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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR VIEW CREST TOWNHOMES**

GRANTOR: VIEW CREST TOWNHOUSE ASSOCIATION

GRANTEE: VIEW CREST TOWNHOUSE ASSOCIATION

LEGAL DESCRIPTION: AMEND P.U.D. & RE-PLAT OF LOTS D-20, D-21, D-22, D-23, D-24 & D-25 MADDOX CREEK P.U.D., PHASE 3, AF# 200008140137, RECORDS OF SKAGIT COUNTY.

ASSESSOR'S TAX PARCEL ID#: P124800 THROUGH P124828, INCLUSIVE

REFERENCE #: 200607270146

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR VIEW CREST TOWNHOMES**

This Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations for View Crest Townhomes is made as of the date of its recording.

RECITALS

A Declaration submitting real estate to the provisions of Chapter 17.69, Mount Vernon Municipal Code, entitled Declaration of Covenants, Conditions, Restrictions and Reservations for View Crest Townhomes, was recorded on July 27, 2006, under Recording No. 200607270146 in Skagit County, Washington (the "Original Declaration"). The Survey Map and Plans to which the Declaration applies were recorded on July 27, 2006, in Skagit County, Washington under Recording No. 200607270145.

The community is a Homeowners Association created while the Homeowners' Association Act, RCW 64.38 et seq, The Homeowners Association Act was the primary governing act of homeowners associations, and the Community is subject to the same.

The Original Declaration has been previously amended by instruments recorded under the following recording numbers in Skagit County, Washington: 200610300168, and 201905200064.

Along with other amendments to the Declaration, the Association has also voted to amend the statute which governs the Community, by adopting the plat community form of use in the Washington Uniform Common Interest Ownership Act (WUCIOA), RCW 64.90 et seq, as provided for in RCW 64.90.370(3)(d), in that at least 30% of the votes in the Association were cast, and 67% of those votes were in favor of the proposal to adopt WUCIOA.

Pursuant to Section 17.1 of the Original Declaration, this Amended and Restated Declaration was approved by a majority of the Board for submission to the membership for a vote.

Pursuant to Section 17.1 of the Original Declaration, not less than sixty-seven percent (67%) of the Voting Power in the Association approved this Amended and Restated Declaration.

Pursuant to Section 5.9.1 of the Original Declaration, the obligations to the City of Mount Vernon have not been amended.

To accomplish the foregoing purpose, the undersigned President and Secretary, respectively, of the View Crest Townhouse Association, the Association duly authorized to govern View Crest Townhomes, do hereby certify that the requirements of the Declaration have been complied with and therefore declare and adopt 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 Community 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. See RCW 64.90.060.

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. See RCW 64.90.035.

1.3 Obligation of Good Faith. Every contract or duty governed under the Act imposes an obligation of good faith in its performance or enforcement. See RCW 64.90.055.

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. See RCW 64.90.215.

1.4.1 Role of Each Governing Document. The following table provides a primer on the role of each of the documents in the Governing Documents. This primer is for convenience only and is not intended to modify or affect the meaning of any substantive provisions of the Governing Documents.

Declaration of CC&Rs	Creates binding rights and obligations upon the Association and current and future Owners in the community. Recorded with the County.
Plat Map	Provides location of Units and Common Elements of the community. May include easements and covenants. Recorded with the County.
Declaration Amendments	Changes to the Declaration to add property, or to change the rights and obligations. Frequent topics include Units added by the developer, rental and use restrictions, and responsibility for maintenance, insurance and damage. Recorded with the County.
Articles of Incorporation	Creates the Association as a non-profit under Washington law. Filed with the Secretary of State. Updated annually.
Bylaws	Controls the internal affairs of the Association, such as when and how to hold meetings or votes, how Board Members are elected or removed, and other governance issues. Kept by the Association. Not recorded.
Rules and Regulations	Provides detail and specifics about permissive use and obligations as provided in the Declaration or by statute. Rules may explain the Declaration or statute, but may not conflict with them. Adopted by the Board after considering Owners' comments. Must be distributed to Owners. Not recorded.
Policies	Architecture guidelines, collection policies, investment guidelines, policies about solar panels and EV chargers. These typically expand on how the Board manages the affairs of the Association. Adopted by the Board. Not recorded.

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 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. In the event the Index is discontinued, the Board shall select a comparable Index for this purpose. See 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 WUCIOA and this section apply throughout this Declaration unless the context clearly requires otherwise. See RCW 64.90.010 for definitions provided by statute.

- **"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 or special Assessments (including fines and other Assessments) not paid by its due date.

"Association" means the Unit Owners Association organized under this Declaration, known as the View Crest Townhouse Association.

"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. This is synonymous with "Trustees" in the Original Declaration.

- **"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 Community Property. This shall not include maintenance, repair or replacement of existing Common Elements, 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 Community other than the Units;

"Common Expense" means expenditures made by, or financial liabilities of, the Association together with any allocation to reserves.

• **"Common Expense Liability"** means the liability for Common Expenses allocated to each Unit pursuant to Article 7. Common Expenses are shared equally, subject to some exceptions contained in the Declaration.

"Community" means the View Crest Townhomes community, created under the Declaration and the Plat Map.

"Declaration" means this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations for View Crest Townhomes, 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.

"Dwelling" means the principal housing structure constructed on a Unit by or under the direction of the original developer within a Townhouse Building.

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

"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.

"Family" means one person or two or more related persons living together, or not more than eight unrelated persons living together as a single, nonprofit housekeeping unit.

"Governing Documents" means the Organizational Documents, Bylaws, Plat Maps, 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.

"Lot" means the land owned by individual members of the Community. It is synonymous with "Unit."

"Maddox Creek" means the Master Association within which View Crest Townhomes is a sub-association.

"Maps" or "Plat Map" means the Plat Maps of the Community recorded in Skagit County, Washington, under recording number 200607270145, as it may be amended from time to time.

"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 6.

"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).

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

"Property" includes all Common Areas, 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 a person who has been certified in a written document filed by a Unit Owner with the Association to be (a) the Owner's spouse, domestic partner, parent, parent-in-law, sibling, sibling-in-law, step parent, step sibling, parent's sibling, or lineal descendant or ancestor of any of the foregoing persons; (b) an officer or director of any Unit Owner that is a corporation; (c) a member of any Unit Owner that is a limited liability company; (d) the trustee or beneficiary of any Unit Owner that is a trust; or (e) a partner of any Unit Owner that is a partnership.

"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.

"Single Family Use" means use by a single Family for residing in, on an Ownership, rental or lease basis, and for social, recreational, or other reasonable activities normally incident to such use not inconsistent with this Declaration (including Article 11) or applicable municipal codes.

"Specially Allocated Expense" means any Common Expense of the Association, including allocations to reserves, allocated to some or all of the Unit Owners pursuant to Section 12.3.

"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 Community designated for separate Ownership or occupancy, the boundaries of which are shown on the Plat Map. It is synonymous with Lot 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 local, state, or federal 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 Article 7. All units have an equal vote.

"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 five Lots within the Maddox Creek PUD. All of the Lots have easements for a private road named Digby Place, which provides access to the Lots, and other property within Maddox Creek PUD.

Legal Description of the land included in the Community:

Lots D-20 through D-25 (inclusive), "Maddox Creek PUD, Phase 3," as per Plat recorded on August 14, 2000, under Auditor's File No. 200008140137, records of Skagit County, Washington.

Subject to and together with easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

ARTICLE 3: DESCRIPTION OF COMMUNITY AND IMPROVEMENTS

3.1 Description of Buildings. The Community contains twenty-three (23) Units which are depicted on the Plat Maps. The Units are grouped in townhouse buildings. Each Unit consists of land, upon which a townhouse dwelling is constructed. The Units include land outside the perimeter surfaces of the dwelling structures. These are attached single family homes with party walls between them. The Units include porches and decks attached to the dwelling structure.

The townhouse buildings are located on a private road known as Digby Place. Addresses for the Units on Digby Place are as follows:

Bldg D-20: 1311, 1315, 1319 Digby Place, Mount Vernon, WA

Bldg D-21: 1300, 1304, 1306 Digby Place, Mount Vernon, WA

Bldg D-22: 1310, 1312, 1314, 1316, 1318 Digby Place, Mount Vernon WA

Bldg D-23: 1400, 1406, 1412, 1418, 1420 Digby Place, Mount Vernon, WA

Bldg D-24: 1401, 1403, 1405 Digby Place, Mount Vernon, WA

Bldg D-25: 1411, 1413, 1415, 1417 Digby Place, Mount Vernon, WA

The Buildings are further described on the Plat Maps.

3.2 Description of Improvements. The improvements which are a part of the Property are parking areas, fences and any landscaping established during original construction.

ARTICLE 4: DESCRIPTION OF UNITS

4.1 Number and Location. Each Unit is identified in this Declaration by a number. The Unit number, street address and square footage of each Unit are described in Section 3.1 and the Plat Maps.

