

TALL FIRS, A Condominium

AMENDED AND RESTATED
CONDOMINIUM DECLARATION
TALL FIRS CONDOMINIUM

2028 S. W. 318th Place
Federal Way, Washington 98003

INDEX TO
AMENDED AND RESTATED
CONDOMINIUM DECLARATION
TALL FIRS CONDOMINIUM

1.	DEFINITIONS AND INTERPRETATIONS -----	2
1.1	Interpretation Consent with Act -----	2
1.2	"Person," etc. -----	2
1.3	Captions and Exhibits -----	2
1.4	Liberal Construction -----	3
1.5	Covenants Running with Land -----	3
1.6	Apartment and Building Boundary -----	3
2.	DESCRIPTION OF LAND -----	3
2.1	Description of Land Submitted to Declaration -----	3
2.2	Description of Land which was submitted to Declaration as Phase II -----	3
2.3	Description of Land which was submitted to Declaration as Phase III -----	3
3.	DESCRIPTION OF BUILDING AND IMPROVEMENTS -----	4
3.1	Apartment Buildings -----	4
3.2	Number of Apartments per Building and Location -----	4
3.3	Number of Floors in each Building -----	4
3.4	Common Recreational Facilities and Amenities -----	4
3.5	Parking -----	5
4.	DESCRIPTION OF APARTMENTS AND PARKING, LOCATION, AREA AND NUMBER OF ROOMS -----	6
4.1	Apartment Location -----	6
4.2	Apartment Description -----	6
4.3	Parking Description and Location -----	6
5.	ACCESS -----	6
5.1	Access to Common Ways -----	6
5.2	Access to Public Streets -----	7
6.	DESCRIPTION OF COMMON AREAS AND FACILITIES; CERTAIN ITEMS MAY BE MADE OWNER'S RESPONSIBILITY -----	7
7.	DESCRIPTION OF LIMITED COMMON AREAS; EASEMENTS FOR EXCLUSIVE USE RESERVED FOR CERTAIN APARTMENTS -----	9
7.1	Limited Common Areas -----	9
8.	VALUE OF PROPERTY; VALUE OF EACH APARTMENT; PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON AREAS AND FACILITIES --	10
8.1	Value of Property -----	10
8.2	Value of Apartments -----	10
9.	OWNERS' ASSOCIATION -----	11
9.1	Form of Association -----	11
9.2	Membership -----	11
9.2.2	Transfer of Membership -----	11
9.3	Voting -----	12

TALL FIRS, A Condominium

9.3.1	Number of Votes -----	12
9.3.2	Voting Owner -----	12
9.3.3	Joint Owner Disputes -----	12
9.3.4	Pledged Votes -----	13
9.4	Meetings, Audits, Notices of Meetings, Quorum -----	13
9.4.1	Annual Meetings, Audits -----	13
9.4.2	Special Meetings -----	14
9.4.3	Quorum -----	14
9.5	By-Laws of Association -----	14
9.5.1	Adoption of By-Laws -----	14
9.5.2	By-Laws Provisions -----	15
10.	MANAGEMENT OF CONDOMINIUM -----	15
10.1	Management by Declarant -----	15
10.2	Management by Board -----	16
10.2.1	Composition -----	17
10.2.2	Election -----	17
10.2.3	Term -----	17
10.2.4	Removal -----	18
10.2.5	Proceedings -----	18
10.3	Authority of the Board -----	18
11.	USE, REGULATION OF USES; ARCHITECTURAL UNIFORMITY -----	23
11.1	Residential Use -----	23
11.2	Sales Facilities of Declarant -----	23
11.3	Vehicle Parking -----	24
11.4	Common Drive and Walks -----	24
11.5	Interior Apartment Maintenance -----	24
11.6	Exterior Appearance -----	26
11.7	Effect on Insurance -----	26
11.8	Waste -----	26
11.9	Signs -----	26
11.10	Pets -----	27
11.11	Offensive Activity -----	27
11.12	Common Area Alterations -----	27
11.13	House Rules -----	27
12.	COMMON EXPENSES AND ASSESSMENTS -----	28
12.1	Estimated Expenses -----	28
12.2	Date of Commencement of Annual Assessments -----	28
12.3	Payment by Owners -----	29
12.4	Purpose -----	29
12.5	Separate Accounts -----	29
12.6	Based on Percentage -----	29
12.7	Omission of Assessment -----	30
12.8	Right to Assign Assessment -----	30
12.9	Records -----	30
12.10	Declarant Liability -----	30
12.11	Lien Indebtedness -----	31
12.12	Certificate of Assessment -----	31
12.13	Security Deposit -----	32
12.14	Foreclosure of Assessment Lien; Attorney's Fees and Costs -	32
12.15	Rental Value -----	32
12.16	Rental Apartments -----	33
12.17	Termination of Utility Service -----	33
12.18	Remedies Cumulative -----	33

