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DECLARATION
for
THE BRADFORD COURT
CONDOMINIUMS

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Article 1. NAME OF CONDOMINIUM

The name of the Condominium created by this Declaration and the Survey Map and Plans is The Bradford Court Condominiums.

Article 2. INTERPRETATION

2.1. Words Defined.

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

2.1.1. Allocated Interests means the allocation of Common Expenses Liability, interest in Common Elements and voting for each of the Units in the Condominium as set forth herein.

2.1.2. Articles of Incorporation means the articles of incorporation for the Association.

2.1.3. Assessment means all sums chargeable by the Association against a Unit, including, without limitations: (a) general and special assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

2.1.4. Association means the owners association as described herein.

2.1.5. Board means the board of directors of the Association, as described herein.

2.1.6. Bylaws means the bylaws of the Association as they may from time to time be amended.

2.1.7. Common Elements means all portions of the Condominium other than Units, including the Limited Common Elements.

2.1.8. Common Expenses means expenditures made by or financial liabilities of the Association including those expenses related to the maintenance, repair and replacement of the Common Elements, which are allocated to all Units, including allocations to reserves.

2.1.9. Common Expenses Liability means the liability for Common Expenses allocated to each Unit, as set forth herein.

2.1.10. Condominium means The Bradford Court Condominiums, a condominium, created under the Declaration and the Survey Map and Plans.

2.1.11. Condominium Act means the Washington Condominium Act, codified at RCW 64.34, as it may be from time to time amended.

2.1.12. Conveyance means any transfer of the ownership to a Unit, including a transfer by deed or by real estate contract.

2.1.13. Declarant means Michael R. Mastro, as his separate estate, and his representatives, successors, and assigns.

2.1.14. Declarant Control means the right of the Declarant or persons designated by the Declarant to appoint and remove officers and members of the Board as set forth herein.

2.1.15. Declaration means this Condominium Declaration, as it may from time to time be amended.

2.1.16. Development Rights means the rights of the Declarant to (a) add all or a portion of the Subsequent Phase Property, (b) create Units on the Subsequent Phase Property, and (c) withdraw all or any portion of the Subsequent Phase Property, as provided in this Declaration.

2.1.17. Eligible Mortgagee means a Mortgagee of a Unit holding a first lien 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 Eligible Mortgagees.

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- 2.1.18. FHLMC means the Federal Home Loan Mortgage Corporation.
- 2.1.19. FNMA means the Federal National Mortgage Association.
- 2.1.20. Foreclosure means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.
- 2.1.21. Identifying Number means the street address of each Unit in the Condominium.
- 2.1.22. Limited Common Element means a portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units.
- 2.1.23. Managing Agent means the person designated by the Board under the Section entitled "Managing Agent" of the Article entitled "Management of the Condominium".
- 2.1.24. Mortgage means a mortgage, deed of trust or real estate contract.
- 2.1.25. Mortgagee means any holder, insurer or guarantor of a mortgage on a Unit.
- 2.1.26. Owner means the Declarant or other person who owns a Unit, but does not include any person who has an interest in a Unit solely as security for an obligations.
- 2.1.27. Person means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.
- 2.1.28. Phase I means the first phase of the Condominium construction.
- 2.1.29. Section means a subparagraph of an Article of the Declaration.
- 2.1.30. Special Declarant Rights means rights reserved for the benefit of the Declarant as described herein.
- 2.1.31. Subsequent Phase means possible new property with additional Units.
- 2.1.32. Subsequent Phase Amendment means an amendment to this Declaration recorded by the Declarant adding all or a portion of the Subsequent Phase Property and/or creating Units pursuant to the Declaration.
- 2.1.33. Survey Map and Plans means the survey map and plans filed simultaneously with the recording of this Declaration and any amendments, corrections, and addenda thereto subsequently filed.
- 2.1.34. Transition Date means the date upon which the period of Declarant Control terminates as set forth herein.
- 2.1.35. Unit means a physical portion of the Condominium designated for separate ownership as described herein.

2.2. Form of Words.

The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

2.3. Captions.

Captions given to various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

Article 3. DESCRIPTION OF REAL PROPERTY; EASEMENTS

3.1. Description of Land.

The real property included in the Condominium is described in Appendix 1.

3.2. Description of Improvements.

The improvements consist of a single building with an adjacent paved parking lot.

3.3. Monuments as Boundaries.

The physical boundaries of a Unit or a Common Element constructed in substantial accordance with the Survey Map and Plans thereof becomes its boundaries rather than the metes and bounds expressed in the Survey Map and Plans, regardless of the settling or lateral movements of the building or minor variances between boundaries shown on the Survey Map and Plans and those of the Building. If there is no fence, wall or other enclosure establishing the boundary of a Unit or Common Element, then the boundary shall be as depicted on the Survey Map and Plans.

3.4. Easements.

Each Unit has an easement in and through each other Unit and the Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto and, as required to effectuate and continue proper operation of the Condominium. Each Unit has an easement through all hallways and walkways which are Limited Common Elements for emergency ingress and egress to the extent required by local building and fire codes .

3.5. Encroachments.

Each Unit and all Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachments be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

Article 4. DESCRIPTION OF UNITS.

4.1. Number and Identification of Units.

The Condominium has 38 Units, designated by the numbers 1 through 4, 101 through 110, 201 through 210, 301 through 310 and 401 through 404, as shown on the Survey Map and Plans.

4.2. Unit Boundaries.

The interior surfaces of the perimeter walls, floor and ceilings shall be the boundary of the Unit, provided that the Unit shall include 1) all spaces, interior partitions, fireplaces and other fixtures and improvements within the boundaries of a Unit, 2) the doors and windows, window coverings and skylights of the Unit, 3) all wall, floor and ceiling finishings (carpet, tile, wallpaper, etc.) within a Unit, and 4) any fireplace flue which serves only that Unit.

4.3. Unit Data.

Appendix 2 sets forth the following data for each Unit: the level upon which each unit is located, the number of bedrooms, bathrooms and fireplaces; and the approximate square footage. All units have baseboard electric heat and cadet blower heat. The location and configuration of each Unit are shown on the Survey Map and Plans.

Article 5. COMMON ELEMENTS

5.1. Description.

The Common Elements are all portions of the Condominium other than the Units, including Limited Common Elements, including all portions of the walls, floors, or ceilings which are not a part of or within the Unit boundaries. The Common Elements also include any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit which serves more than one Unit or any portion of a Common Element.