4.2 Unit Boundaries. The Unit Boundaries are as shown on the Plat Maps.

4.3 Private Yard Area. Each private yard area within a Unit, or within a Common Element, has been created for the exclusive use of the Dwelling within the Unit to which it is immediately adjacent, and shall be maintained by the Owner or Occupant of such Unit in a neat and tidy manner, consistent with such rules and regulations as the Board of Directors may promulgate with respect thereto. The Association may provide lawn and landscape maintenance services within such areas, to promote the uniform quality and appearance of such areas; in such case, the Association shall recover the costs of providing such maintenance either on a "per-Unit" basis, or as provided in Section 12.3 hereof, as the Board shall deem appropriate.

ARTICLE 5: DESCRIPTION OF COMMON ELEMENTS

5.1 Common Elements and Facilities. The Common Elements consist of:

5.1.1 Those portions of the reserve tracts depicted on the Plat Maps, identified as Lots D-20-R, D-21-R, D-22-R, D-23-R, D-24-R and D-25-R containing the private road

known as Digby Place and its associated stormwater drainage facilities, subject to the Master Subdivision Covenants.

5.1.2 Guest parking areas, any common mailbox facilities, private street lighting or common irrigation facilities.

5.2 Reserve Tracts.

5.2.1 Description. Those portions of the reserve tracts depicted on the Plat Maps, identified as Lots D-20-R, D-21-R, D-22-R, D-23-R, D-24-R and D-25-R that do not contain the private road known as Digby Place and its associated stormwater drainage facilities, constitute Common Elements. The Reserve Tracts contain landscaped areas and driveway improvements serving the Townhouse Buildings. Each such portion of a reserve tract which is not a Maddox Creek Common Element, is a Common Element for the Community.

5.3 Other Common Elements. Any and all other areas or things depicted on the Plat Maps that serve the Units in the Community and which are not dedicated to public use on the Plat Maps.

5.4 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest as allowed by RCW 64.90.465.

5.5 Incorporation into Units. The Owners of Units to which at least sixty-seven percent (67%) of the votes are allocated, including the Owner of the Unit to which the Common Element will be assigned or incorporated, must agree to incorporate a Common Element into an existing Unit. Such reallocation or incorporation shall be reflected in an amendment to the Declaration or Plat Map. The amendment must be executed and recorded by the Association and be recorded in the name of the Community. All costs, including reasonable attorneys' fees, incurred by the Association for preparing and recording amendments to the Declaration and Map under this section must be assessed to the Units affected.

ARTICLE 6: OBLIGATIONS TO THIRD PARTIES

6.1 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 the View Crest Townhomes Community 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. 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 Units in the 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.

6.2 City of Mount Vernon.

6.2.1 General Rights and Benefits. These Covenants contain provisions which require the owners of Units within the Community to provide ongoing compliance with the conditions of approval of the Plat. The obligations of the Unit Owners and of the Association to the City are for the benefit of the City, and shall not operate to create an obligation of the City or by the City to the Owners or to any third party. The rights of the City contained in this Section are cumulative, and in addition to all other rights and privileges held by the City, and are not in lieu thereof. The obligations of the Owners to the City shall not be amended or altered without the express written consent of the City.

6.2.2 Specific Rights. The City shall have the right, for the benefit of the City and of the public health, safety and welfare, to perform or provide Upkeep to any or all of the Common Elements of the Community in the event that the Association or the Owners, or any of them, should fail to perform or provide such Upkeep in a competent and/or timely manner. In the event that the City shall incur any costs or expend any funds, directly or indirectly [including without limitation the cost of the City's own equipment and employees in performing or providing any such Upkeep], the Association shall be liable to the City for all costs and expenses so expended or incurred.

6.2.3 Maintenance and Use of Common Tracts.

6.2.3.1 Common Roadway and Association Drainage Facilities. The private road, its associated landscaping and drainage facilities are designed to provide means of ingress and egress and stormwater drainage capacity for Maddox Creek. No uses of any such areas may be made which interfere with the proper functioning of such facilities. The Association shall perpetually maintain all such areas in good and slightly condition for their intended purposes, continuously providing all maintenance, repair and replacement thereof not provided by Maddox Creek PUD, along with street sweeping and snow removal. The dumping of solvents, oil, concrete or concrete residue, or water that is heavily laden with sediments, is expressly prohibited anywhere in the Community.

6.2.3.2 Common Elements Within Reserve Tracts. Upkeep for the Common Areas, defined in Section 5.2 hereof, on Lots D-20-R, D-21-R, D-22-R, D-23-R, D-24-R and D-25-R, which contain landscaping, driveway improvements and open space, shall be maintained by the Association in a safe, sanitary and tidy manner generally consistent with the wishes of the Owners of the Units. Noxious weeds shall be suppressed, and no trash or litter shall be allowed to accumulate within the Common Elements. The costs incurred by the Association shall be assessed as provided in Section 12.3 hereof.

6.2.3.3 Perpetual Existence – Rights of the City of Mount Vernon. The restrictions contained in this Subsection shall exist in perpetuity. No changes in the uses described herein for any of the Common Elements may occur without the advance written approval of the City of Mount Vernon.

- 6.2.4 Association Obligations to the City. The Association shall have perpetual existence; it may not be dissolved or abandoned, nor may the Association's obligations under this Declaration of Covenants with respect to the Common Elements be altered or abandoned absent the advance written approval of the City, following a public hearing before the Planning Commission. Should the corporate charter for the Association be dissolved for any reason in violation of the foregoing, the Unit Owners shall be jointly and severally liable for all obligations imposed upon the Association under these Covenants.

ARTICLE 7: PERCENTAGE OWNERSHIP INTEREST

- 7.1 Percentage Interest of Each Unit is equal. The (a) vote in the Association of each Unit and, (b) subject to any Special Allocations and Special Assessments to Individual Owners or Units provided for in this Declaration, the Allocated Interest of each Unit in Common Elements and the Common Expense Liability, are calculated as an equal share for each Unit. See RCW 64.90.235. The Allocated Interests appertaining to each Unit cannot be changed except as provided in this Declaration. The Allocated Interests and the title to the respective Units shall not be separated or separately conveyed and each undivided interest in Common Elements shall be deemed to be conveyed with its respective Unit, even though the description in the instrument of conveyance or encumbrance may refer only to the title to the Unit.

- 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 for the purposes for which the Common Elements were intended. See RCW 64.90.280(2) & (3).

- 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. **This right does not allow the Association to enter a Dwelling absent permission of the occupant or a Court order.** See RCW 64.90.440(3).

- 8.3 Easement through Units. The Association, its vendors and agents, have easements through all Units to allow for the inspection, maintenance and repair of the Property. See RCW 64.90.440(3).

- 8.4 Easements Benefitting 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 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 Community as built. 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 Community 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 Plat Map, 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. See RCW 64.90.405(2)(i).

8.6 Encroachments. Each Unit and all Common Elements are hereby declared to have an easement over all adjoining Units and Common, for the purpose of accommodating any encroachment due to engineering errors, or errors in original construction, reconstruction, or any other similar cause. 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. See RCW 64.90.270.

8.7 Additional Easements on Plat Map. Additional easements are listed on the Plat Map to effectuate the Community's existence. These easements cover the following topics:

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

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

ARTICLE 9: OWNERS ASSOCIATION

9.1 Form of Association. The Community shall be administered by the View Crest Townhouse Association, a non-profit corporation formed pursuant to those certain Articles of Incorporation of View Crest Townhouse 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. See RCW 64.90.400(1).

9.2 Membership Qualification. The membership of the Association at all times consists exclusively of all Unit Owners or, following termination of the Community, of all former Unit Owners entitled to distributions of proceeds under the Act, or their heirs, successors, or assigns. See RCW 64.90.400(2).

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. See RCW 64.90.010(36).

9.4 Meetings. Meetings of the Association and the Board shall be held at the time and in the manner provided in the Bylaws. See RCW 64.90.445.

ARTICLE 10: MANAGEMENT / POWERS OF THE ASSOCIATION

10.1 Management by Board. The Association shall be administered and managed by a Board as provided in the Bylaws. Except as provided otherwise in the Governing Documents or law, the Board acts on behalf of the Association. See RCW 64.90.410(1)(a).

10.2 Authority of the Association.

10.2.1 Duties: The Association Must: (See RCW 64.90.405(1).)

- (a) Adopt budgets as provided in RCW 64.90.525;
- (b) Impose Assessments for Common 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 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: (See RCW 64.90.405(2).)
 - (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 Community 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 Community;

(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;

(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 Community, 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 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, and those Common Element components that the Association is responsible to maintain;

(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;

(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 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 10.3.1 of this section, assign its right to future income, including the right to receive Assessments;

(q) Participate with the City for improvements to public property for activities and projects that benefit the Community directly or indirectly;

(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;

(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 Community 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: See RCW 64.90.405(5)(c).

