually being commenced or prosecuted to judgment. Costs and reasonable attorney's fees incurred in connection with an enforcement action shall be payable and collectible as any other Assessment.

16.9 Enforcement by Board.

16.9.1 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.

16.9.2 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;

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(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 or to justify expending the Association's resources; or

(d) It is not in the Association's best interests to pursue an enforcement action.

16.9.3 The Board's decision 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.

16.10 Enforcement against tenants and Related Parties.

16.10.1 If a tenant or Related Party 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 it has against an Owner;

(b) After giving Notice and Opportunity to be Heard to the Unit Owner, levy reasonable fines against the Unit Owner for the violation; and

(c) Enforce any other rights against the tenant or Related Party 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 Association has the right to terminate a lease or evict a tenant if an Owner has failed to do so. The rights referred to in this subsection (c) may be exercised only if the tenant or Unit Owner fails to cure the violation within ten (10) days after the Association notifies the tenant and Unit Owner of that violation.

16.10.2 Unless a lease otherwise provides, this section does 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.

ARTICLE 17: MORTGAGEE PROTECTION

17.1 Mortgagees.

17.1.1 Each Unit shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance on their respective Unit, together with its percentage of undivided interest in the Common Elements and facilities. No Unit Owner shall have the right or authority to make or create or cause to be made or created any mortgage or encumbrance or other lien on or affecting the Property or any part thereof, except to the extent of their Unit and their respective Ownership in the Common Elements.

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17.1.2 A Unit Owner may pledge or assign their voting rights to a mortgagee. Such a mortgagee, or its designated representative, shall be sent all Notices to which the Unit Owner is entitled hereunder and shall be entitled to exercise each Unit Owner's voting rights from and after the time that the mortgagee shall give written Notice of such pledge or assignment to the Association.

17.1.3 In the event that a Notice of default is given to the Association by any mortgagee holding a mortgage which is a first lien on a Unit, then and in that event, and until the default is cured, the right of the Owner of such Unit to vote shall automatically be transferred to the mortgagee giving the Notice of default.

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

17.1.5 Nothing contained herein shall limit or restrict the Board of Directors' right on behalf of the Association to cure any default under mortgages to which the liens created hereunder may be subordinate. The Board of Directors is expressly authorized to cure any and all such defaults by payments to the mortgagee or mortgagees of a defaulting Unit Owner from funds properly held by the Association, and any such payments and expenses incurred incident thereto shall be a special Assessment against the Unit Owner's Unit.

17.1.6 To facilitate the purchase of mortgages by the secondary mortgage market, including Federal Home Loan Mortgage Corporation, the Declaration contains the following special warranties:

(a) An Eligible Mortgagee is entitled to written notification of default by a Unit borrower of any obligation under the condominium constituent documents which is not cured within 60 days;

(b) These documents contain no provisions entitling the Association or other party to a right of first refusal;

(c) Except as provided in section 12.9.3, a first mortgagee who obtains title to a condominium Unit by foreclosure will not be liable for such Unit's unpaid dues or charges which accrued prior to acquisition of title to such Unit by the mortgagee;

(d) All Eligible Mortgagees must consent to termination of the condominium;

(e) All Eligible Mortgagees must consent to changing the allocated common interest of the Unit on which they have a secured interest;

(f) All Eligible Mortgagees must consent to partitioning, encumbering, selling or otherwise adversely affecting the rights of first mortgagees in the Declaration;

(g) All mortgagees shall have the right to examine books and Records of the Association, under the same terms and conditions as any Owner;

(h) The Board of Directors shall notify any Eligible Mortgagee of any uninsured loss by casualty, or by condemnation, to any of the Common Elements or facilities in the amount of \$50,000 or more.

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17.2 Limitations on Mortgagee's Rights.

No requirement for approval by mortgagees 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 any insurance trustee or the Association from receiving and distributing any insurance proceeds except pursuant to the Act.