5.2. Allocated Interests.

The Allocated interests in the Condominium for the purpose of Common Expense Liability, interest in the Common Elements and voting are set forth in Appendix 3. The formulas used for making the allocations are as follows:

Interest in Common Elements and Common Expense Liability:	Relative declared value of Units
Voting	One vote per unit

5.3. Conveyance or Encumbrance of Common Elements.

Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association upon approval of the Owners having at least 80% of the votes and Eligible Mortgagees having at least 80% of the votes excluding votes held by the Declarant or an affiliate of Declarant (as defined in the Condominium Act); provided that all of the Owners and Eligible Mortgagees of Units which any Limited Common Element is allocated or any Common Element is to be allocated must agree in order to convey that Common Element or subject it to a security interest.

Article 6. LIMITED COMMON ELEMENTS

6.1. Description.

The Limited Common Elements allocated to each Unit are:

- 6.1.1. The parking space or parking spaces assigned to each Unit as set forth in Appendix 4.
- 6.1.2. Any fireplace flue serving more than one Unit is allocated to such Units as a Limited Common Element.
- 6.1.3. The deck or patio adjacent to the Unit and, if applicable, the rooftop deck above the Unit, as shown on the Survey Map and Plans;
- 6.1.4. Such other Limited Common Elements allocated to a Unit or Units as shown on the Survey Map and Plans and assigned as set forth in Appendix 4.

6.2. Reallocation.

Limited Common Elements may be reallocated between Units only with the approval of the Board and by amendment to this Declaration to the Declaration executed by the Owners of, and approved in writing by the Eligible Mortgagees holding Mortgages against the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this section within 30 days unless the proposed reallocation does not comply with the Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the name of the parties and the Condominium.

Article 7. PERMITTED USES; MAINTENANCE OF UNITS

7.1. Residential Use.

The Condominium is intended for and restricted to single-family residential uses only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such uses. Timesharing of Units, as defined in RCW 64.36, is prohibited. The right to use the Units, Common Elements and Limited Common Elements extends not only to each Owner, but also to his agents, servants, tenants, family members, invitees, and licensees.

7.2. Common Elements.

Each Owner shall have the right to use the Common Elements other than Limited Common Elements in common with all other Owners. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the rules and regulations of the Association.

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7.3. Limited Common Elements.

Each Owner to which a Limited Common Element is allocated shall have the right to use the Limited Common Element in accordance with the permitted uses set forth herein in common with the other Owners, if any, to which that Limited Common Element is allocated.

7.4. Leases.

Leases shall have a minimum initial term of six months. No lease or rental of a Unit may be less than the entire Unit. Any lease or rental agreement must provide that its term shall be subject in all respect to the provisions of the Declaration and the Bylaws and rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents, rules, and regulations shall be a default under the lease or rental agreement. If any lease under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owner and the tenant by reason of their being stated in this Declaration. All leases and rental agreements shall be in writing. Copies of all leases and rental agreements shall be delivered to the Association before the tenancy commences. If any lessee or occupant of a Unit violates or permits the violation by his guests or invitees of any provisions hereof or of the Bylaws or of the rules and regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the lessee or occupant of the Unit and the Owner thereof to forthwith cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the tenant or occupant if the Owner fails to do so after Notice from the Board and an Opportunity to be Heard. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorneys' fees, which may be collected and foreclosed by the Association in the same manner as assessments are collected and foreclosed as provided for herein.. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise rent his Unit.

7.5. Use of Parking Spaces

The parking spaces assigned as Limited Common Elements to the Units are to be used for storage (inside an approved storage locker as provided for herein), the parking of operable passenger motor vehicles, trucks, trailers, bicycles or other recreational vehicles, or for other purposes only to the extent expressly allowed by the rules and regulations adopted by the Board. Owners may install a storage locker within the confines of their parking space, provided that such storage locker shall be constructed, installed and used in accordance with the rules and regulations adopted by the Board. The Board may direct that any vehicle or other thing improperly parked or kept in a parking space be removed, and if it is not removed the Board may cause it to be removed at the risk and cost of the Owner thereof.

7.6. Rental of Parking Spaces.

The Owner of a Unit may rent a parking space which is a Limited Common Element of that unit to the occupant of another Unit in the Condominium, but such rental shall be subject to termination upon 15 days notice. Rental of a parking space shall be terminated automatically and without notice upon the transfer of title to the Unit to which it is a Limited Common Element.

7.7. Pets.

Domesticated animals, birds or reptiles (herein referred to as "pets") may be kept in the Units subject to rules and regulations adopted by the Board. Dogs will not be allowed on any Common Element unless they are on a leash and are being walked to or from the Unit to a public road. The Board may at any time require the removal of any pet which it finds is disturbing other Owners unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain.

7.8. Offensive Activity.

No noxious or offensive activity shall be carried on in any Unit or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners or that would be in violation of any laws.

7.9. Signs.

No sign of any kind shall be displayed to the public view on or from any Unit or Common Element without the prior consent of the Board. This Section shall not apply to the Declarant who may post such signs on the property as it deems necessary or appropriate for the sale of Units in the Condominium as long as the Declarant has a Unit for sale.

7.10. Effect of Insurance.

Nothing shall be done or kept in any Unit or in any Common Element that will result in the cancellation of or increase in the rate of insurance on any part of the property.

7.11. Maintenance of Units, Common Elements, and Limited Common Elements.

The Association is responsible for maintenance, repair, and replacement of the Common Elements (including Limited Common Elements), and each Owner is responsible for maintenance, repair and replacement of the Owner's Unit. Each Owner shall, at the Owner's sole expense, keep the interior of the Unit and its equipment, appliance, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit. Each Owner shall replace any broken glass in the windows or exterior doors of the Unit. Each Owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, and heating equipment which serve only that Unit, whether or not located in the Unit.

7.12. Exterior Appearance.

In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the maintenance of the exterior of the buildings. No Owner may modify or decorate the exterior of a building, or screens, doors, awnings, or other portions of any Unit visible from outside the unit without the prior written consent of the Board or in accordance with rules of regulations of the Association. In particular, no portion of any radio or television antennas, satellite dish, or other appliance may be installed on the exterior of a building without the prior written consent of the Board except as set forth in the Survey Map and Plans. No blinds, draperies, under-draperies, or drapery lining visible from the outside of the Unit shall be other than white or off-white without the prior written consent of the Board.

7.13. Entry for Repairs of Maintenance.

The Association and its agents or employees may enter any unit to effect repairs, improvements, replacements, maintenance or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in cases of great emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the Owners and occupants as practicable. The Board may levy a special assessment against the Owner of the Unit for all or part of the cost of work that the Owner has failed to perform which may be collected and foreclosed by the Association in the same manner as assessments are collected and foreclosed hereunder.