10.2.4 Board Discretion regarding enforcement. The Board may determine whether to take enforcement action as provided in section 16.9. See RCW 64.90.405(7), (8) & (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. See RCW 64.90.435(1)(d).

10.2.6 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 as "high risk components", should 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, retaining walls, drain pipes and septic systems. See RCW 64.90.440(2). Owners may be liable for damage or loss caused by failure to comply with the standards for maintenance, repair and replacement of such components as provided in Section 12.3.

10.2.7 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 reasonably necessary for maintenance and repair of the Property, including necessary inspections or for repair cost estimates for which the Association is responsible. The Board and its agents may enter any Unit 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 has been made aware and is responsible but has failed to perform.

(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. **The Association may not enter a Dwelling or other structure on a Unit without permission of the occupant, or a court order.**

(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.

(d) If an Owner or other occupant is displaced due to fire, damage, or necessary repairs to the Community, 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.

10.2.8 Association as Attorney-in-Fact. 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, but only to perform the duties of the Association. The Association has full power of substitution, but only to take such action as is reasonably necessary to promptly 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 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 a budget ratification. Ratification of a loan and association budget may be combined into a single meeting. See RCW 64.90.440(2) and 64.90.405(4).

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, 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. The Association may not prohibit the installation of a flagpole for the display of the flag of the United States, or the flag of Washington State, on or within a unit, except that the Association may adopt reasonable Rules and Regulations pertaining to the location and the size of the flagpole. 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 are subject to Rules and Regulations adopted by the Board. See RCW 64.90.510(1).

10.3.3 Signs. Owners may display signs regarding candidates for public or Association office, or ballot issues, on or within a Unit, subject to Rules adopted by the Board governing the placement and manner of those displays. All other signs are subject to Rules and Regulations adopted by the Board. See RCW 64.90.510(2).

10.3.4 Capital Additions and Improvements. The Board may not undertake any Capital Additions or Improvements to the Common Elements in any one year costing in excess of \$5,000.00, unless such expenses are approved by the following percentage of

the total Voting Power of the Unit Owners: 1) if the capital additions or improvements are between \$5,000 and \$25,000, a majority of the total voting power must approve; 2) if the capital additions or improvements exceed \$25,000, 67% of the total voting power must approve. Any additions, alterations, or improvements costing \$5,000 or less, in any one year, may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a Common Expense. Repairs and maintenance of existing components are not Capital Additions or Improvements, and are not limited by this provision.

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 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. Managing Agents must deliver the Association's Records as provided in 10.4.8.

10.3.7 Rental Rules. The Association may adopt Rules that affect the use or occupancy of or behavior in Units that may be used for residential purposes, only to:

- (a) Implement a provision of the Declaration;
- (b) Regulate any behavior in or occupancy of a Unit that violates the Declaration or adversely affects the use and enjoyment of other Units or the Common Elements by other occupants; and
- (c) Restrict the leasing of residential Units to the extent those Rules are reasonably designed to meet underwriting requirements of institutional lenders that regularly make loans secured by first mortgages on Units in comparable common interest communities or that regularly purchase those mortgages.

10.3.8 Heat Pumps: See Section 11.27 regarding limits on the Board's authority.

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): (See RCW 64.90.495(1).)

- (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;

(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;

(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) Originals or copies of any plans and specifications delivered by the declarant pursuant to RCW 64.90.420(1)

(q) Originals or copies of any instruments of conveyance for any Common Elements included within the Common Interest Community but not appurtenant to the Units delivered by the declarant pursuant to RCW 64.90.420(1);

(r) Originals or copies of any permits or certificates of occupancy for the Common Elements in the Common Interest Community delivered by the declarant pursuant to RCW 64.90.420(1); and

(s) The preforeclosure information sent to Owners in connection with efforts to collect delinquent Assessments under Section 12.9.

(t) 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: (See RCW 64.90.495(2).)

(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 ten (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.

(c) The list of Unit Owners required to be retained by an association under Section 10.4.1(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): (See RCW 64.90.495(4).)

(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: (See RCW 64.90.495(3).)

(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;

(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) and (c), 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. See RCW 64.90.495(5).
- (b) A Unit Owner is entitled to receive a free annual electronic or paper copy of the list retained under 10.4.1(c) from the Association.
- (c) A Unit Owner is entitled to receive a free electronic written copy of the preforeclosure information retained under Section 10.4.1(s) from the Association which must be provided in English and any other language indicated as a preference for correspondence by a Unit Owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.

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 may be assessed to the Unit Owner. See RCW 64.90.495(6).

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. See RCW 64.90.495(7).

10.4.7 No Commercial Use. Information provided pursuant to this section may not be used for commercial purposes. See RCW 64.90.495(8).

10.4.8 Records at Change of Manager. 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 (5) business days of termination or the Board's demand and Written records must be provided within ten (10) business days of termination or the Board's demand. The

Association's managing agent may keep copies of the Association Records at its own expense. See RCW 64.90.495(9).

10.5 No Obligation to Provide Security. The Association does not have a duty to provide for the safety or security of persons or property within the Community.

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, rental or lease basis, and for social, recreational, or other 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 Community 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: (See RCW 64.90.510(10)(b).)

- (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 Community coming onto the Property;
- (d) the Business activity does not increase the liability or casualty insurance obligation or premium of the Association;
- (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;
- (f) the business activity is lawful or sanctioned as legal in the State of Washington; and
- (g) Trade and business use does not include Owners who work from home for an employer.

11.2.2 Child Care. . Per Washington state law, 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 requirements under: RCW 64.90.570.)

- (a) have direct access to the outside of the building or through publicly accessible Common Elements;
- (b) be licensed under RCW 43.216;
- (c) indemnify and hold harmless the Association against all claims, whether brought by judicial or administrative action, relating to the operation of the family home child care or the child day care center, excluding claims arising in Common Elements that the Association is solely responsible for maintaining under the Governing Documents;
- (d) obtain a signed waiver of liability releasing the Association from legal claims directly related to the operation of the family home child care or the child day care center from the parent, guardian, or caretaker of each child being cared for by the family home child care or the child day care center. The waiver need not be notarized; and
- (e) obtain day care insurance as defined in RCW 48.88.020 or provide self-insurance pursuant to RCW 48.90, consistent with the requirements in RCW 43.216.700.

11.3 Restrictions on Occupancy.

Convicted sex offenders are not permitted to reside in any Unit. See RCW 64.90.510(10)(b).

11.4 Leases.

11.4.1 Leasing Defined and Regulated.

(a) Leasing or renting is defined as occupancy of a Unit by someone other than the Owner or a Related Party, whether or not money is paid to the Owner. Leasing does not include occupancy of a Unit, whether or not rent is paid, by occupants residing in a Unit with the Unit Owner.

(b) The Leasing of a Unit shall be governed by the provisions of this Declaration. Notwithstanding anything herein to the contrary, Sections 11.4.3 and 11.4.4 shall not be applicable to: (i) the Lease of a residential Unit acquired by the Association following a Foreclosure of the Association's lien for Assessments; (ii) 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; (iii) 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); or (iv) an Owner who had purchased their Unit prior to the recording of this Declaration.

(c) Prohibition on Leasing Portions of Units. No lease or rental of a Unit may be of less than the entire Unit. Provided, however, that this section shall not apply, whether or not rent is paid, to occupants residing in the Unit with the Unit Owner.

(d) 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. Unless it will affect FHA certification for the community, no Owner shall Lease a Unit until the Owner or a Related Person has continuously occupied the Unit as a primary residence for at least one year after the Unit Owner has taken ownership.

11.4.4 Rental Ceiling Set. Subject to the conditions and exceptions below, the total number of Units that may be Leased at any one time shall be four (4) Units in the Community (the "Rental Ceiling").

11.4.4.1 Lease Ceiling Compliance. Prior to Leasing a Unit, the Unit Owner shall submit a request to the Board for consent to Lease the Owner's Unit, which consent shall not be unreasonably withheld if the Owner has complied with all requirements of this Section and all other requirements of this Declaration, and the Lease of such Unit would not cause the aggregate number of Leased Units to exceed the Rental Ceiling. The request shall be in writing and signed by the Unit Owner and shall include the name(s) of the Tenant(s) and the term of the Lease Agreement, including any options to renew, and shall certify that the Lease Agreement to be entered into is subject in all respects to and complies with the provisions of the Governing Documents, and that any failure of the Tenant(s) to comply with such provisions shall be a default under the Lease Agreement, entitling the Association to enforce such provisions as a real party in interest.

If the Unit has not been Leased within sixty (60) days of the Board's consent, such consent is deemed to be withdrawn, and the Owner must submit a new request to Lease the Unit.