TALL FIRS, A Condominium

13.	INSURANCE -----	33
13.1	Insurance Coverage -----	33
13.2	Alternative Insurance -----	36
13.3	Owner's Additional Insurance -----	36
13.4	Insurance Proceeds -----	36
13.5	Additional Policy Provisions -----	37
14.	DAMAGE OR DESTRUCTION; RECONSTRUCTION -----	38
14.1	Initial Board Determinations -----	38
14.2	Notice of Damage or Destruction -----	38
14.3	Definitions: Restorations; Emergency Work -----	39
14.4	Restoration by Board -----	39
14.5	Limited Damage: Assessment Under \$5,000 -----	40
14.6	Major Damage: Assessment Over \$5,000 -----	40
14.7	Decision Not to Restore; Disposition -----	41
14.8	Decision Not to Restore; Damage to Less Than All Buildings; Disposition -----	42
14.9	Definition of Owners of Affected Property -----	43
14.10	Miscellaneous -----	43
15.	CONDEMNATION -----	44
15.1	Consequences of Condemnation -----	44
15.2	Proceeds -----	45
15.3	Complete Taking -----	45
15.4	Partial Taking -----	45
15.5	Reduction of Condominium Upon Partial Taking -----	46
15.6	Reconstruction and Repair -----	48
16.	MODIFICATIONS OF APARTMENTS, SUBDIVIDING AND COMBINING APARTMENTS -----	48
16.1	Subdividing or Combining -----	48
17.	COMPLIANCE WITH DECLARATION -----	49
17.1	Enforcement -----	49
17.2	No Waiver Of Strict Performance -----	49
18.	LIMITATION OF LIABILITY -----	50
18.1	Liability for Utility Failure, etc. -----	50
18.2	No Personal Liability -----	51
18.3	Indemnification of Board Members -----	51
19.	MORTGAGE PROTECTION -----	51
19.1	Priority of Mortgages -----	51
19.2	Change in Manager -----	52
19.3	Abandonment of Condominium Status -----	52
19.4	Partitions and Subdivision -----	52
19.5	Change in Percentages -----	53
19.6	Copies of Notices -----	53
19.7	Effective Declaration Amendments -----	53
19.8	Insurance -----	53
19.9	Mortgagee Clause -----	54
19.10	Inspection of Books -----	54
20.	MORTGAGEE'S RIGHTS AFTER FORECLOSURE -----	55
20.1	Apartment and Condominium Mortgagee -----	55
20.2	Obtaining Declarant's Powers -----	55
20.3	Extension of Declarant's Powers -----	55

TALL FIRS, A Condominium

20.4	Liability of Mortgagee -----	56
21.	EASEMENTS -----	56
21.1	In General -----	56
21.2	Association Functions -----	57
21.3	Encroachments -----	57
21.4	Easement for Ingress, Egress, and Access -----	57
21.5	Reservation of Easements -----	58
22.	AMENDMENT OF DECLARATION, PLANS, SURVEY -----	58
22.1	Amendment of Declaration -----	58
22.2	Amendment to Plans and Survey -----	59
22.3	Amendment by Declarant -----	59
22.4	Amendment to Conform to Construction -----	60
22.5	Amendment by Board of Agent for Process -----	60
22.6	Discontinuance of Condominium or Removal From Act -----	61
23.	MISCELLANEOUS -----	61
23.1	Service of Process -----	61
23.2	Warranties and Guarantees; Limitation of Actions -----	61
23.3	Notices for All Purposes -----	62
23.3.1	Delivery of Notice -----	62
23.3.2	Mortgagee Notice -----	62
23.4	Waiver of Partition -----	63
23.5	Severability -----	63
23.6	Effective Date -----	63
23.7	Reference to Plans and Survey -----	63
23.8	Severability -----	63
23.9	Successors to Declarant -----	64

AMENDED AND RESTATED
CONDOMINIUM DECLARATION OF
TALL FIRS CONDOMINIUM

THIS AMENDED AND RESTATED DECLARATION (hereafter referred to as "Declaration") is dated the ____ day of _____, _____, constitutes the amended covenants, conditions, restrictions, reservations, limitations, and uses creating and establishing a plan for a condominium to be known as the TALL FIRS CONDOMINIUM,

WITNESSETH:

WHEREAS, S & M ENTERPRISES, a partnership composed of Rubin Salant, as his separate estate, and ENRIQUE P. MORA and the marital community composed of ENRIQUE P. MORA and MARIA C. MORA, his wife (hereafter referred to collectively as "Declarant") is/was the owner and/or Declarant of certain real property, land, and improvements (sometimes hereafter referred to as "property" or "said property"), hereafter described in paragraph 2 of this Declaration;

WHEREAS, Declarant filed for record with the office of the King County Department of Records and Elections a Condominium Declaration of said

property on February 16, 1979, under King County Recording No. 7902160931 and Plans and Survey for Phase I of said Condominium on February 16, 1979, in Volume 28 of Condominium, pages 92 through 105, inclusive, under King County Recording No. 7902160930;

WHEREAS, Declarant subsequently amended said Condominium Declaration by filing an Amendment to said Declaration on August 16, 1979, under King County Recording No. 7908160870 to add Phase II of said condominium to said Declaration and Plans and Survey for Phase II were recorded on August 16, 1979, in Volume 36 of Condominium, pages 31 through 45, inclusive, under King County Recording No. 7908160869;