17.3 Consent of 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.

17.4 Material Amendments.

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

- (a) Voting rights;
- (b) Assessment, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or Limited Common Elements, or rights to their use, except as otherwise provided in Article 6.6.3;
- (f) The boundaries of any Unit;
- (g) Conversion of Units into Common Elements or of Common Elements into units;
- (h) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 15;
- (i) Insurance or fidelity bonds;
- (j) The leasing of Units;
- (k) Imposition of any restriction on the right of a Unit Owner to sell or transfer his or her Unit;

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(l) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an Eligible Mortgage Holder;

(m) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than specified in the Declaration or the Bylaws; or

(n) Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

ARTICLE 18: CONDEMNATION OR TERMINATION OF CONDOMINIUM

18.1 Condemnation.

Condemnation of Units or Common Elements shall be as provided for in RCW 64.90.030.

18.2 Termination.

Except for a taking of all the Units by condemnation under RCW 64.90.030, the Condominium may be terminated by agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. Termination shall be as provided for in RCW 64.90.290 or 64.90.325.

ARTICLE 19: TORT AND CONTRACT LIABILITY

19.1 Liability of Unit Owner.

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.

19.2 Standing.

19.2.1 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.

19.2.2 A Unit Owner is not precluded from maintaining an action contemplated under this section because that person is a Unit Owner, Board Member, or Officer of the Association.

ARTICLE 20: LIMITATION OF LIABILITY

20.1 Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Association, neither the Association nor the Board shall be liable for: any failure of any utility or other service to be obtained and paid for by the Association; or for injury or damage to persons or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or

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from any other place; for damage or injury alleged as a result of mold or other microorganism; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of Common Expense Assessments shall be claimed or allowed for any such utility failure or water leak, or for such injury or damage, or for such inconvenience or discomfort.

The Association is not responsible for loss of use of a Unit, nor for loss of rental income for a Unit. The Association is not responsible to provide for the safety or security of persons or property at the Condominium. The Association is not responsible to move or store personal property of Owners or occupants necessary because of any casualty event, or as needed to accommodate repairs to Common Elements.

20.2 Liability for Personal Property and Relocation.

Owners are responsible to relocate and store their personal property if required to allow for the repair, restoration or replacement of any Common Element or any other work for which the Association is responsible. If a Unit must be vacated to allow for repair, restoration or replacement, the Owner is responsible for alternative housing accommodations for any occupants of the Unit. There shall be no contribution by the Association for any costs or inconvenience to occupants incurred as a result of the Association carrying out its obligations to maintain and repair the Property.

20.3 No Personal Liability.

So long as a Board Member, or Association committee member, or Association officer, or managing agent exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such Person shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this section shall not apply where the consequence of such act, omission, error or negligence are covered by insurance obtained by the Association.

20.4 Indemnification of Board Members.

Each Board Member or Association committee member, or Association officer, or managing agent exercising the powers of the Board, shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees reasonably incurred by or imposed in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having held such position, or any settlement thereof, whether or not they hold such position at the time such expenses or liabilities are incurred, except in such cases wherein such Person is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

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ARTICLE 21: MISCELLANEOUS AND SALE OF UNITS**21.1 Conveyances; Notice Required.**

The right of an Owner to sell, transfer, or otherwise convey a Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or Board, or anyone acting on their behalf. An Owner intending to sell a Unit shall deliver a written Notice to the Board, at least two (2) weeks before closing, specifying the Unit being sold; the names and addresses of the purchaser, the closing agent, and the title insurance company insuring the purchaser's interest; and the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested.

21.2 Sale or Change of Occupancy of a Unit.

The Board may adopt Rules and Regulations related to the sale or change in occupancy of a Unit. Owners must provide Notice to the Board of a Unit being listed for sale, as well as the date of the move-in or move-out. The Board may adopt Rules and Regulations concerning open houses or the staging of Units prior to sale.

21.3 Resale Certificates.

A Unit Owner must furnish to a purchaser before execution of any contract for sale of a unit, or otherwise before conveyance, a Resale Certificate as provided by RCW 64.90.640.

21.4 Maddox Creek PUD.

This Community is located within a Master Subdivision, known as Maddox Creek PUD, and is subject to the terms and conditions of certain restrictive covenants recorded among the land records of Skagit County, Washington, at Auditor's File Nos. 200011030078 and 9609200054, which are collectively described herein as the "Master Subdivision Covenants." Since Condominium is located within the boundaries of the Master Subdivision, all Units and Unit Owners in this Community are bound by the terms and conditions of the Master Subdivision Covenants. Of particular interest is the requirement that all Parcels within the Master Subdivision pay dues and assessments to the Maddox Creek Master Community Association ["Master Association"] for maintenance, repair, replacement, management and insurance of various common elements within Maddox Creek PUD, and for performing other tasks which under the Master Subdivision Covenants are within the powers of that Master Association. Each Unit Owner in Maddox Highlands Condominium I also is a member of Maddox Creek Community Association and owes annual dues to that association. This Community's share of such costs shall be included within the Association's budget for operations each year. The Master Association has a lien against the Lots in the Master Community to secure payment of the dues and assessments owing to the Master Association. Reference should be made to the Master Subdivision Covenants for further details.