11.4.4.2 Effect of Rental Ceiling. If an Owner wishes to Lease a Unit, but is prohibited from doing so because of the Rental Ceiling, the Association shall place the Owner's name on the Rental Waiting List as provided below.

11.4.4.3 Rental Waiting List. The Board shall maintain a list of Owners, on a first come, first served basis, who desire to Lease their Unit (the "Rental Waiting List"). The Rental Waiting List shall include all of the Units whose Owners have applied for approval from the Association to Lease their Units at a time when the number of applications is equal to or exceeds the Rental Ceiling. A Unit Owner is not permitted to put their name on the Rental Waiting List while a Unit they own is currently a Leased Unit. The Board shall approve the Leasing of Units (that meet the requirements of this Section) in the order listed on the Rental Waiting List, which shall be in priority order of date of application by the Unit Owner, and in the number such that the total number of Leased Units following such approvals (taking into account those Units then currently Leased) is equal to the Rental Ceiling.

11.4.4.4 Hardship Exemption. 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 Ceiling contained herein, the

Board may, in its discretion, grant an Owner a waiver of the Leasing restriction contained herein 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.

11.4.4.5 Renewal of Leases. If the Owner of a Leased Unit and the existing Tenant(s) wish to extend their Lease Agreement for a specified term, the Association shall not withhold consent merely because the number of non-Owner occupied Units is equal to or greater than the Rental Ceiling, provided the Association has previously approved the Leasing of the Unit in the manner provided in this Section. This exception does not apply if there is any change in the Tenant(s) or Occupants of such Leased Unit.

11.4.4.6 Tenant Leaves. Each Owner who has a Leased Unit shall give written Notice to the Association of any expiration and non-renewal or other termination of the Lease Agreement within ten (10) days of the date that the Owner learns of the expiration, non-renewal or other termination of the Lease Agreement. If a Lease Agreement is not renewed by the Tenant occupying the Unit or otherwise expires or is terminated by either party thereto, the Owner shall request the Association's consent to once again Lease the Unit prior to any execution of a subsequent Lease Agreement with any new Tenant. The name of the Owner seeking the Association's consent to Lease their Unit again will be placed at the end of the Rental Waiting List at that time, and no Leasing of that Unit shall be approved until all other Owners whose names had previously been added to the Rental Waiting List have been given the opportunity to Lease their Units. If the number of Leased Units is less than the Rental Ceiling as a result of the non-renewal or other termination of a Lease Agreement or otherwise, the Board shall notify in writing the first Unit Owner on the Rental Waiting List of its position on the Rental Waiting List and that Owner shall have the opportunity to Lease their Unit pursuant to this Section.

11.4.4.7 Effect of Conveyance by Deceased Owner. Units conveyed through probate or the operation of intestacy laws may be occupied by the new Owner(s) or sold, but may not be Leased.

11.4.5 Written Leases. 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 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. Any 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. Unless it will affect FHA certification for the Community, the Board may adopt a Rule that requires any Owner desiring to Lease a Unit to 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. See RCW 64.90.565.

11.4.8 Governing Documents. 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. Each Unit Owner shall have the responsibility to ensure compliance by their Tenant(s) with the Community'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. See RCW 64.90.405(5).

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, or the Unit, except 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. 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. No Tenant may sublease a Unit or any part of a Unit (e.g., a room).

11.4.13 Incorporation of Governing Documents. If 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.

11.4.14 Rules related to Rentals. The Board is authorized to establish Rules and Regulations affecting Tenants.

11.4.15 Rental Processing Fees. The Board is authorized to establish and charge reasonable fees in connection with the Leasing of Units and for maintaining Tenant information, in order to defray the added administrative and physical costs of such activities. Such processing fees shall be collectible as an Assessment against the Unit that is Leased and charged to its Owner. See RCW 64.90.405(2)(j).

11.5 Use of the Units and Community.

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 if it is apparent to or negatively impacts other Owners. No Person shall cause any unreasonably loud noise anywhere in the Property. If the Board determines that a thing or use is undesirable or noxious, or that a noise is unreasonably loud, that determination shall be conclusive. See RCW 64.90.510(10)(b).

11.5.2 Smoking. 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 throughout the Common Elements. 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. See RCW 64.90.510(10)(b).

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, and provided that they shall not in the judgment of the Board 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 Community. (See RCW 64.90.510(10)(b).)

(a) Animals are required to be on a leash when away from Owner's Unit.

(b) Owners are responsible for picking up their animal's waste when it is deposited anywhere on public or private property, and disposing of it properly, as required by the City of Mount Vernon.

(c) Unit Owners are required to obey an Rules and Regulations relating to household pets adopted by the Board, as well as City of Mount Vernon ordinances relating to animals.

11.5.4 Security is Owner Responsibility. The Association has no obligation to provide for the safety or security of persons or property at the Community.

- 11.5.5 Parking. Parking of up to two vehicles in driveways shall be permitted. Driveway parking spaces are restricted to use for parking of operable, properly registered automobiles, light trucks and family vans; other items and equipment may be parked or kept therein only if expressly permitted by Rules and Regulations and only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. Garage parking spaces are restricted to use for parking of automobiles, motorcycles, light trucks, family vans and other similar vehicles, and for storage of such other items that pose no unreasonable health, safety or fire risks to persons or property. Vehicle repairs other than ordinary light maintenance are not permitted on the Property. There shall be no use of guest parking spaces for home office customers, nor shall there be any use of any guest parking space by any one car for more than 72 hours unless special permission for an extended period is granted by the board; nor shall there be any use of a guest parking space by a vehicle owned by or leased to an Occupant of the Community. The Board may require removal of any inoperative or unregistered vehicle, and any other equipment or item improperly stored in parking spaces. If the same is not removed, the Board may cause removal at the risk and expense of the owner thereof, under such reasonable procedures as may be provided by Rules and Regulations adopted by the Association.
- Any designated visitors parking areas shall be left open for use by visitors, guests, invitees and licensees of Unit Owners and their tenants. Parking is prohibited on the streets and alleys of the Community except in designated parking areas.

11.5.6 Private Yard Areas. Any portion of the yard areas of a Unit that are not maintained by the Association shall be maintained by the Unit's Owner in a neat and tidy manner, consistent with any rules and regulations adopted by the Board of Directors. Owners shall maintain fences enclosing any yard for their Unit. If a fence separates two private yard areas, those two owners shall jointly maintain the fence. The Board may allow Owners to use parts of the Common Elements as private yard areas, to be maintained by the Owner, but to become a permanent part of the Unit, it must be combined with the Unit as provided in Section 5.3.

- 11.5.7 Noise. No person shall cause any unreasonably loud noise anywhere in the Community, nor shall any person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any person lawfully present on any portion of the Property. Quiet hours shall be observed from 9:00 pm to 7:00 am, during which only minimal noise shall be permitted to emanate from any Unit.

11.5.8 Illegal Activity. No illegal activity shall be carried on in any Unit or Common Elements, nor shall anything be done therein which may be or become an unreasonable source of annoyance or nuisance to other Owners.

- 11.5.9 Compliance with Environmental Laws. Use of the Units and Common Elements of this Community may be subject to various federal, state and local laws, regulations and guidelines now in effect and/or hereafter enacted, relating to or affecting the Property, concerning the impact on the environment of construction, land use, and the maintenance and operation of structures located thereon. No Unit Owner shall cause or permit to be caused, any act or practice by negligence, or omission, or otherwise, that
- would adversely affect the environment or do anything or permit anything to be done that would violate any of the said laws, regulations or guidelines. The foregoing shall cover all

requirements whether or not foreseeable at the present time and regardless of their expense.

11.5.10 Hazardous Substances. A person shall maintain or store on or in the Property only such property and materials which may be legally possessed by such person. No person shall improperly store within or release from a Unit or into the Common Elements any petroleum distillates, liquid or aromatic hydrocarbons, medical wastes or infectious biological agents, acids, caustics, , mutagens, heavy metals or any other inflammable, toxic, explosive, radioactive, or other type of substance which may be hazardous to either the Community or to the public health or safety, or the health or safety of any lawful occupants of the Community, any and all such substances being known herein as Hazardous Substances.

11.5.11 Trash and Recycling. Trash and recycling containers shall be maintained so as to be not visible from the roadway, except on scheduled collection days. Trash containers are subject to further regulation by the Board of Directors.

11.5.12 Open Fires. Open burning is not permitted on the Property, except that outdoor fireplaces, grills and chimneys may be used if equipped with fire screens to prevent the discharge of embers or ashes.

11.5.13 Lighting. Exterior lighting on the Dwelling shall be maintained by the Association in accordance with the common scheme for such lighting established during the initial construction of the Dwellings. Exterior lighting should be generally unobtrusive and shielded from shining directly into windows of other dwellings.

11.5.14 Clotheslines. No clothesline may be installed within portions of the Unit that are visible from the roadway or from other Dwellings.