WHEREAS, pursuant to subparagraph 22.3 Declarant intends to amend and restate said Condominium Declaration and the amendment thereto adding Phase II by execution of this Amended and Restated Condominium Declaration and to add Phase III to said condominium by the Plans and Survey for Phase III recorded simultaneously with the recording of this Declaration;

WHEREAS, Declarant desires and intends to sell and convey apartments in the Tall Firs

Condominium and to provide for the co-ownership by the owners of such units of an individual interest in the property which is subject to this Declaration and for the rights and obligations of the owners with respect to the property which is subject to this Declaration,

NOW, THEREFORE, Declarant does hereby publish and declare that the property described in paragraph 2 is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, reservations, uses, limitations, and obligations, all of which are declared to be and by acceptance of deeds or interest hereunder are agreed to be in furtherance of a plan for the division thereof into condominium apartments. Said covenants, conditions, restrictions, reservations, limitations, and obligations shall be deemed to run with the land and the individual apartments, shall be a burden and benefit upon the land and the apartments, and shall be binding upon any person acquiring or owning any interest in the condominium apartments, the real property and improvements thereon, their grantees, successors,

heirs, executors, administrators, devisees, and assigns.

1. DEFINITIONS AND INTERPRETATIONS.

1.1 Interpretation Consistent with Act.

Words used herein shall have the definitions given such words in RCW 64.32 and in the recitals unless the context thereof indicates otherwise or as may otherwise be excepted herein.

1.2 "Person," etc.

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

1.3 Captions and Exhibits.

Captions given to the various paragraphs and subparagraphs herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed

incorporated herein by reference as though fully set forth where such reference is made.

1.4 Liberal Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Horizontal Property Regime under the provisions of the laws of the State of Washington as the same may now exist or hereafter be amended. The provisions of the Act as the same may now exist or hereafter be amended under which this Declaration is operative shall be liberally construed to effectuate the intent of this Declaration.

1.5 Covenants Running with Land.

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

1.6 Apartment and Building Boundary.

The existing physical boundaries of the buildings and each apartment as constructed

shall be conclusively presumed to be its boundaries in interpreting the Plans and Survey.

2. DESCRIPTION OF LAND.

2.1 Description of Land Initially Submitted to Declaration.

The land upon which the buildings and improvements submitted to this Declaration as Phase I are located as described on Exhibit A (hereafter referred to as "Phase I").

2.2 Description of Land which is Submitted to Declaration as Phase II.

The land upon which the additional buildings and improvements are located which were submitted to this Declaration as Phase II is described on Exhibit B (hereafter referred to as "Phase II").

2.3 Description of Land which is Submitted to Declaration as Phase III.

The land upon which the additional buildings and improvements are located which is submitted to this Declaration as Phase III is described on Exhibit C (hereafter referred to as "Phase III").

3. DESCRIPTION OF BUILDINGS AND IMPROVEMENTS.

3.1 Apartment Buildings.

Each of the buildings in each phase is rectangular in shape and is principally constructed of wood. There are a total of 17 buildings in Phase I of which 16 are apartment buildings and one is the recreational building. The buildings in Phase I are Buildings 1 through 14, 18, and 19 and the recreational building which has no separate building number. There are a total of 19 buildings in Phase II. The buildings in Phase II are Buildings 15 through 18 and 20 through 35. There are a total of 16 buildings in Phase III. The buildings in Phase III are Buildings 36 through 51. The recreational building and all of the common areas and facilities in all phases will be used for the benefit and enjoyment of the entire condominium.

3.2 Number of Apartments per Building and Location.

Buildings 1 through 17, 19 and 20, 22 through 31, 33 and 34 through 51 each consist of four apartments. Buildings 18, 21, and 32 each consist of three apartments. The location

of each of the buildings in Phase I is described on Sheet 2 of the Plans and Survey for Phase I recorded on February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, inclusive, under King County Recording No. 7902160930. The location of Buildings 15 through 18 and 20 through 35 is described on Sheet 2 of the Plans and Survey recorded on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45, inclusive, under King County Recording No. 7908160869. The location of Buildings 36 through 51 is described on Sheet 2 of the Plans and Survey of Phase III of the Condominium recorded simultaneously with this Declaration. The addresses of the buildings in each phase, excluding the recreational building, are described on Exhibit D.

3.3 Number of Floors in Each Building.

Each building except the recreational building consists of two floors. The recreational building has one floor only.

3.4 Common Recreational Facilities and Amenities.

The common recreational facilities hereafter described will be for the use

and enjoyment of the entire condominium, including all phases of the condominium, and, except to the extent otherwise provided herein, each of the apartment owners in the condominium shall share in the expense of maintaining, repairing, and replacing any such recreational facilities. The common recreational facilities and amenities include the recreational building which consists of a lounge, pool room, jacuzzi room, sauna room, equipment room, separate men's and women's restrooms, a shower room, and an exercise room. The condominium also includes a swimming pool and two tennis courts, the locations of which are described on Sheet 2 of the Plans and Survey of Phase I recorded on February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930.