Article 8. ALTERATIONS

8.1. Alterations.

No Unit may be altered in any way except in accordance with this Article. Nothing shall be altered or constructed in or removed from any Common Element except upon the prior written consent of the Board. An Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of this Article. An Owner may make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. A proposal that contemplates substantial alteration of one or more Units is subject to approval by the Board. The Board shall approve an Owner's request under this Section within 30 days, unless the proposed alteration does not comply with this Article or impairs the structural integrity or mechanical or electrical systems in the Condominium. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The Board

may in its discretion require that the Board administer the work or that provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The Survey Map Plans and Declaration shall be amended of record to the extent necessary as a result of such alterations.

8.2. Alteration of Units after Boundary Relocation.

After acquiring an adjoining Unit or an adjoining part of any adjoining Unit, an owner may, with approval of the Board pursuant to this Article, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this Section is not a relocation of boundaries. The Owner's proposal to act under this Section shall be submitted to the Board and shall include the plans and specifications for the proposed removal or alterations.

Article 9. SUBDIVIDING AND COMBINING

9.1. Procedure.

Units, Common Elements and Limited Common Elements or portions thereof may be subdivided, combined or reallocated in any manner by the relocation of the boundaries thereof only in accordance with the provisions of this Article. Relocation of boundaries may be made only by an approved amendment to the Declaration and Survey Maps and Plans as provided for hereunder.

9.2. Application to Relocate Boundaries.

An Owner or Owners may propose a relocation of boundaries by submitting an application therefore to the Board. The application shall include, as a minimum, (1) the proposed amendments of this Declaration and the Survey Map and Plans, (2) the proposed reallocations of the allocated interests, (3) the assignment of any identifying number to any new Unit created and (4) any terms and conditions to which the application is subject. In the event the application is made in conjunction with an application to alter a Unit or Units or Common Element or Limited Common Element, such applications shall, at the request of the applicant, be considered together. A copy of such application shall be submitted to all Owners and Eligible Mortgagees who are entitled to vote upon the approval of said application.

9.3. Approval by Board.

Within 30 days after receipt of the application provided for in this Article, the Board shall make a determination whether the reallocations are reasonable and whether the application complies with the requirements this Declaration. If, within 30 days after making such application, the Board does not determine that the reallocations are unreasonable or that the application fails to comply with the requirements of the Declaration, the Board shall be deemed to have approved the application.

9.4. Approval by Owners and Eligible Mortgagees.

An application to relocate boundaries shall require approval of the Board and all Owners and Eligible Mortgagees of the Unit or Units or Limited Common Elements to which the boundaries are to be located and, in the event the application creates or eliminates a Unit or makes a reallocation between a Unit and a Common Element (including a Limited Common Element) or makes a reallocation between a Common Element and Limited Common Element, the application shall additionally require approval of Owners holding at least sixty seven percent (67%) of the votes in the Association and approval of Eligible Mortgagees representing at least 51% of the votes of Unit subject to mortgages held by Eligible Mortgagees.

9.5. Procedure after Approval.

Upon approval of the Board and the required Owners and Eligible Mortgagees, and upon the completion of any terms and conditions to which the applications is subject, the Association shall cause an amendment to this Declaration and the Survey Maps and Plans to be recorded which amendment shall comply with the requirements of RCW 64.34.232 (4) and shall show, as a minimum, the altered boundaries between the Units, Common Elements and Limited Common Elements, their dimensions and identifying numbers, and the reallocation of the allocated interests. Said amendment shall be executed by the Unit Owners and, where appropriate, the Association, and shall contains words of conveyance between the parties, and shall be

recorded in the name of the grantor and the grantee. The applicant shall bear all costs associated therewith as agreed upon between the applicants or, in the absence of an agreement, in proportion to the relative benefits to each such Unit as determined by the Board.

Article 10. OWNER'S ASSOCIATION

10.1. Form of Association.

The Owners of Units shall constitute an owners association to be known as The Bradford Court Condominiums Owners' Association. The Association shall be organized as a nonprofit corporation, no later than the date the first Unit in the Condominium is conveyed. It will be governed by the Board of not fewer than two nor more than five directors. The rights and duties of the Board and of the Association shall be governed by the provisions of the Condominium Act, the Declaration and the Bylaws.

10.2. Bylaws.

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

10.3. Voting.

The number of votes allocated to each unit are set forth in Appendix 3.

10.4. Qualification and Transfer.

Each Owner of a Unit (including the Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

10.5. Power of the Association.

In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to:

10.5.1. Adopt and amend the Bylaws and the rules and regulations;

10.5.2. Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Common Expenses and special assessments from Owners;

10.5.3. Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors;

10.5.4. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners or matters affecting the Condominium;

10.5.5. Make contracts and incur liabilities;

10.5.6. Regulate the use, maintenance, repair, replacement, and modification of Common Elements;

10.5.7. Cause additional improvements to be made as a part of the Common Elements;

10.5.8. Acquire, hold, encumber, convey, and dispose of, in the Association's name, right, title, or interest to real or tangible and intangible personal property, and arrange for and supervise and addition or improvement to the Condominium; provided that:

10.5.8.1. If the estimated cost of any separate property acquisition or addition or improvement to the Condominium exceeds \$5,000 and has not been included in the current year's

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budget, the approval of the Owners holding a majority of the votes in the Association shall be required; and if such estimated cost exceeds \$25,000 and has not been included in the current year's budget, the approval of the Owners holding 75 percent of the votes in the Association shall be required;

10.5.8.2. No structural changes shall be made to a building without the approval of the Owners holding at least 80 percent of the votes in the Association;

10.5.8.3. No structural change shall be made to a Unit without the approval of the Owner of that Unit; and

10.5.8.4. The beneficial interest in any property acquired by the Association pursuant to this Section be owned by the Owners in the same proportion as their respective interests in the Common Elements and shall thereafter be held, sold, leased, mortgaged or otherwise dealt with as the Board shall determine.

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

10.5.10. Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;

10.5.11. Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium;

10.5.12. Impose and collect charges for late payment of assessments as further provided herein and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and rules and regulations of the Association;

10.5.13. Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by RCW 64.34.425 and statements of unpaid assessments;

10.5.14. Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

10.5.15. Assign its right to future income, including the right to receive assessments;

10.5.16. Exercise any other powers conferred by this Declaration or the Bylaws;

10.5.17. Exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and

10.5.18. Exercise any other powers necessary and proper for the governance and operation of the Association.

10.6. Financial Statements and Records.

The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles unless Owners holding at least 60 % of the votes, excluding votes held by the Declarant, waive the audit for that year. Unless waived, the annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner. The financial statement shall be completed in time for the Association's annual meeting and in any event within 90 days following the end of the fiscal year. Any mortgagee will, upon request, be entitled to receive the annual financial statement within 90 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the association and management books be

presented at any special meeting. An Owner, at his expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide within a reasonable time the financial statement of the Association for the proceeding fiscal year.