11.5.15 Construction Activities. This Section shall not be construed as forbidding any work involved in the construction or Upkeep of any portion of the Property so long as such work is undertaken and carried out (i) with the minimum practical disturbances to persons occupying other portions of the Property; (ii) in such a way as does not violate the rights of any person under other provisions of this Declaration of Covenants; and (iii) in accordance with all applicable restrictions in the Rules and Regulations, the resolutions of the Board of Directors and the other provisions of this Declaration of Covenants. The Board of Directors may approve temporary structures for construction purposes which may otherwise be in violation of the Governing Documents or the Rules and Regulations.

11.5.16 Visual Noise. Each Lot 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 the outside of their Dwelling, or install outside their Unit any canopy or awning, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors or Manager.

11.6 Unit Maintenance.

11.6.1 Each unit owner will be responsible for keeping the interior of their Unit and its equipment, appliances, and appurtenances in good order, condition and repair, and in a sanitary condition, such that there is no negative impact or risk to the structural integrity of the unit or neighboring units.

11.6.2 In addition to keeping the exterior of the Unit in good repair, each Unit Owner shall be responsible for the maintenance, repair or replacement of any structural components, pipes and wires, plumbing fixtures, water heaters, fans, heating equipment, lighting fixtures, fireplaces, refrigerators, dishwashers, ranges, or any other appliances that may be in or connected with their Unit. See Exhibit A for more detail.

11.6.3 In addition to decorating and keeping the interior and exterior of the Unit in good repair, each Unit Owner shall be responsible for the maintenance, repair or replacement of any structural components, pipes and wires, plumbing fixtures, water heaters, fans, heating equipment, lighting fixtures, fireplaces, refrigerators, dishwashers, ranges, or any other appliances that may be in or connected with their Unit. See Exhibit A for more detail. These shall be maintained in accordance with any Rules or standards adopted by the Board. If the failure to maintain as required results in damages, or other expenses incurred by the Association, the Owner may, following Notice and an Opportunity to be Heard, be assessed expenses incurred by the Association. See RCW 64.90.480(4) & (6).

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. See RCW 64.90.510(10)(b).

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 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, 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.

11.6.6 Each Unit Owner shall, at his or her sole expense, keep the Dwelling in good order, condition and repair and shall do all exterior redecorating at any time necessary to maintain the good appearance and condition of the Dwelling for upkeep not provided by the Association. Exhibit A details responsibilities of the Owners and the Association related to exterior maintenance of the buildings. Each Owner shall also be responsible for the Upkeep of decks, porches, and other exterior portions of the Dwelling,

along with individual heating, ventilating, or air-conditioning equipment, wherever located, installed for the sole and exclusive use of the Unit, and of any hot tub or other structure, device or equipment lying outside the Dwelling but lying within the Unit. This Section shall not be construed as permitting any interference or damage to the structural integrity of a building or interference with the use and enjoyment of either the Common Elements or of any other Unit(s), nor shall be construed to limit the powers or obligations of the Board hereunder. See Exhibit A.

11.6.7 Party Wall. All Dwellings shall be constructed such that each Dwelling includes at least one separately framed interior wall abutting upon the common boundary separating the Units sharing such common boundary; both such walls shall share a common foundation. Those portions of the walls and foundations which serve both Dwellings in the Townhouse Building shall at all times be considered party walls. Each Unit has an easement of support over the foundation areas on adjacent Units for maintenance of and Upkeep to the Unit's portion of the party wall. The costs of Upkeep to such foundation shall be borne equally by the Owners of the Dwellings served thereby. Each interior wall abutting upon the common boundary wall shall be deemed to exist to provide lateral support and protection from the elements for the adjacent Dwelling. Each such interior wall shall be perpetually maintained by the Owner of its Dwelling for such purposes.

11.6.7.1. Party Wall Damage or Destruction. If a wall is damaged or destroyed by fire or other casualty then, to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any owner who has used the wall may restore it. If other owners thereafter use the wall, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from any user under any rule of law regarding liability for negligent or willful acts or omissions.

11.6.7.2. Dispute Resolution. If any dispute arises concerning a party wall the provisions of Article 16 shall be used to resolve the dispute.

11.6.8 Shared Fencing, Entrance Areas and Walkways, Shared Fencing and Other Landscaping. Any shared entry area within or adjacent to a Townhouse Building, along with any fence, private landscaping or other improvements constructed along the common boundary line between two Units, exist for the benefit of the Dwellings served thereby. Each Owner of a Dwelling sharing such facilities shall be jointly responsible for the maintenance, repair and replacement of those facilities, except to the extent that the Association may elect to provide such Upkeep. See also Exhibit A.

11.6.9 Lien for Upkeep Expenses. If an Owner fails to properly maintain, repair or replace any of the improvements which are the responsibility of such Owner under this Section, or to pay their fair share of a shared obligation after thirty (30) days written notice, then the Association or the other Owner may have such work done, by licensed, bonded contractors, on the account of the responsible Owner. The responsible Owner's obligations to pay such costs of maintenance, repair or replacement shall constitute an equitable lien, in favor of the party actually paying such costs, against the responsible Owner's Unit; said lien, if not paid within thirty (30) days following delivery by mail of a

reasonably itemized invoice thereof, may be foreclosed in a manner of a mortgage on real property.

11.7 Association-Provided Maintenance of Unit Components. The Association shall have primary responsibility for all front and side yard landscape maintenance with the Units, for upkeep to all roofs and gutters and exterior painting of the Dwellings, and Upkeep for any other portions of the Unit, as specifically described in Exhibit A, that the Association is assigned to, or by resolution, may hereafter elect to maintain. The obligation for upkeep to roof surfaces as described in Exhibit A, does not create any obligation for the association to maintain the structure below the roof surface, even if the roof were to fail.

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 is caused to the Common Elements and/or facilities or to a Unit or Units owned by others, the maintenance, repairs or replacements required to correct the damage which would otherwise be a Common Expense, then, following Notice and an Opportunity to be Heard, such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, to the extent not covered by the Association's insurance. See RCW 64.90.480(6) & (7).

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 Unit Owner shall connect any machines, appliances, accessories or equipment to heating, or air-conditioning system or plumbing system, to the exterior of the Dwelling without the prior Written consent of the Board.

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. 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.

11.11 Architectural Control. Except as otherwise provided in this Declaration, the Association must maintain, repair, and replace the Common Elements and each Unit Owner must maintain, repair, and replace that Owner's Unit. See Exhibit A for more details.

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 building. 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 or the exterior appearance of the front 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;

(5) Shall ensure that all contractors working within the Units are licensed and insured, with no exclusion in their insurance for work in common-interest ownership communities;

(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;

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

(8) May not alter the sound transmission characteristics of the party walls between Units;

11.11.2 Relocation of Unit Boundaries.

(1) The boundaries between adjoining Units may be relocated upon application to the Board by the Unit Owners of those Units and upon approval by the Board pursuant to RCW 64.90.260.

11.11.3 Subdivision and Combination of Units. A Unit may be subdivided into two or more Units only if it was the combination of previously existing Units. Two or more Units may be combined into a lesser number of Units. Combination of units affects the common expense responsibility of the owner of that combined unit in that the assessment against the combined unit ("dues") will be equal to the total of assessed common expenses allocated to each unit individually prior to the combining of those units. Procedures for such combination or subdivision are as provide by RCW 64.90.265.

11.11.4 Solar Panels. Installation of a "solar energy panel", as defined in RCW 64.90.510, by an Owner is prohibited unless all aspects of the solar energy panel(s) conform to the requirements of RCW 64.90.510, to all provisions of this Declaration, to all applicable laws and codes, and to any Rules adopted by the Board consistent with the limitations on rulemaking set forth in RCW 64.90.510. Owners are responsible for the removal and reinstallation (or cost thereof) of their solar panels if required for maintenance, repair or replacement of building components which are the responsibility of the Association.

11.11.5 Protected Antennas. An Owner may not install an antenna, dish or other receiving device in or on any portion of the Common Elements, except as

provided in this Section. Each Owner shall have the right to install a Protected Antenna (as defined by the provisions of 47 C.F.R. § 1.4000 ("FCC Rule") as it now exists or is hereafter amended or replaced, or any other federal, state or local law, code, rule or regulation that pre-empts, prohibits or limits restrictions on, or conditions to, the installation, maintenance or repair of telecommunications equipment desired by an Owner) (but no other kind of antenna, dish or receiving device) within the Owner's Unit, subject to the conditions and limitations set forth in this Section; provided, however, the Association may prohibit the installation of a Protected Antennae by Owners if the Association provides a central antenna system that complies with the FCC Rule or any other law, ordinance, rule or regulation that permits such prohibition.