3.5 Parking.

The Phase I parking includes 11 enclosed single garages and four enclosed double garages, each of which is connected to and is a part of the apartment to which it is adjacent, 42 open parking spaces, and 79 carports (hereafter referred to collectively as "parking spaces"). The location of each of the parking spaces of Phase I

is described on Sheet 2 of the Plans and Survey recorded on February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930.

The Phase II parking includes 20 enclosed single garages and two enclosed double garages, each of which is connected to and is a part of the apartment to which it is adjacent, 10 open parking spaces, and 92 carports (hereafter referred to collectively as "parking spaces"). The location of each of the parking spaces in Phase II is described on Sheet 2 of the Plans and Survey for Phase II of the Condominium as recorded in Volume 36 of Condominiums, pages 31 through 45, recorded under King County Recording No. 7908160869.

The Phase III parking includes 8 enclosed single garages and 4 enclosed double garages, each of which is connected to and is a part of the apartment to which it is adjacent, 9 open parking spaces, and 84 carports (hereafter referred to collectively as "parking spaces"). The locations of each of the parking spaces in Phase III is described on Sheet 2 of the Plans and Survey for Phase III of the condominium.

Although parking has been designated for the purposes of the Act by phase, Declarant reserves the right pursuant to Paragraph 7.3 of the Condominium Declaration to make the initial assignment of any parking space to apartments without regard to the phase of either the apartment or the parking space.

4. DESCRIPTION OF APARTMENTS AND PARKING, LOCATION, AREA, AND NUMBER OF ROOMS.

4.1 Apartment Location.

Each apartment is identified by a building number and a letter. The apartment number is the building number and a letter as shown on the Plans and Survey. The location of each apartment of Phase I is described in Sheets 3 through 11 of the Plans and Survey for Phase I recorded on February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930. The location of each apartment of Phase II is described on Sheets 3 through 13 of the Plans and Survey of Phase II recorded on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45, inclusive, under King County Recording No. 7908160869. The location of each apartment of Phase III is

described on Sheets _____ through _____ of the Plans and Survey of Phase III.

4.2 Apartment Description.

The apartments of each phase are described on Exhibit E.

4.3 Parking Description and Location.

The parking for Phase I is described on Sheet 2 of the Plans and Survey recorded on February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930 by number and location. The parking for Phase II is described on Sheet 2 of the Plans and Survey for Phase II recorded on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45, inclusive, under King County Recording No. 7908160869. The parking for Phase III is described on Sheet 2 of the Plans and Survey for Phase III by number and location.

5. ACCESS.

5.1 Access to Common Ways.

Each apartment has access to the common condominium stairways, walkways, hallways, and driveways as more fully described on Sheets 3 through 11 of the Plans and Survey as recorded on

February 16, 1979, in Volume 28 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930 as to Phase I, Sheets 3 through 13 of the Plans and Survey of Phase II as recorded on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45, inclusive, under King County Recording No. 7908160869, and Sheets 3 through 12 of the Plans and Survey of Phase III.

5.2 Access to Public Streets.

The common condominium areas have direct access to 21st Avenue S. W. and to S. W. 320th Street.

6. DESCRIPTION OF COMMON AREAS AND FACILITIES; CERTAIN ITEMS MAY BE MADE OWNER'S RESPONSIBILITY.

6.1 Except as otherwise specifically reserved, assigned, or limited by the provisions of paragraph 6 hereof, the common areas and facilities consist of the following:

6.1.1 The land described in subparagraph 2.1 as Phase I, the land described in subparagraph 2.3 as Phase II, and the land described in subparagraph 2.3 as Phase III.

6.1.2 The roofs, foundations, columns, girders, studding, joists, beams,

supports, main walls (excluding only nonbearing interior partitions of apartments), and all other structural parts of the buildings, to the interior surfaces of the apartments' perimeter walls, floors, ceilings, windows, and exterior doors (i.e., to the boundaries of the apartments as the boundaries are defined in the Act), and any replacements thereto, provided that the term "interior surfaces" shall not include paint, wallpaper, paneling, window liners, carpeting, tiles, or other such decorative surface coverings or finishes, if any.

6.1.3 Installations of services, if any, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating pipes, conduits, and wires, wherever they may be located whether in partitions or otherwise, elevator car, shaft and operating apparatus, and equipment tanks, pumps, motors, fans, compressors, ducts, and flues, if any, and in general all apparatus and installations existing for common use.

6.1.4 The roadways and driving areas which provide access to the common and limited common areas for parking and any guest

parking or other parking areas not assigned to apartments.

6.1.5 The yards, gardens, landscaped areas, and walkways which surround and provide access to the buildings or are used for recreational purposes.

6.1.6 Any basement, lobby, hall, and/or corridor, if any, not within individual apartments or designated as limited common areas, storage areas, if any, stairways and stairs, and entrances and exits of the buildings.

6.1.7 Premises for the lodging or use of persons in charge of, or maintaining the property, excluding the manager's apartment which shall be acquired by the Association as a common expense pursuant to subparagraph 10.3.12.

6.1.8 Any parking spaces, if any, not assigned to an apartment during the course of sale of apartments by Declarant, subject to the rules of the Association providing for the use of any unassigned parking spaces for guest parking in convenient locations about the property.