10.7. Inspection of Condominium Documents, Books and Records.

The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Article 11. THE BOARD

11.1. Selection of the Board and Officers.

Prior to the transition Date, election or appointment of members of the Board shall be governed by the Article entitled "Special Declarant Rights." Within 30 days after the Transition Date, the Owners shall elect a Board, a majority of whom must be Unit Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws.

11.2. Powers of the Board.

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

11.3. Managing Agent.

The Board may contract with an experience professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. If professional management has been required by FNMA, FHLMC or other similar agency or corporation, the procedure for terminating professional management and assuming self-management shall be that procedure set forth in the Article entitled "Amendment to Declaration, Survey Map and Plans". Any contract with a Managing Agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice. If a professional Managing Agent has been appointed, the Association shall not terminate said Managing Agent and assume self-management without prior written approval of sixty-seven percent (67%) of the Owners and fifty-one percent (51%) of all Eligible Mortgagees; provided that such prior approval shall not be required to change from one professional Managing Agent to another.

11.4. Limitations on Board Authority

The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners, to terminate the Condominium, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

11.5. Right to Notice and Opportunity to be Heard.

Whenever this Declaration requires that an action of the board be taken after "Notice and Opportunity to be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be materially affected by the proposed action. The notice shall included a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five days from the date notice is delivered to the

Board pursuant to the Article entitled "Notices". At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

11.6. 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 and signed for the Board. This Article also extends to the Declarant.

Article 12. COMMON EXPENSES AND ASSESSMENTS

12.1. Fiscal Year.

The Board may adopt such fiscal year for the Association of it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

12.2. Preparation of Budget.

Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the Common Expenses of the Association to be paid during the year, make suitable provisions for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the common Elements, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. The Declarant shall prepare the initial budget for the first fiscal year of the Association.

12.3. Ratification of Budget.

Within 30 days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 60 days after mailing of the summary. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the board. If the Board proposes a supplemental budget during any fiscal year that results in an increase in an Owner's assessments, such budget shall not take effect unless ratified by the Unit Owner in accordance with this Section.

12.4. Supplemental Budget.

If during the year the budget proves to be inadequate for any reason, including nonpayment of assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in increase in an Owner's assessments shall be ratified pursuant to this Article. The Board shall also prepare a supplement Budget at such time as additional Units are created by the addition of subsequent phases, but such budget need not be ratified by the Owners pursuant to this Article unless the supplement budget proposes an increase in any Owner's assessments.

12.5. Assessments for Common Expenses.

The sums required by the Association for Common Expenses as reflected by the annual budget and any supplemental budgets shall be divided into installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly Common Expenses assessment for each Unit is determined by the Common Expenses Liability allocated to each Unit times the total monthly installment for Common Expenses for all Units. Monthly assessments begin accruing for all Units in Phase I upon the closing of the sale of the first Unit by the Declarant; provided that the Declarant may delay the

commencement of assessments and pay all Common Expenses. Monthly assessments shall begin accruing with respect to all Units created in a Subsequent Phase upon the first conveyance of a Unit in that Phase. During such time as garbage collection charges or other service charges are based upon the number of occupied Units, any Units owned by the Declarant and not occupied shall be exempt from assessment for such charges.

12.6. Initial Contribution to Working Capital.

In connection with the first conveyance of a Unit and of the conveyance of each additional Unit during the next 120 days, the initial purchaser shall pay to the Association as a nonrefundable initial contribution to the Association as a nonrefundable initial contribution to the Association working capital to the Association, the Declarant shall make the initial contribution equal to two times the estimated monthly Assessment for any Units remaining unsold after such 120-day period and the Declarant shall be reimbursed that amount by the initial purchasers of such Units.

12.7. Special Assessments.

For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy a special assessment for such expenses against the Units, subject to ratification by the Owners pursuant to this Article. To the extent that any common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may specially assess that expense against that Unit.

12.8. Creation of Reserves: Assessments.

The Board may create reserve accounts for anticipated expenses for repairs, replacement and improvements which will occur in the future when the Board determines that such reserve accounts will facilitate the accumulation of funds to pay such expenses when they occur. The operation of reserve accounts and assessments for reserve accounts shall be further governed by the Bylaws.

12.9. Notice of Assessment.

The Board shall notify each Owner in writing of the amount of the monthly general and special assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Unit, on which the general and special assessments are based. The Board shall furnish the same information to a Mortgagee if so requested.

12.10. Payment of Monthly Assessments.

On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all assessments against the Unit for that month. Any assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in this Article.

12.11. Proceeds Belong to Association.

All assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

12.12. Failure to Assess.

Any failure by the Board or the Association to make the budgets and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessments amounts established for the preceding year shall continue until new assessments are established.

12.13. Certificate of Unpaid Assessments.

Upon the request of any Owner or Mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorney's fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

12.19. Extinguishment of Lien and Personal Liability.

A lien for unpaid assessments and the personal liability for payment of assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the assessments sought to be recovered becomes due.

12.20. Joint and Several Liability.

In addition to constituting a lien on the Unit, each assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the assessment is due. In a voluntary conveyance, the grantee of a Unit shall be 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 therefor. Suit to recover a personal judgment for any delinquent assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

12.21. Late Charges and Interest on Delinquent Assessments.

The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent assessments or installments thereof. In the absence of another established nonusurious rate, delinquent assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the assessments became delinquent.

12.22. Recovery of Attorney's Fees and Costs.

The Association shall be entitled to recover any costs and reasonable attorney's fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorney's fees if it prevails on appeal and in the enforcement of a judgment.

12.23. Security Deposit.

An Owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying assessments.

12.24. Remedies Cumulative.

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

Article 13. LIMITATION ON LIABILITY; INDEMNIFICATION

13.1. Declarant Liability.

Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in connection with any part of the Condominium which the Declarant has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association. If the wrong by the Association occurred during any period of Declarant Control and the Association gives the Declarant reasonable notice of and an opportunity to defend against the action, the Declarant who then controlled the Association is liable to the

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12.14. Recalculation of Assessments.