11.11.5.1 Owner shall install the Protected Antenna entirely within its Unit, or at such location designated by the Board. The Protected Antenna may not extend into any Common Element or into any Unit owned by another Owner. The Protected Antenna shall not interfere with any Protected Antenna or other telecommunications equipment previously installed by another Unit Owner or the Association.

11.11.5.2 The Board may require the Protected Antenna to be painted so it blends in with its surroundings or located in a particular place or screened to minimize adverse aesthetic effects, provided that the cost of painting or screen is not unreasonably expensive in relationship to the cost of the Protected Antenna and the painting, location or screening does not interfere with reception.

11.12 Rules and Regulations. (See RCW 64.90.505.)

11.12.1 All Unit Owners shall recognize and be bound by the Rules governing the details of the operation of Community, as the Board 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 Related Parties, tenants, invitees, guests, employees, under-tenants and agents of said Unit Owner.

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.

11.12.3 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 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.

11.12.4 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.

11.12.5 The Association's internal business operating procedures need not be adopted as Rules.

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, and emails of all occupants, 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. Such information is for use by the Association, and is not distributed to anyone except as required by law.

11.14 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. See RCW 64.90.580.

11.14.1 Owners must submit an application for approval for the installation of a heat pump before installing the heat pump.

11.14.1.1 The application for approval must be processed and approved in the same manner as an application for approval of an architectural modification.

11.14.1.2 The approval or denial of an application must be in writing and must not be willfully avoided or delayed.

11.14.1.3 If an application is not denied in writing within sixty (60) days from the date of receipt of the application, the application is deemed approved, unless that delay is the result of a reasonable request for additional information. If approved in this manner, the Heat Pump must still comply with all other requirements of the Declaration.

11.14.1.4 The Association may not assess or charge an Owner a fee for the installation of a heat pump. The Association may charge a reasonable fee for processing the application to approve the installation of a heat pump, but only if such fee exists for all applications for approval of architectural modifications.

11.14.2 The Association must approve the installation if the installation is reasonably possible and the Owner agrees in writing to:

11.14.2.1 Comply with the Association's reasonable architectural standards applicable to the installation of the heat pump;

11.14.2.2 Engage a heating, ventilation, and air conditioning (HVAC) contractor familiar with the standards for the installation of heat pumps to assess the existing infrastructure necessary to support the proposed heat pump, identify additional infrastructure needs, and install the heat pump; and

11.14.2.3 Comply with the requirements of this section.

11.14.3 An Owner must obtain any permit or approval for a heat pump as required by the City of Seattle and comply with all relevant building codes and safety standards.

11.14.4 A heat pump must meet all applicable health and safety standards and requirements imposed by national, state, or local authorities, and all other applicable zoning, land use or other ordinances, building codes, or land use permits.

11.14.5 An Owner is responsible for the costs of installing a heat pump.

11.14.6 Heat pump equipment that is installed at an Owner's cost and is removable without damage to the property owned by others may be removed at the Owner's cost.

11.14.7 An owner and each successive owner of the heat pump is responsible for:

11.14.7.1 Costs for the maintenance, repair, and replacement of the heat pump up until the heat pump is removed;

11.14.7.2 Costs for damage to the heat pump, any Unit, Common Element, or Limited Common Element resulting from the installation, use, maintenance, repair, removal, or replacement of the heat pump;

11.14.7.3 If an Owner decides to remove the heat pump, costs for the removal and the restoration of the Common Element or Limited Common Element after the removal; and

11.14.7.4 Removing and reinstalling the heat pump equipment if reasonably necessary for the repair, maintenance, or replacement of the Common Elements.

ARTICLE 12: ASSESSMENTS, FEES, LIENS AND COLLECTIONS

12.1 Common Expense Assessments.

12.1.1 Annual Budget. Assessments for Common Expenses shall be made at least annually based on a budget adopted by the Association in the manner provided in Section 12.4 herein. See RCW 64.90.480(1).

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. See RCW 64.90.480(3).

12.1.3 Common Expenses Shall Include: (See RCW 64.90.480(4).)

(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.

(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 to each Unit, regardless of how many Units are located within the original Maddox Creek Lots on the Plat Maps. The Community includes five (5) lots within Maddox Creek and would pay five (5) assessments under the terms of the Master Subdivision Covenants, under its Article 8.

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

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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, including allocations to reserves, and other income to the Association, and to charge expenditures, to the account of the appropriate Units. See RCW 64.90.475(1).

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 Association's operating or reserve account to reduce future Common Expense Assessments. See RCW 64.90.475(2).

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 themselves 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. See RCW 64.90.485.

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: (See RCW 64.90.480(4), (6), (7), and (8).)

12.3.1 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 the costs of providing any service of any kind to an individual Unit, its Owner or any occupant;

12.3.2 Misconduct. To the extent that any expense of the Association is caused by willful misconduct or negligence (gross or ordinary) of any Unit Owner, Related Party or that Unit Owner's tenant, guest, invitee, or occupant, the Association may assess that expense against the Unit after Notice and an Opportunity to be Heard, even if the Association maintains insurance with respect to that damage or Common Expense. See RCW 64.90.480(6);

12.3.3 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 expenses not covered under an insurance policy issued to the Association. Such negligence shall include failures of the Owner (Related Parties, guests, etc.) to reasonably comply with the Governing Documents and to maintain the Property as they are required to under the Declaration. Such expenses may include management, administrative and attorney fees, and costs of vendors to repair any damages caused by the negligence. See RCW 64.90.480(6);

12.3.4 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. See RCW 64.90.480(8);

12.3.5 Late Fees, Interest. Late fees, interest and costs of collection for delinquent accounts. See RCW 64.90.480(8);

12.3.6 Fines and Expenses. Fines and costs for enforcement are assessed against individual Owners in accordance with this Declaration or law. See RCW 64.90.405(2)(l);

12.3.7 Special Charges for Services Provided to Unit Owners. Pursuant to the authority granted the Association under RCW 64.90.405(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 for approval by the Board for any architectural, structural, or related alteration to the interior or exterior of any Unit or Unit Structure. See RCW 64.90.405(2)(j)(ii);

12.3.8 Move in Fees. 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. See RCW 64.90.405(2)(j)(iii); and

12.3.9 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. See RCW 64.90.525(1).

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. See RCW 64.90.525(3).

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. See RCW 64.90.525(3).

12.5 Reserve Account; Withdrawals.

12.5.1 The Association must establish one or more accounts for the deposit of funds for the replacement costs of reserve components. Any reserve account must be an income-earning account. The Board is responsible for administering the reserve account. See RCW 64.90.535.

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. Any such withdrawal must be recorded in the minute books of the Association. The Board must give Notice of any such withdrawal to each Unit Owner and adopt a repayment schedule not to exceed twenty-four (24) months unless the Board determines that repayment within twenty-four (24) months would impose an unreasonable burden on the Unit Owners. The Board must provide to Unit Owners along with the annual budget summary (a) Notice of any such withdrawal, (b) a statement of the current deficiency in reserve funding expressed on a per Unit basis, and (c) the repayment plan. See RCW 64.90.540.

12.5.3 The Board may withdraw funds from the reserve account without satisfying the notification of repayment requirements under this section to pay for replacement costs of reserve components whether or not included in the reserve study. See RCW 64.90.540.

12.5.4 The Board may adopt Rules and Regulations implementing financial controls to manage the Association's accounts. See RCW 64.90.505(4).

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. See RCW 64.90.545.

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. See RCW 64.90.560.

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. See RCW 64.90.530.

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 (15) 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. See RCW 64.90.485(11).

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 to the oldest Assessments first, whether for fines, costs of collection, attorneys' fees, interest, late fees, regular Assessments, or Special Assessments. See RCW 64.90.485(1).

12.9.2 Priority. A lien under this section has priority over all other liens and encumbrances on a Unit except: (See RCW 64.90.485(2).)

- (a) Liens and encumbrances recorded before the recordation of the declaration;
- (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. (See RCW 64.90.485(3).)

(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, , 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 common interest community, 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 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. See RCW 64.90.485(4).

12.9.5 A lien under this section is not subject to chapter 6.13 RCW. See RCW 64.90.485(5).

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. See RCW 64.90.485(7).

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. See RCW 64.90.485(8).

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. See RCW 64.90.485(9).

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. See RCW 64.90.485(10).

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). See RCW 64.90.485(11).

12.9.12 The Association's lien may be foreclosed in accordance with (a) and (b) of this subsection. See RCW 64.90.485(13).

(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) The lien may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration: Contains a grant of the common interest community in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, contains a power of sale, provides in its terms that the units are not used principally for agricultural purposes, and provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative may purchase the unit at the foreclosure sale and acquire, hold, lease, mortgage, or convey the unit. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption is eight months.

(c) The Association or its authorized representative may purchase the Unit at the foreclosure sale and acquire, hold, lease, mortgage, or convey the Unit. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption is eight (8) months.