6.1.9 Any area not assigned to a specific apartment, including, without limitation thereto, storage and utility rooms, if any.

6.1.10 Any area, if any, required for the passage of chimneys or flues through a lower apartment to an upper apartment or to a roof.

6.1.11 The recreational buildings and common recreational amenities or facilities.

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

6.2 Certain items which could ordinarily be considered common areas such as but not limited to windows, screen doors, window screens, awnings, storm windows, planter boxes, and the like may, pursuant to decision of a majority of the owners or by the Bylaws or rules and regulations, be designated as items to be furnished and maintained by apartment owners at their individual expense in good order according to standards and requirements set by the Board by rule, regulation, or Bylaws.

7. DESCRIPTION OF LIMITED COMMON AREAS;
EASEMENTS FOR EXCLUSIVE USE RESERVED FOR CERTAIN
APARTMENTS.

7.1 Limited Common Areas.

The limited common areas and facilities are reserved for the exclusive use of the apartment or apartments to which they are adjacent or assigned and consist of:

7.1.1 The parking space as more fully described on the Plans and Survey, the boundaries of said parking space being defined by the interior surfaces of the walls, if any, floor and stripping enclosing said parking spaces.

7.1.2 The exterior stairways, entryways, and/or walkways, if any, adjacent to certain apartments as more fully described on Sheets 2 through 14 of the Plans and Survey of Phase I of the Condominium as recorded on February 16, 1979, in Volume 29 of Condominiums, pages 92 through 105, under King County Recording No. 7902160930 as to Phase I and as more fully described as to Phase II of the Condominium on Sheets 2 through 15 of the Plans and Survey for Phase II as recorded on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45,

inclusive, under King County Recording No. 7908160869, and as more fully described as to Phase III of the Condominium on Sheets 3 through 12 of the Plans and Survey for Phase III.

7.1.3 Any patio/yard area or lanai which is adjacent to or part of certain apartments as more particularly shown on the Plans and Survey, the boundaries of said patio/yard area or lanai being defined by the interior surfaces of the walls, floor, ceiling, doors, windows, ground, railings, fence, or curb enclosing said patio/yard or lanai.

7.2 As used in paragraph 6.1.2 or any other portions of this Declaration, the term "interior surfaces" shall not mean decorative finishes and coverings applied to such surfaces (including paint, wall paper, paneling, carpeting, window liners, or any other decorative surface coverings or finishes, if any). Said decorative finishes and coverings, along with the fixtures and other tangible personal property (including furniture, planters, mirrors, and the like) located in and used in connection with said limited common area, shall be deemed a part of said limited common area.

7.3 Declarant reserves the right to make the initial assignment of any parking space to apartments, such assignment either being made by amendment to the Declaration, Plans and Survey, or by designation contained in the initial apartment deed executed by Declarant. At such time as all apartments are sold, the balance of any parking spaces, if any, not assigned to specific apartments shall constitute part of the common area to be used in accordance with the rules and regulations established from time to time by the Board.

7.4 After Declarant's initial assignment, an apartment owner may rent or lease the parking space assigned to that apartment to any other apartment owner; provided that the rental or lease term shall automatically expire on the date the lessor/apartment owner disposes of his interest in the apartment (whether such disposition is by deed, contract, or otherwise) or in the event that the lessor/apartment owner's rights or interest in the apartment terminate for any reason. Any two apartment owners may, by jointly executed instrument in recordable form approved by the Board (or the Declarant or the

Declarant's managing agent, if any, exercising the powers of the Board), exchange either on a permanent or temporary basis the parking space assigned to their respective apartments, effective upon recording.

8. VALUE OF PROPERTY; VALUE OF EACH APARTMENT; PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON AREAS AND FACILITIES.

8.1 Value of Property.

For purposes of the Act, the value of the property for each phase is declared to be as follows:

8.1.1 Phase I - \$3,253,000;

8.1.2 Phase II - \$3,870,000; and

8.1.3 Phase III - \$3,287,000.

8.2 Value of Apartments.

The percentages of undivided ownership of each apartment in each phase of the Condominium and the percentage of undivided interest in the common areas and facilities of each apartment in each phase of the Condominium for purposes of the Act may be determined by multiplying the percentage expressed in Exhibit F times the total value of the property subject to the Declaration. Said values do not, however,

necessarily reflect the market or sales price which may, from time to time, reflect the amount for which an apartment may be sold by Declarant or others, and the percentage of ownership will not be altered by variations in the selling price.

9. OWNERS' ASSOCIATION.

9.1 Form of Association.

The term "Association" as used herein shall mean the Association of Owners as defined in the Act. Initially said Association may be an unincorporated association. The Board or Declarant until such time as the initial Board is elected may at any time if deemed advisable in the exercise of its sole discretion, without the necessity of prior approval or other action by the owners being necessary, cause such unincorporated association to be converted to a non-profit corporation under the laws of the State of Washington; provided that from and after the formation of such non-profit corporation, the rights and duties of the members and of such corporation shall continue to be governed by the provisions of the Act and of this Declaration.