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

12.15. Assessments are a Lien: Priority.

The Association has a lien on a Unit for any unpaid assessment levied against a Unit from the time the assessment is due. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of this Declaration; (b) a mortgage on the Unit recorded before the date on which the assessment sought to be enforced became delinquent, EXCEPT to the extent of assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to this Article which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a mortgagee, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract; PROVIDED that the priority of the Association's lien against Units encumbered by a mortgage held by an Eligible Mortgagee or by a mortgagee which has given the Association a written request for a notice of delinquent assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such mortgagee becomes an Eligible Mortgagee or has given such notice of the delinquency; and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Recording of this Declaration constitutes record notice and perfection of the lien for assessments; however, the Association may record a notice of claim of lien for assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a mortgagee referred to above.

12.16. Lien may be Foreclosed: Judicial Foreclosure.

The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12, or nonjudicially in the manner set forth herein. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in the exception (b) to the Section entitled "Assessments are a Lien, Priority" of this Article, the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Unit. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for assessments accruing against the Unit prior to the date of such sale.

12.17. Nonjudicial Foreclosure.

A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure of deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Stewart Title Company of Washington or its successors or assigns ("Trustee"), to secure the obligation of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of assessments. Grantor shall retain the right to possession of Grantor's Unit so long as grantor is not in default of an obligation to pay assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien nonjudicially pursuant to this Section, it shall not be entitled to the lien priority over mortgages provided in the exception to (b) of the Section entitled "Assessments are a Lien, Priority" of this Article.

12.18. Receiver During Foreclosure.

From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when

Association or to any Owner: (1) for all tort losses not covered by insurance suffered by the Association or that Owner; and (2) for all costs which the Association would not have incurred but for a breach of contract or other wrongful act or omission by the Association. If the Declarant does not defend the action and is determined to be liable to the Association under this Section, the Declarant is also liable for all litigation expenses, including reasonable attorney's fees, incurred by the Association in such defense. Any statute of limitations affecting the Association's right of action under this Section is tolled until the period of Declarant Control terminates. An Owner is not precluded from bringing an action contemplated by this Section because she is a Unit Owner or a member or officer of the Association.

13.2. Limitation of Liability for Utility Failure, etc.

Except to the extent covered by insurance obtained by the board, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may leak or flow from outside or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

13.3. No Personal Liability.

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

13.4. Indemnification.

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

Article 14. INSURANCE

14.1. General Requirements.

Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance; (b) commercial general liability insurance; (c) fidelity bonds; (d) worker's compensation insurance to the extent required by applicable laws; (e) directors and officers liability insurance; and (f) such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, authorized to do business in the state of Washington, and meet the specific requirements of FNMA, HUD, VA, and FHLMC regarding the qualifications of insurance carriers. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect property and liability insurance and fidelity bonds that meet the insurance and fidelity bond requirements for condominium projects established by FNMA, HUD, FHLMC, and VA so long as any of them is a holder of a mortgage or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies and fidelity bonds shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of

premium) without at least 30 days' prior written notice to any and all insurers named therein, including Owners, Mortgagees, and designated services of Mortgagees.

14.2. Property Insurance.

The property insurance shall, at the minimum, provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements, equipment, fixtures, appliances and improvements in the Units installed by the Declarant, including replacements thereof, and personal property of the Association with an "Agreed Amount Endorsement" and, if required by FNMA or FHLMC, construction code endorsements, such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," and "Increased Cost of Construction Endorsement," and such other endorsements as FNMA or FHLMC deems necessary and are available. The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy in the percentage of undivided interest appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request.

14.3. Commercial General Liability Insurance.

The liability insurance coverage shall insure the Board, the Association, the Owners, the Declarant, and the Managing agency, and cover all of the Common Elements in the Condominium with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insurers for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements liability in connection with employment contracts of the Association, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location and use. The limits of liability shall be in amount generally required by Mortgagees for projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

14.4. Insurance Trustee: Power of Attorney.

The named insured under the policies referred to in this Article shall be the Association, as trustee for each of the Owners in accordance with their Allocated Interests. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of the Section entitled "Use of Insurance Proceeds" of this Article, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

14.5. Additional Policy Provisions.

The insurance obtained pursuant to this Article shall contain the following provisions and limitations:

14.5.1. 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.

14.5.2. Such policies shall not provide for contribution by or assessment against Mortgagees or become a lien on the property superior to the lien of a first mortgage.

14.5.3. If, at the time of the loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

14.5.4. Coverage shall not be prejudiced by (a) any act, omission or neglect of the Owners of Units when such act or neglect is not within the scope of the Owner's authority on behalf of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

14.5.5. A waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit, and/or their respective agents, members of the Owner's household, employees, or lessees, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

14.5.6. A standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in the policy shall mean and include all Mortgagees of any Unit or Unit lease or sublease in their respective order of preference, whether or not named therein;

(b) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any persons under any of them;

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

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

14.6. Fidelity Bonds.

The required fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or are responsible for handling funds of or administered by, the Association. The Managing Agent shall maintain fidelity bonds for its officers, employees, and agents who handle or who are responsible for handling funds of, or funds administered by the Association. All such fidelity bonds shall name the Association as an obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each bond, but, in no event, shall the aggregate amount of bonds be less than three months' aggregate assessments plus reserve funds. The bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

14.7. Owner's Individual Insurance.

An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

14.8. Use of Insurance Proceeds.

Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to the Article entitled "Damage or Destruction; Reconstruction" unless; (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) 80% of the Unit Owners, including every Owner of a Unit or Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If all of the damaged or destroyed portion of the Condominium are not repaired or replaced: (i) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Units which are not rebuilt shall be distributed to the Owner of those Units or to lienholders, as their interests may appear; and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element Liability for each Unit. 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 as provided for herein, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section, the Article entitled "Termination of Condominium" governs the distribution of insurance proceeds if the Condominium is terminated.

Article 15. DAMAGE OR DESTRUCTION; RECONSTRUCTION

15.1. Initial Board Determination.

In the event of damage to any Common Element, the Board shall promptly, and in all events within 30 days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

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

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

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

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

15.2. Notice of Damage.

The Board shall promptly, and in all events within 30 days after the date of damage, shall file a proof of loss statement with the insurance company if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the association to file a proof of loss. The Board shall then provide each Owner and each holder of a first mortgage on a Unit with a written notice describing the damage and summarizing the initial Board determinations made under the Section entitled "Initial Board Determination" of this Article. If the Board fails to do so within the 30-day period, any Owner or mortgagee may make the determinations required under the Section entitled "Initial Board Determination" of this Article, and give the notice required under this Section.

15.3. Definitions: Damage, Substantial Damage, Repair, Emergency Work.

As used in this Article:

15.3.1. Damage shall mean all kinds of damage, whether of slight degree or total destruction.

15.3.2. Substantial Damage shall mean that in the judgment of a majority of the Board the estimated assessment determined hereunder for any one Unit exceeds ten percent of the full, fair market value of the Unit before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

15.3.3. Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each Unit and the Common Elements and having substantially the same boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

15.3.4. Emergency Work shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the Owners from liability from the condition of the site.