(d) No Member of the Association's Board, or their immediate family members or affiliates, are eligible to bid for or purchase, directly or indirectly, any interest in a unit at a foreclosure of the Association's lien. For the purposes of this subsection, "immediate family member" includes spouses, domestic partners, children, siblings, parents, parents-in-law, and stepfamily members; and "affiliate" of a Board Member includes any Person controlled by the Board Member, including any entity in which the Board Member is a general partner, managing member, majority member, officer, or director. Nothing in this subsection prohibits an Association from bidding for or purchasing interest in a Unit at a foreclosure of the Association's lien.

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. See RCW 64.90.485(15).

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. See RCW 64.90.485(16).

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. See RCW 64.90.485(17).

- 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 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. See RCW 64.90.485(18).

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. See RCW 64.90.485(19).

- 12.9.18 The Association may not commence an action to foreclose a lien on a Unit under this section unless: (See RCW 64.90.485(22).)

(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. See RCW 64.90.485(23).

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)

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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 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 community, 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) Commercial general liability insurance, including medical payments insurance, in an amount determined by the board, but not less than one million dollars (\$1 million), covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements;

(c) Such other insurance as the Board deems advisable, which may include:

(i) Fidelity insurance 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 months estimated cash to be collected as Assessments each year;

(ii) Directors and Officers liability insurance;

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

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.

13.3 Insurance Proscribed. Insurance policies carried pursuant to subsection (13.1) 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 community 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 plat community 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.

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 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. The Board may require that Owners include the Association as an additional insured on the Owner's policies, and that the Association is a certificate holder, who will be notified prior to cancellation of an Owner's individual insurance.

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

(a) to the Owner if the damage resulted from neglect or misconduct of the Owner, the Owner's Tenants or Occupants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, agents, or pets;

(b) if there is no neglect or misconduct, then to the Owners whose Units were damaged or benefited by the repairs;

(c) if the damage is to more than one Unit and/or the Common, and neither (a) nor (b) apply, the deductible is prorated between the Unit(s) and/or Common based on the total benefit to each, as follows: (i) repairs to Units that benefit only one Unit will be assessed solely to the individual Unit Owners; and (ii) 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) to the Owner if the damage resulted from neglect or misconduct of the Owner, a Related Party, the Owner's Tenants or Occupants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, agents, or pets;

(b) if there is no neglect or misconduct, then to the Owners whose Units were damaged or benefited by the repairs; or

(c) 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 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 this Declaration, shall be a common expense. This maximum shall not apply to Owners

who cause damage through negligence or misconduct, or for their responsibility for equipment failure.

ARTICLE 14: DAMAGE AND DESTRUCTION

14.1 Application. Any portion of the Common Elements for which insurance is required that is damaged or destroyed must be repaired or replaced promptly by the Association unless: (See RCW 64.90.470(8).)

(a) The Community 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; or

(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.

14.2 Unit Damage. The Owner of the Unit shall promptly cause the damaged and destroyed portion to be repaired.

14.3 Costs. The cost of repair or replacement not paid from insurance proceeds or due from individual Owners is a Common Expense. See RCW 64.90.470(9) & 64.90.480(8).

14.4 Restoration of Common Elements. 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. Absent insurance proceeds, Common Elements must be restored to serviceable condition. See RCW 64.90.470(9).

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 community 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. See RCW 64.90.515(1).

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. See RCW 64.90.515(2).

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. See RCW 64.90.515(2)(a).

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. See RCW 64.90.515(2)(b).

15.3 Electronic Transmission. Notice may be provided in an Electronic Transmission as follows: (See RCW 64.90.515(3).)

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. 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. See RCW 64.90.515(4).

15.4 When Effective. Notice is effective as follows: (See RCW 64.90.515(5).)

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:

- (a) Is Electronically Transmitted to an address, location, or system designated by the recipient for that purpose; or
- (b) Has been posted on an Electronic network and a separate Record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the Electronic network.

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. See RCW 64.90.515(6).

15.6 If the Act prescribes different or additional Notice requirements for particular circumstances, those requirements govern. See RCW 64.90.515(7).

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. See RCW 64.90.405(9).

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. The Board may determine what action to take for a Violation as provided in section 16.9.

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 Community. See RCW 64.90.405(2)(l).

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 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 litigation. The parties are encouraged to use a mediator from a Dispute Resolution Center such as the Dispute Resolution Center of Snohomish, Island & Skagit Counties, 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 Litigation. The parties agree that if they are unable to resolve their Dispute through mediation, they may use litigation to resolve their Dispute.

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 Parties may still mediate after initial Court decisions.

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. See RCW 64.90.480(19) & RCW 64.90.685(1).

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;
- (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.

16.10.1 If a tenant of a Unit Owner violates the Governing Documents, in addition to exercising any of its powers against the Unit Owner, the Association may: (See RCW 64.90.405(5).)

- (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 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: (See RCW 64.90.405(6).)

- (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 Includes Institutional Holders or Insurers of Mortgages.

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.

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 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.

17.1.4 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 Community Governing Documents which is not cured within sixty (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 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 Community;
- (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 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.

17.2 Limitations on Mortgagee's Rights. No requirement for approval by mortgagees may operate to: (See RCW 64.90.295(1).)

(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. See RCW 64.90.295(2).

ARTICLE 18: CONDEMNATION OR TERMINATION OF COMMUNITY

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 Community 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, but only with the approval of the City of Mount Vernon as provided in Article 6.

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. See RCW 64.90.460(1).

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 or Board Member. See RCW 64.90.406(2)(a).

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. See RCW 64.90.460(3)(b).

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 Property, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place; for damage or injury alleged as a result of mold or other microorganisms; 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 Community. The Association is not responsible to move or store personal property of Owners or occupants because of any casualty event, or as needed to accommodate repairs to Common Elements, or to the Units.

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. See RCW 64.90.410(1)(b).

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. See RCW 64.90.405(2)(n).

ARTICLE 21: SALE OF A UNIT

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 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, signed by an officer or authorized agent of the Association and based on the books and Records of the Association and the actual knowledge of the person signing the certificate, containing the information required by RCW 64.90.640.

The resale certificate must include a notice in substantially the following form and in conspicuous type: (See RCW 64.90.640(1)(z).)

"THIS UNIT IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION, BYLAWS, RULES, AND OTHER WRITTEN INSTRUMENTS GRANTING AUTHORITY TO THE ASSOCIATION AS ADOPTED (THE "GOVERNING DOCUMENTS").

THE PURCHASER OF THIS UNIT WILL BE REQUIRED TO BE A MEMBER OF THE ASSOCIATION AND WILL BE SUBJECT TO THE GOVERNING DOCUMENTS.

THE GOVERNING DOCUMENTS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS TO THE ASSOCIATION WHICH MAY INCLUDE REGULAR AND SPECIAL ASSESSMENTS, FINES, FEES, INTEREST, LATE CHARGES, AND COSTS OF COLLECTION, INCLUDING REASONABLE ATTORNEYS' FEES.

THE ASSOCIATION HAS A STATUTORY LIEN ON EACH INDIVIDUAL UNIT FOR ANY UNPAID ASSESSMENT FROM THE TIME IT IS DUE. FAILURE TO PAY ASSESSMENTS COULD RESULT IN THE FILING OF A LIEN ON THE UNIT AND LOSS OF THE UNIT THROUGH FORECLOSURE.

THE GOVERNING DOCUMENTS MAY PROHIBIT OWNERS FROM MAKING CHANGES TO THE UNIT WITHOUT REVIEW AND THE APPROVAL OF THE ASSOCIATION, AND MAY ALSO IMPOSE RESTRICTIONS ON THE USE OF UNIT, DISPLAY OF SIGNS, CERTAIN BEHAVIORS, AND OTHER ITEMS.

PURCHASERS OF THIS UNIT SHOULD CAREFULLY REVIEW THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION, THE CURRENT STATE OF THE ASSOCIATION'S FINANCES, THE CURRENT RESERVE STUDY, IF ANY, THE GOVERNING DOCUMENTS, AND THE OTHER INFORMATION AVAILABLE IN THE RESALE CERTIFICATE. THE GOVERNING DOCUMENTS CONTAIN IMPORTANT INFORMATION AND CREATE BINDING LEGAL OBLIGATIONS. YOU SHOULD CONSIDER SEEKING THE ASSISTANCE OF LEGAL COUNSEL."

21.3 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.

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. See RCW 64.90.285(1);

(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 100 percent 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.

(c) This Declaration may not be amended to revise any of the rights and obligations of the City of Mount Vernon contained in Section 6.2 of this Declaration (Original Declaration section 5.9).

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. See RCW 64.90.285(2).

22.3 Recording. An amendment is effective only upon recording with the County. See RCW 64.90.285(3).

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. See RCW 64.90.285(8).

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. See RCW 64.90.285(9) & (10).

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.