9.2 Membership.

Each fee owner (including Declarant) shall be a member of the association and shall be entitled to one membership for each apartment so owned; provided that if an apartment has been sold on contract, the contract purchaser shall exercise the rights of the apartment owner for purposes of the Association, this Declaration, and the Bylaws, except as may hereafter be provided, and shall be the voting owner unless otherwise specified. Ownership of an apartment shall be the sole qualification for membership in the Association.

9.2.2 Transfer of Membership.

The Association membership of each owner (including Declarant) shall be appurtenant to the apartment giving rise to such membership and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to said apartment and then only to the transferee of title to such apartment. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an apartment shall operate automatically

to transfer the membership in the Association appurtenant thereto to the new owner thereof.

9.3 Voting.

9.3.1 Number of Votes.

The total voting power of all owners shall be 100 votes, and the total number of votes available to owners of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities pertaining to such apartment.

9.3.2 Voting Owner.

There shall be one (1) voting representative of each apartment. Declarant shall be the voting representative with respect to any apartment or apartments owned by Declarant. If a person owns more than one apartment, he shall have the votes for each apartment owned. The voting representative shall be designated by the owner or owners of each apartment by the written notice to the Board and need not be an owner. The designation shall be revocable at any time by written notice to the Board from a party having an ownership interest in an apartment or by written or actual notice to the Board of the death or judicially declared incompetence of any party with

an ownership interest in the apartment. This power of designation and revocation may be exercised by the guardian of an apartment owner and the administrators or executors of an owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the husband, if a husband and wife have an ownership interest, shall be the voting owner for said interest, and in the event that there is more than one owner and the owner is not a husband and wife, the voting representative of each apartment shall be the group composed of all of its owners. Unless otherwise mutually agreed by the Declarant, Rubin Salant shall act on behalf of the Declarant for all purposes of this Declaration.

9.3.3 Joint Owner Disputes.

The vote for an apartment must be cast as a single vote. Fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular apartment, none of said votes

shall be counted, and said votes shall be deemed void.

9.3.4 Pledged Votes.

If an owner is in default under a first mortgage on an apartment for a period of ninety (90) consecutive days or more, the mortgage shall automatically be authorized to elect at any time thereafter to vote on behalf of the apartment owner on all issues upon which the apartment owner has pledged his right to vote. If the Board has been notified of any such pledge to a mortgage or in the event the record owner has otherwise pledged his vote regarding special matters to a mortgage under a duly recorded mortgage or to a vendor under a duly recorded real estate contract, only the vote of such mortgagee or vendee will be recognized as to those special matters upon which the vote has been pledged and a document with said pledge has been filed with the Board. Amendments to this subparagraph shall only be effective upon the written consent of all the voting owners and their respective mortgagees, deed of trust beneficiaries, and vendors, if any.

9.4 Meetings, Audits, Notices of Meetings, Quorum.

9.4.1 Annual Meetings, Audits.

There shall be an annual meeting of the owners in the first quarter of each year at such reasonable place and time as may be designated by written notice of the Board delivered to the owners no less than ten (10) days prior to the date fixed for said meeting as provided in subparagraph 23.3.1: PROVIDED, HOWEVER, that no annual meeting shall be required prior to February 15, 1980. At the annual meeting, there shall be presented an audit of the common expenses for the preceding calendar year (or fiscal year, if adopted by resolution of the Board) and the allocation thereof to each owner and the estimated common expenses for the coming calendar year (or fiscal year, if adopted by resolution of the Board). The Board at any time or by written request of owners having at least fifty (50%) percent of the total votes by percentage of ownership may require that an audit of the Association and management books be presented at any special meeting. An apartment owner may, at his own expense, at any reasonable time make or

cause an audit to be made of the books of the Board and Association.

9.4.2 Special Meetings.

Special meetings of the owners may be called at any time for the purpose of considering matters which by the terms of the Act or of this Declaration require the approval of all or some of the owners or for any other reasonable purpose. Such meetings shall be called by written notice of the President of the Association upon the decision of the President or by written request by the owners having at least fifty (50%) percent of the total votes by percentage of ownership which notice shall be delivered not less than ten (10) days prior to the date fixed for said meeting as provided in subparagraph 23.3.1. The notice shall specify the date, time, and place of the meeting and in general the matters to be considered.

9.4.3 Quorum.

The presence at any meeting of owners or their agents having a majority of the total votes shall constitute a quorum. In the event that a quorum is not present at any meeting, the owners present or any party

entitled to vote on their behalf pursuant to subparagraph 9.3.4 though less than a quorum may adjourn the meeting to a later date and give notice thereof to all of the owners in accordance with the notice provisions of this Declaration, and at that meeting the presence of owners holding in excess of thirty percent of the total votes shall constitute a quorum for the transaction of business; but in the event a quorum is not present at that meeting, the owners present, though less than a quorum, may give notice to all the owners in accordance with the notice provisions of this Declaration of a further adjourned meeting, and, at that meeting, whatever owners are present shall constitute a quorum. Unless otherwise expressly provided in this Declaration or the Act, any action may be taken at a meeting of the owners upon the affirmative vote of a majority of the voting powers of the owners present and voting, provided that a quorum is present.