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ARTICLE 22: AMENDMENT OF THE DECLARATION**22.1 Amendment.**

Except as noted below, this Declaration may be amended by an instrument in writing setting forth such amendment, consented to by sixty-seven percent (67%) of the Unit Owners and attested to by the President and Secretary of the Board of Directors;

(a) This Declaration shall not be amended to alter the original value of the Property or the original value of any Unit or the percentage of undivided interest of any Unit in the Common Elements without the consent of Unit Owners having one-hundred percent (100%) of the voting power;

(b) This Declaration may not be amended so as to conflict with the provisions of the Act or in deprivation of any right or lien held or claimed by any holder of a recorded mortgage or underlying real estate contract.

22.2 Challenges to Amendments.

In the absence of fraud, any 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.

22.3 Recording.

An amendment is effective only upon recording with the County.

22.4 Eligible Mortgagee Protection.

If any provision of law or the Declaration requires the consent of a holder of a security interest in a Unit as a condition to the effectiveness of an amendment to the Declaration, the 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 by the holder or 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 in the security interest of Record.

22.5 Corrections.

Upon thirty (30) day advance Notice to Unit Owners, the Association may, upon a vote of two-thirds (2/3) of the Members of the Board, without a vote of the Unit Owners, adopt, execute, and record an amendment to the Declaration for the purpose of correcting or supplementing the governing documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarifying an ambiguity in the governing documents with respect to an objectively verifiable fact.

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The President and Secretary of the Association hereby attest that this amended and restated Declaration has been adopted by the Association in accordance with the amendment procedures in the Original Declaration.

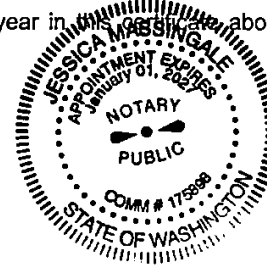
By: Brad J. Solomon By: Linda Nilsen
Brad J. Solomon, President LINDA NILSEN, Secretary

STATE OF WASHINGTON)
) ss.:
 COUNTY OF Skagit)

On this 4 day of October, 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Brad Solomon to me known to be the President of Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged that instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of said Association.

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

Jessica Massingale
Jessica Massingale (Print name)
 Notary Public in and for the State of
 Washington, residing at Mt. Vernon, WA 98273
 My commission expires: Jan 1, 2027

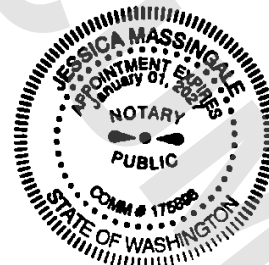


STATE OF WASHINGTON)
) ss.:
 COUNTY OF Skagit)

On this 4 day of October, 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Linda Nilsen to me known to be the Secretary of Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged that instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of said Association.

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

Jessica Massingale
Jessica Massingale (Print name)
 Notary Public in and for the State of
 Washington, residing at Mt. Vernon, WA 98273
 My commission expires: Jan 1, 2027



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EXHIBIT A – UNIT DETAILS

Building	Unit	Levels	Bedrooms	Baths	Percentage Interest
1	1	Lower	2	2	1/13
1	2	Upper	2	2	1/13
1	3	Upper	2	2	1/13
1	4	Upper	2	2	1/13
1	5	Lower	2	2	1/13
2	1	Lower	2	2	1/13
2	2	Upper	2	2	1/13
2	3	Upper	2	2	1/13
2	4	Upper	2	2	1/13
2	5	Lower	2	2	1/13
3	1	n/a	2	2	1/13
3	2	n/a	2	2	1/13
3	3	n/a	2	2	1/13

Notes:

All Units have one fireplace.

All Units are served by gas heating. In addition, some units are served by a heat pump and/or an air conditioner.