15.4. Execution of Repair.

15.4.1. The Board shall promptly repair the damage and use the available insurance proceeds therefor as provided for herein. If the cost of repair exceeds the available insurance proceeds the

Board shall impose an Assessment against all Units in proportion to their Common Expense Liabilities in an amount sufficient to pay the excess costs.

15.4.2. The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

15.4.3. The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article.

15.5. Damage Not Substantial.

If the damage is not substantial as determined in accordance with the provisions hereof, the provisions of this Section shall apply.

15.5.1. Either the Board or the requisite number of Owners, within 15 days after the notice required hereunder has been given, may but shall not be required to, call a special Owners' meeting as provided hereunder and the Bylaws to decide whether to repair the damage.

15.5.2. Except for emergency work, no repairs shall be commenced until after the 15-day period and until after the conclusion of the special meeting if such a special meeting is called within the 15 days.

15.5.3. A decision to not repair or rebuild may be made in accordance with the Section entitled "Use of Insurance Proceeds" of the Article entitled "Insurance"..

15.6. Substantial Damage.

If the damage determined hereunder is substantial, the provisions of this Section shall apply.

15.6.1. The Board shall promptly, and in all events within 30 days after the date of damage, call a special Owner's meeting to consider repairing the damage. If the Board fails to do so within 30 days, then notwithstanding the provisions of the Article entitled "Owner's Association" and the Bylaws, any Owner or first mortgagee of a Unit may call and conduct the meeting.

15.6.2. Except for emergency work, no repairs shall be commenced until the conclusion of the special Owners' meeting.

15.6.3. At the special meeting, the following consent requirements will apply:

15.6.3.1. The Owners shall be deemed to have elected to repair the damage in accordance with the original plan unless the Owners of at least 80% of the total voting power of the Condominium other than that held by the Declarant, including every Owner of a Unit which will not be rebuilt and every Owner of a Unit to which a Limited Common Element which will not be rebuilt is allocated, have given their written consent not to repair the damage.

15.6.3.2. The unanimous consent of all Owners will be required to elect to rebuild in accordance with a plan that is different from the original plan.

15.6.3.3. In addition to the consent by the Owners specified above, any election not to repair the damage or not to rebuild substantially in accordance with the original plan requires the approval of Eligible Mortgagees holding first Mortgages on Unit representing votes of not less than 51%.

15.6.3.4. Failure to conduct the special meeting provided for under this Article within 90 days after the date of damage shall be deemed a unanimous decision to repair the damage in accordance with the original plan.

15.7. Effect of Decision Not to Repair.

In the event of a decision hereunder not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as provided hereunder.

Article 16. CONDEMNATION

16.1. Consequences of Condemnation:

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

16.2. Power of Attorney.

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

16.3. Condemnation of a Unit.

In a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

16.4. Condemnation of Part of a Unit.

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

16.5. Condemnation of Common Element or Limited Common Element.

If part of the Common elements is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of the acquisition. If the Board determines that a particular Owner's interest in the Common Elements diminished with respect to other Owners, by the acquisition of a Common Element, the Declaration may be amended to adjust that Owner's Common Expenses Liability allocation, or to remove the allocation of a Limited Common Element to that Owner's Unit, as the case may be.

16.6. Reconstruction and Repair.

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in the Article entitled "Damage or Destruction, Reconstruction."

Article 17. AMENDMENT OF DECLARATION SURVEY MAP AND PLANS

17.1. Procedures.

Except in cases of amendments that may be executed by the Declarant under the Declaration or the condominium Act, the Declaration, the Survey Map and Plans, the Articles of Incorporation, and the Bylaws may be amended only by vote or agreement of the Owners, as specified in this Article. An Owner may propose amendments to this Declaration or the Survey Map and Plans, the Articles of Incorporation or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, amendment to the Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the real property records in the county in which the Condominium is located. The amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles of Incorporation shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

17.2. Percentage of Consent Required.

Except as provided in the Article entitled "Special Declarant Rights" in the case of damage or condemnation of the property, the percentages of consent of Owners and mortgagees required for adoption of amendments to the Declaration, the Survey Map and Plans, the Articles of Incorporation and the Bylaws are as follows:

17.2.1. Notwithstanding any other provisions contained in this Declaration, the approval of Owners representing votes in the Association and the approval of Eligible Mortgagees who represent at least 51% of the votes of Units subject to mortgages held by Eligible Mortgagees shall be required to materially amend any provisions of the Declaration, the Survey Map and Plans, the Articles of Incorporation or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (a) voting rights; (b) assessments, assessment liens, or the priority of assessment liens; (c) reserves for maintenance, repair, and replacement of the Common Elements; (d) responsibility for maintenance and repairs; (e) reallocation of interests in the general or limited common areas, or rights to their use; (f) relocation of any unit boundaries; (g) convertibility of units into common areas or visa versa; (h) expansion or contraction of the project, or the addition annexation, or withdrawal of property to or from the project; (i) insurance or fidelity bond; (j) leasing of Units; (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; (l) a decision by the Association to establish self-management when professional management had been required previously by the project documents or by an Eligible Mortgagee (m) restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents (n) any action to terminate the legal status of the project after substantial destruction or condemnation occurs; and (o) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

17.2.2. An amendment that creates or increases Development Rights or Special Declarant Rights, increases the number of Units (other than an amendment creating Units in a Subsequent Phase), changes the boundaries of any Unit, the Allocated Interests of a Unit (except in connection with the creation of new Units in a Subsequent Phase), or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected and the Owners having at least 90% of the votes in the Association other than the Declarant.

17.2.3. All other amendments shall be adopted if consented to by 67% of the Owners.

17.2.4. An Eligible Mortgagee who receives a written request to consent to an amendment who does not give notice of a negative response to the requesting party within 30 days shall be deemed to have consented to such request.

17.2.5. If the project has received a project approval from the VA, the approval of the VA will be required for any amendment to the Declaration, Bylaws or Survey Map and Plan adopted prior to the Transition Date.

17.3. Limitations on Amendments.

No amendment may restrict, eliminate, or otherwise modify any Development Right or Special Declarant Right provided in the Declaration without the consent of the Declarant and any Mortgagee of record with a security interest in the Development Right or Special Declarant Right or in any real property subject thereto, excluding Mortgagees of Units owned by persons other than the Declarant.