9.5 By-Laws of Association.

9.5.1 Adoption of By-Laws.

To the extent required by RCW 64.32,090(21), the provisions of this Declaration as applicable shall constitute the By-

Laws of the Association. Additional By-Laws for the administration of the Association, the property and for other purposes not inconsistent with the act or with the terms or intent of this Declaration may be adopted by the Association by sixty-six and two-thirds percent (66-2/34) of those votes by percentage of ownership of a quorum at a meeting to be held for that purpose. Notice of the time, place and purpose of such meeting shall be delivered to each apartment owner at least ten (10) days prior to such meeting as provided in subparagraph 23.3.1. Amendments to the By-Laws may be adopted by the same vote at a meeting similarly called. Declarant may adopt the initial By-laws of the Association.

9.5.2 By-Laws Provisions.

Any By-Laws adopted shall include applicable provisions of this Declaration and may contain supplementary, not inconsistent, provisions regarding the operation of the condominium and administration of the property.

10. MANAGEMENT OF CONDOMINIUM.

10.1 Management by Declarant.

Until February 15, 1981, (two (2) years after the date of the recording of the

Declaration of Phase I on February 16, 1979, under King County Recording No. 7902160931) or within one hundred twenty (120) days after the date that seventy-five percent (75%) of the apartments of all phases have been sold, said sales closed, and the apartments occupied, whichever shall first occur, all of the rights, duties and functions of the Board shall, at Declarant's option, be exercised solely by Declarant or may be transferred to a Board elected as provided in this paragraph at such prior time as Declarant may determine. The Declarant may constitute an Advisory Board by appointing five (5) or more members for a term not to exceed two years from the date of their appointment or until one year after the date that all of the apartments have been sold as provided above while continuing to exercise the powers of the Board for the term provided herein, but is not required to do so. To carry out this provision, Declarant may, from and after the date of recording hereof, adopt and enforce by-laws and reasonable rules and regulations for the Association, may give notice and call meetings, determine, assess, collect, receive and expend assessments and Association

funds, hire a manager (provided any agreement for professional management shall be terminable without case and without payment of a termination fee upon ninety (90) days written notice) or other employees or service agencies are required, purchase supplies and equipment and determine maintenance and other policies, contract for required services, property and insurance, have the exclusive right to contract for all goods and services, set up and constitute Association books and accounts, and generally exercise all powers necessary to carry out the provisions of the Declaration and itself manage or through a managing agent selected by it manage the condominium development. Prior to the date of recording of this Declaration, Declarant had the right as to Phases I and II, at its option, prior to the date that fifty percent (50% of the apartments had been sold, said sales are closed and the apartments occupied, to utilize such assessments and/or payments in lieu of assessments as might have been received and/or collected from owners provided Declarant elected to use and used said assessments and/or payments in lieu of assessments to pay expenses for which said

assessments were levied, excluding taxes, and for the welfare of the Association: PROVIDED, HOWEVER, Declarant shall not have any right to utilize any funds contributed for any reserve for capital improvements or for acquiring a manager's apartment. Acceptance of an interest in the apartments described in this Declaration evidences acceptance of this management authority in Declarant for the initial period of Condominium operation indicated and in carrying out the same, Declarant is entitled to the benefits of all powers, indemnities and protections provided in this Declaration for the Board.

10.2 Management By Board.

At the expiration of Declarant's management authority under subparagraph 10.1 of this paragraph or such earlier date as Declarant, at its sole option, may elect, the administrative powers and authority shall vest in a Board of seven (7) directors or such other number as may be specified in the Bylaws elected from the apartment owners: PROVIDED, HOWEVER, at least two of the Directors shall be elected from each phase of the Condominium.

10.2.1 Composition.

Prior to February 15, 1981, or ninety (90) days after the date that seventy five percent (75%) of the apartments of all phases have been sold, said sales closed, and all apartments occupied, whichever date shall first occur, at Declarant's option, the members of the Advisory Board, if any, nominated or constituted by Declarant pursuant to subparagraph 10.1 shall act as an advisory board. The Advisory Board shall be dissolved at the time provided in subparagraph 10.1 and at said time, the first members of the Board shall be elected as provided in subparagraph 10.2.2.

10.2.2 Election.

At each annual meeting, subject to the provisions of subparagraphs 10.1 and 10.2 of this paragraph, the owners shall elect directors to replace those whose terms have expired: PROVIDED, HOWEVER, that the first Board elected hereunder may be elected at a special meeting duly called by Declarant and shall serve until the first annual meeting held thereafter. Nomination of a slate of candidates for the first Board may be made by Declarant. Nomination of a

slate of candidates for subsequent Boards may be made by a nominating committee of three or more owners who are not Board members, selected by the Board. Additional nomination may only be made by petition signed by at least ten (10) apartment owners.