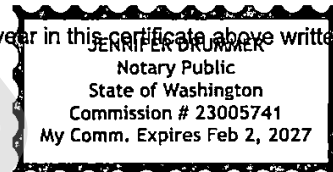
By Donita Leeson President (VICE) By Kari Kirkwood Secretary

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

On this 20th day of July, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donita Leeson 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.

Jennifer Drummer
(Print name)
Notary Public in and for the State of
Washington, residing at 1500 E. College Way
My commission expires: 2/21/2027



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

On this 2 day of July, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kari Kirkwood 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.

Jennifer Drummer
(Print name)
Notary Public in and for the State of Washington
View Crest Townhomes - Restated Declaration

Washington, residing at 1500 E. College Way
My commission expires: 2/2/2027

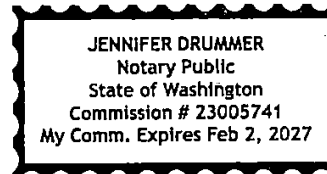


EXHIBIT A – ALLOCATION OF MAINTENANCE OBLIGATIONS

Key: Owner – the responsibility of one individual Lot Owner

Association – means that the Board manages and PERFORMS the work, but may permit or require individual Owners to perform work related to individual Lots.

Common – the PAYMENT responsibility of all Owners per their percent allocation of Common Expenses (which is equal for all Units).

Maddox Creek – the master association within which View Crest TH exists.

ITEM	DESCRIPTION	RESPONSIBLE PARTY	
		Perform	Pay
Air Conditioning Systems	Wherever located, serving one Unit	Owner	Owner
Attics and crawl spaces	Includes insulation, pests, ventilation, condensation or mold caused by window in attic space, etc.	Owner	Owner
Decks, Patios, and Porches	Includes all structural components, waterproofing membranes, paint, stain, etc. Does not include painting or stain of exterior fences enclosing townhouse yards (see Fences Exterior). The Association may choose to paint as a common expense in conjunction with repainting the buildings.	Owner	Owner
Doors (exterior and garage door) Painting and stain	Exterior finish to preserve uniform appearance	Association	Common
Doors (exterior and garage door) All Other	Repair and replacement, glass, locksets, hardware of any kind, damage from any cause. Everything except paint.	Owner	Owner
Drainage from roofs and yards	Downspouts and drains in ground until they leave the unit.	Owner	Owner
Drainage (surface water)	Surface water (rain) and all systems associated with that within the common elements, until it connects with Maddox Creek drainage system.	Association	Common
Dryer Vents	Cleaning of exterior dryer vent once a year	Association	Common
Driveways within Lots	Cleaning, finishing, and repairs due to cracks, damage, wear and tear, or settling.	Owner	Owner
Driveways within Common Areas	Cleaning, finishing, and repairs due to cracks, damage, wear and tear, or settling.	Association	Common
Ducts and fans	For ventilation, dryers, stoves or any other purpose	Owner	Owner

ITEM	DESCRIPTION	RESPONSIBLE PARTY	
		Perform	Pay
Electrical wiring serving Common Elements or more than one Lot	Serving Common Elements; more than one Unit; or one Unit and a Common Element.	Association	Common
Electrical wiring in or serving only one Lot	Wiring and fixtures serving a single Unit, including the meter base, is the Unit owner's responsibility to maintain, repair, and replace up to the point at which the service connects to the City's electrical supply system.	Owner	Owner
Exterior Paint	On all exterior surfaces, including fencing enclosing townhouse yards. Does not include the decks, even within the Units.	Association	Common
Fences Paint and Repair-Shared	Fences creating private yards separating two or more units or separating entryways.	Owner or Jointly two Owners	Owner or Jointly two Owners
Fences Repair-External	Fences enclosing townhouse yards	Owner	Owner
Foundations	All concrete structures within a Unit	Owner	Owner
Garage doors	Everything except exterior paint	Owner	Owner
Gutters and Downspouts	Removal of debris one time per year	Association	Common
Gutters	Repair and replacement.	Association	Common
Insurance, Covered Damage	See Article 13 for specifics	Association	Common
Insurance Deductible or Uninsured Damage	See Article 13 for specifics	Owner	Owner
Interior building components	Every part of the structure inside the Unit boundary that is not an exterior component that has been specifically assigned by this Declaration to be maintained, repaired or replaced by the Association.	Owner	Owner
Landscaped elements	Except as noted below, landscaping whether on Common Elements or Units. All work, including to irrigation systems (if any)	Association	Common

ITEM	DESCRIPTION	RESPONSIBLE PARTY	
		Perform	Pay
Landscaping within decks, patios and porches	Includes landscaping in planters or pots, and includes any special irrigation systems for same.	Owner	Owner
Landscaping, Private Yards	Private yards behind dwellings, or within fences.	Owner	Owner
Load-bearing studs, and all structural components.	The Unit includes all parts of the structure located on the Unit's side of the centerline between two Units, or otherwise in the Unit.	Owner	Owner
Mailboxes and kiosks	All of the structure except for keys and locks	Association	Common
Mailbox keys and locks	Owners coordinate with Postal Service	Owner	Owner
Natural gas pipes and fixtures	All pipes, fixtures, and appliances within the Unit.	Owner	Owner
Natural Gas utility pipes	Pipes that serve more than one Lot (if any) that are not serviced by the public utility.	Association	Common
Parking Areas	Guest parking within Common Areas	Association	Common
Party walls	See section 11.6.7 of the Declaration.	Owner or joint Owners	Owner or joint Owners
Pests within Unit structures	Insects, rodents, mold, or any other form of pest within the structure or contained spaces.	Owner	Owner
Pests in landscaping or on exterior of homes	Insects, rodents, mold, or any other form of pest that lives outside the structure in the landscape or on the outside surface of the home.	Association	Common
Plaster, wallboard, and insulation	The Unit includes all parts of the wall assembly (including wallboard and insulation) located on the Unit's side of the centerline between two Units, or otherwise in the Unit.	Owner	Owner
Plumbing and sewer within a Lot	All pipes, fixtures, and appliances of, in, or serving only one Unit up to the connection with a Common Element pipe, or the public utility. Both inside and outside the Dwelling.	Owner	Owner
Common water and sewer pipes	Pipes that serve Common Elements (irrigation) or more than one Unit.	Association	Common

ITEM	DESCRIPTION	RESPONSIBLE PARTY	
		Perform	Pay
Road (Digby Place)	Maddox Creek Common Area and Easements, per Article 3 of the Maddox Creek Declaration.	Maddox Creek	Maddox Creek
Roofing Surface	Shingles, flashing, and other waterproofing elements. Does NOT include structural components of the building or roof sheathing (plywood). Includes cleaning, maintaining, repairing and replacement of roofing material due to normal wear and tear. Does not include repair or replacement of roofs that fail due to structural defects or improper installation by original builder of unit.	Association	Common
Sidewalks/walkways /paths	Wherever located on common elements. Includes entry paths to all Units. Cleaning and any needed repairs. Does not include porches or steps to porches.	Association	Common
Siding and exterior trim	All siding and exterior trim and flashing, except exterior painting covered by association	Owner	Owner
Storm Water Runoff systems	Maddox Creek Common Area and Easements, per Article 3 of the Maddox Creek Declaration.	Maddox Creek	Maddox Creek
Storm Water	Downspouts, pipes attached to the dwelling structure and within the Lot	Owner	Owner
Storm Water	pipes within common areas, to the extent not part of Maddox Creek Common Area or easements	Association	Common
Structural elements of the buildings	All parts of the Unit structures not specifically allocated as an Association responsibility in this Exhibit. Structure includes the foundations, framing and all load bearing parts of the homes within the Units.	Owner	Owner
TV/cable/phone wires and fixtures in Lots	Wiring and fixtures serving a single Unit, including up to the point at which the service connects to the service provider's supply system.	Owner	Owner
Utilities within Units	Domestic water, sewer, electricity, television, phone and internet services.	Owner	Owner

ITEM	DESCRIPTION	RESPONSIBLE PARTY	
		Perform	Pay
Utilities within common areas	Domestic water, sewer, electricity, television, phone and internet services.	Service provider	Owner
Wallboard	All wallboard and plaster, regardless of the need, unless covered by insurance.	Owner	Owner
Windows	Glass, screens, frames, and all parts of the window assembly.	Owner	Owner

NOTES:

1 – If there are perceived conflicts between this Exhibit A and the text of the Declaration, this Exhibit Controls over the text.

2 - If any ambiguity is found regarding responsibility for any part of the property, it shall default to the Owner of the property at question being responsible for performance and payment related to maintenance, repair and replacement. Because the entire structure of a dwelling is owned by the Unit Owner, if the declaration does not specifically provide that it will be maintained by the Association, it is the Owner's responsibility.

3 – Regarding damage to the Units from any cause, the Association's liability and responsibility is limited exclusively to actual proceeds received from the Association purchased insurance policies.