Article 18. TERMINATION OF CONDOMINIUM

Except as provided in the Article entitled "Damage or Destruction; Reconstruction" and "Condemnation", the Condominium may be terminated only in accordance with the Condominium Act and by agreement of Owners of Units to which at least 80% of the votes in the Association are allocated and with the approval of Eligible Mortgagees who represent at least 67% of the votes of Units subject to mortgages held by Eligible Mortgagees.

Article 19. NOTICES

19.1. Form and Delivery of Notices.

Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or Rules and Regulations of the Association shall be in writing and may be delivered either by mail, in which case such notice shall be deemed delivered on the second day following the date such notice is deposited in the United States mail, first class, postage prepaid, or by any other means, in which case notice shall be deemed delivered at the time of actual receipt by the person entitled thereto or at the time of delivery to said party's current address, whichever sooner. Mailing addresses may be changed by notice in writing to the Board. Notice to the Board shall be given to the Declarant until the Transition Date, and thereafter shall be given to the president or secretary of the Association. To become an Eligible Mortgagee, a Mortgagee shall give the secretary of the Board a written notice that it holds or has guaranteed or insured a Mortgage on a Unit, which notice shall state the name and address of the Eligible Mortgagee and the applicable Unit number.

19.2. Notices to Eligible Mortgagees.

Until such time the Mortgage held, insured or guaranteed by an Eligible Mortgagee is satisfied or the Eligible Mortgagee gives notice of termination of its status as an Eligible Mortgagee, the Board shall send to the Eligible Mortgagee timely written notice of (a) any action upon which the Eligible Mortgagee is entitled to approve or disapprove (b) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of any Unit, (ii) the exclusive easement rights, if any, appertaining to any Unit, (iii) the percentage interest in the Common elements or the liability for Common Expenses, (iv) the number of votes in the Association allocated to any Unit, or (v) the purposes to which a Unit or the Common Elements are restricted; (c) any proposed termination of condominium status, transfer of any part of the Common Elements, or termination of professional management of the Condominium; (d) any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an Eligible Mortgagee has a first mortgage; (e) any delinquency which has continued for 60 days in the payment

of assessments or charges owed by an Owner of a Unit on which an Eligible Mortgagee had a mortgage; (f) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association. Notwithstanding any other provisions contained in this Declaration, an Eligible Mortgagee shall be deemed to have approved an amendment to the Declaration, the Survey Map and Plans, the Articles of Incorporation or the Bylaws if the Eligible Mortgagee fails to submit a response to any written proposal for an amendment thereof within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

19.3. Notice to junior lienholders.

The Association shall give notice of the matters identified in the immediately preceding Section to junior lienholders to the extent such notice is requested in writing by such junior lienholders.

19.4. Notice of Conveyance by Owner

An Owner intending to convey a Unit shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy of the name and address of the new Owner and request that the new Owner be made a named insured under such policy. At the time of the first conveyance of each Unit, every mortgage, lien or other encumbrance affecting that Unit and any other Unit or Units or real property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied of record, or the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien or other encumbrance. The right of an Owner to convey the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association of the Board, or anyone acting on their behalf.

Article 20. SPECIAL DECLARANT RIGHTS

20.1. Development Rights.

Declarant does not reserve the right to develop subsequent phases.

20.2. Maintaining Sales Office.

Declarant, its employees and contractors shall be permitted to establish and maintain in any Unit still owned by Declarant and in any of the Common Elements (other than Limited Common Elements assigned to Units not owned by Declarant), such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Units. Declarant may maintain signs on the Common Elements advertising the Condominium. Declarant's actions hereunder shall not unreasonably interfere with a Unit Owner's use and enjoyment of his Unit and the Limited Common Elements assigned to such Unit.

20.3. Declarant Control Unit Transition Date.

Until the Transition Date, the Declarant shall have the right to appoint and remove all members of the Board; provided that (1) not later than 60 days after conveyance of 25 percent of the Units to Owners other than the Declarant, at least one member and not less than 25 percent of the members of the Board must be elected by Owners other than the Declarant; and (2) not later than sixty days after conveyance of 50 percent of the Units to Owners other than the Declarant, not less than one-third of the members of the Board must be elected by Owners other than the Declarant.

20.4. Transition Date.

Declarant Control of the Association shall terminate on the Transition Date. The Transition Date shall be not later than the earlier of : (a) 60 days after conveyance of 75 percent of the Units to Owners other than the Declarant; (b) two years after the last conveyance or transfer of record of a Unit except as security

for a debt; (c) two years after the first exercise of a Development Right to create Units; or (d) the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to further appoint and remove officers and members of the Board. If the Declarant voluntarily surrenders control pursuant to (d) above, the Declarant may require that for the duration of the period of Declarant Control, specified actions of the Association or the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

20.5. Declarant's Transfer and Association Control.

Within 60 days after the Transition Date, the Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by the Declarant including, but not limited to, the following:

20.5.1. The original or a photocopy of the recorded Declaration and each amendment to the Declaration;

20.5.2. The certificate of incorporation and a copy or duplicate original of the Article of Incorporation as filed with the secretary of state;

20.5.3. The Bylaws;

20.5.4. The minute books, including all minutes and other books and records of the Association;

20.5.5. Any rules and regulations that have been adopted;

20.5.6. Resignations of officers and members of the Board who are required to resign because the Declarant is required to relinquish control of the Association;

20.5.7. The financial records, including canceled checks, bank statements, and financial statements of the Association, and source documents from the time of incorporation of the Association through the date of transfer or control to the Owners;

20.5.8. Association funds or the control of the funds of the Association;

20.5.9. All tangible personal property of the Association, represented by the Declarant to be the property of the Association and inventory of the property;

20.5.10. Except for alterations to a Unit done by a Unit Owner other than the Declarant, the copy of the Declarant's plans and specifications utilized in the construction or remodeling of the Condominium, with a certificate of the Declarant or a licensed architect or engineers that the plans and specifications represent, to the best of such Person's knowledge and belief, the actual plans and specifications utilized by the Declarant in the construction or remodeling of the Condominium;

20.5.11. Insurance policies or copies thereof for the Condominium and the Association;

20.5.12. Copies of any certificates of occupancy that may have been issued for the Condominium;

20.5.13. Any other permits issued by governmental bodies applicable the Condominium in force or issued within one year before the Transition Date;

20.5.14. All original warranties that are still in effect for the Common Elements, or any other areas or facilities which the Association has a responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners manuals or instructions furnished to the Declarant with respect to installed equipment or building systems;

20.5.15. A roster of Unit Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records and the date of closing of the first sale of each Unit sold be the Declarant;

20.5.16. Any leases of the Common Elements or areas and other leases to which the Association is a party;

20.5.17. Any employment contracts or service contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the unit owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the person performing the services; and

20.5.18. All other contracts to which the Association is a party.

20.6. Audit of Records upon Transfer.

Upon termination of the period of Declarant Control, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards unless the Owners, other than the Declarant, by two-thirds vote, elect to waive the audit. the costs of the audit shall be Common Expense.

20.7. Termination of Contracts and Leases Made by the Declarant.

If entered into before the Board elected as provided for herein takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities or (2) any other contract or lease between the Association and the Declarant or an affiliate of the Declarant, as defined by RCW 64.34.020(1), may be terminated without penalty by the Association at any time after the Board elected as provided for herein takes office upon not less than 90 days' notice to the other party or within such less notice period provided for without penalty in the contract or lease. This Section does not apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the real property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section.

20.8. Reassignment of Parking Spaces.

Declarant reserves the right to reassign the parking spaces between Units owned by Declarant. Such reassignment shall be made by amendment to the Declaration.

20.9. Assignment by Declarant.

The Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

Article 21. EFFECTIVE DATE

This Declaration shall take effect upon recording.

Article 22. REFERENCE TO SURVEY MAP AND PLANS

The Survey Map and Plans were filed with the Recorder of King County, Washington, simultaneously with the recording of this Declaration under File No. 9304200483 in Volume 113 of Condominium, pages 90 through 98.

DATED: 4/19/93.

DECLARANT:

By


MICHAEL R. MASTRO

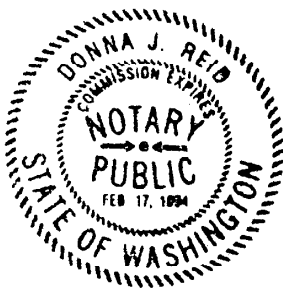
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 19 day of April, 1993, before me personally appeared Michael R. Mastro, to me known to be the individual who executed the within and foregoing instrument, and acknowledged said instrument to be his free and voluntary act and deed, for the uses and purposes therein mentioned.

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



Donna J. Reid
Notary Public in and for the State of Washington
residing at NOBURN
My Commission expires: 2/17/94

9304200484

APPENDIX 1
DESCRIPTION OF REAL PROPERTY

Lots 6,7,8 and 9 of Block 4 of the Plat of Seaboard's Addition to the City of Seattle as recorded in Volume 14, Page 43 of Plats, Records of King County, Washington; except for the Easterly 2.5 feet of Lot 6.

9304200484

APPENDIX 2
DESCRIPTION OF UNITS

Unit	Level	Bed-Rooms	Baths	Fire-Places	Approximate Unit Area
1	Bsmt	1+Den	1	-	717
2	Bsmt	1+Den	1	-	740
3	Bsmt	1	1	-	642
4	Bsmt	1	1	-	623
101	First	1	1	-	601
102	First	1+Den	1	-	747
103	First	1+Den	1	-	746
104	First	1	1	-	653
105	First	Studio	1	-	494
106	First	1	1	-	622
107	First	1	1	-	646
108	First	1+Den	1	-	746
109	First	1+Den	1	-	747
110	First	Studio	1	-	533
201	Second	1	1	-	642
202	Second	1+Den	1	-	748
203	Second	1+Den	1	-	742
204	Second	1	1	-	647
205	Second	1	1	-	546
206	Second	1	1	-	625
207	Second	1	1	-	645
208	Second	1+Den	1	-	745
209	Second	1+Den	1	-	745
210	Second	1	1	-	642
301	Third	1	1	-	644
302	Third	1+Den	1	-	755
303	Third	1+Den	1	-	742
304	Third	1	1	-	648
305	Third	1	1	-	569
306	Third	1	1	-	623
307	Third	1	1	-	627
308	Third	Studio	1	-	479
309	Third	Studio	1	-	467
310	Third	1	1	-	643
401	Fourth	2	3	1	1,522
402	Fourth	1	1.5	1	937
403	Fourth	1	1	1	676
404	Fourth	1	1	1	<u>729</u>
					26,045

APPENDIX 3
DECLARED VALUE, ALLOCATED INTERESTS

Unit No.	Declared Value	Common Element Ownership % and Common Expense Liability %	No. Votes
1	84,000	2.6616	1
2	84,000	2.6616	1
3	75,000	2.3764	1
4	79,000	2.5032	1
101	71,000	2.2499	1
102	81,000	2.5665	1
103	82,000	2.5982	1
104	74,000	2.3447	1
105	59,000	1.8695	1
106	82,000	2.5981	1
107	79,000	2.5031	1
108	85,000	2.6933	1
109	85,000	2.6933	1
110	55,000	1.7427	1
201	77,000	2.4398	1
202	85,000	2.6933	1
203	87,000	2.7567	1
204	77,000	2.4398	1
205	75,000	2.3764	1
206	85,000	2.6933	1
207	81,000	2.5665	1
208	89,000	2.8200	1
209	87,000	2.7567	1
210	75,000	2.3764	1
301	79,000	2.5032	1
302	88,000	2.7883	1
303	88,000	2.7883	1
304	77,000	2.4398	1
305	79,000	2.5032	1
306	87,000	2.7567	1
307	83,000	2.6299	1
308	63,000	1.9962	1
309	63,000	1.9962	1
310	78,000	2.4715	1
401	160,000	5.0696	1
402	115,000	3.6439	1
403	96,000	3.0418	1
404	<u>107,000</u>	<u>3.3904</u>	<u>1</u>
	3,156,000	100.0000	38

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APPENDIX 4
ASSIGNMENT OF LIMITED COMMON AREAS

Parking Spaces	Assigned to Unit:
1 (Uncovered)	303
2 "	110
3 "	404
4 through 10 "	Common Element (Guest Parking)
11 (Covered, Enclosed Lower Parking Level)	210
12 "	206
13 "	208
14 "	402
15 "	401
16 "	401
17 "	308
18 "	403
19 "	404
20 "	301
21 "	103
22 "	305
23 "	302
24 "	307
25 "	203
26 "	306
27 "	310
28 (Covered, Unenclosed)	105
29 (Covered, Enclosed Upper Parking Level)	204
30 "	309
31 "	202
32 "	201
33 "	109
34 "	107
35 "	106
36 "	304
37 "	102
38 "	4
39 "	2
40 "	1
41 "	108
42 "	3
43 "	207
44 (HC) "	101
45 (HC) "	104
46 "	209
47 "	205
Other Limited Common Elements	Assigned to Unit(s):
LCP - 1	404
LC - 401, 404	401, 404
LC - 403, 404	403, 404
LC - 404	404