10.2.3 Term.

Except for the first selected Board whose term shall be staggered, members of the Board shall serve for a term of two years. Four of the members of the first elected Board shall serve a term of two years. The three remaining members of the first elected Board shall serve a term of one year. The members of the Board shall serve until their respective successors are elected or until their death, resignation or removal; provided that if any member ceases to be an owner, his membership on the board shall thereupon terminate. In the event of a vacancy occasioned by any cause other than removal, the remaining Board members may select a replacement Board member who shall serve until the next annual meeting or until any special meeting called to elect a new Board member.

10.2.4 Removal.

Subject to the provisions of subparagraph 10.1 of this paragraph, any Board member may be removed from membership on the Board and a successor may be elected for the unexpired term by a vote of the owners at a special meeting called for such purpose; provided that unless the entire Board is removed, an individual member shall be removed only if the number of votes cast for his removal exceeds fifty (50%) percent of the total voting power.

10.2.5 Proceedings.

Four members of the Board shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board. From its membership, subject to subparagraph 10.1 of this paragraph, the Board shall elect a President of the Board and the Association who shall preside over both its meetings and those of the owners. The Board shall additionally elect a Vice President, Secretary and a Treasurer. The latter two offices may be combined and the manager or managing agent may perform the functions of these offices under the direction of the officers if the

Board so directs. Meetings of the Board may be called, held and conducted in accordance with this Declaration and such By-Laws and regulations as the Board may adopt. The Board may also act without a meeting by unanimous written consent of its members as evidenced by their signature upon any minutes or resolutions of the Board.

10.3 Authority of the Board.

The Board (or the Declarant or Declarant's managing agent as provided in subparagraph 10.1 here) for the benefit of the Condominium and the owners shall enforce the provisions of this Declaration and of the Bylaws, shall have all powers and authority permitted to the Board under the Act and this Declaration, and shall acquire and shall pay out of the common expense fund hereafter provided for all goods and services requisite for the proper functioning of the Condominium, including but not limited to the following:

10.3.1 Water, sewer, garbage collection, electrical, telephone, gas, metered washers and dryers, and master TV, if any, and any other necessary utility service or one or more buildings or the common areas are not

separately metered, the utility service may be paid as a common expense and the Board may by reasonable formula, including, without limitation thereto, by dividing the total expenses of the specific utility service which is not separately metered by the number of apartments, or buildings or apartments within buildings, and allocating a portion of such expense to each such apartment involved as a portion of its common expense.

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

10.3.3 The service of persons or firms as required to properly manage the affairs of the Condominium to the extent deemed advisable by the Board (or the Declarant or the Declarant's managing agent as provided in subparagraph 1.01) as well as such other personnel as the Board (or the Declarant or Declarant's managing agent as provided in subparagraph 10.1) shall determine are necessary or proper for the operation of the common area whether such

personnel are employed directly by the Board (or the Declarant or the Declarant's managing agent) or are furnished by the manager or management firm or agent during the period provided. In subparagraph 10.1, the Declarant: PROVIDED, HOWEVER, neither Declarant nor Declarant's managing agent shall have the right to manage the condominium for a period in excess of three (3) years from February 16, 1979, or the period provided in subparagraph 10.1, whichever event shall first occur, and by any agreement for professional management shall be terminable without cause and without payment of a termination fee within ninety (90) days of receipt of written notice.

10.3.4 Legal and accounting services necessary or proper in the administration of the common area, the enforcement of this Declaration, or such other matters as may be reasonably or necessarily required for the Association or to protect the Association or the common area.

10.3.5 Painting, maintenance, repair and all landscaping and gardening work for the common areas, and such furnishings and

equipment for the common areas as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common areas; PROVIDED, HOWEVER, that the interior surfaces of each apartment shall be painted, maintained and repaired by the owners thereof, all such maintenance to be at the sole cost and expense of the particular owner as provided in subparagraph 11.5.

10.3.6 Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law or which in its opinion shall be necessary or proper for the operation of the common areas or for the enforcement of this Declaration, including, without limitation thereto, the construction, maintenance, repair and improvements of the common area, including private roads, landscaping, drainage control facilities, recreational building, swimming pool, open spaces, and/or to otherwise comply with all applicable King County requirements, including, without limitation thereto, those disclosed and/or referred to in the Declaration of Covenants,

Conditions and Restrictions dated February 16, 1979, recorded on February 16, 1979, under King County Recording No. 7902160929, provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular apartments or their owners, the cost thereof shall be specially assessed to the owner of such apartments.

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

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

10.3.9 The Board shall have no authority to acquire and pay out of the maintenance fund for alterations, capital additions and improvements (other than for purposes of restoring, repairing or replacing portions of the common areas) having a total cost in excess of the sum of FIVE THOUSAND DOLLARS (\$5000) without first obtaining the affirmative vote of the owners holding a majority of the voting power present or represented at a meeting

called for such purpose, or if no such meeting is held, then the written consent of voting owners having a majority of the voting power; provided that any expenditure or contract for alterations, capital additions or improvements in excess of the sum of TEN THOUSAND DOLLARS (\$10,000_ must be approved by owners having not less than sixty six and two-thirds percent (66-2/3%) of the voting power.

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

10.3.11 The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the common funds of the Association. The Board may delegate such powers subject to the terms hereof.

10.3.12 The Board may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise, and the beneficial interest in such property shall

be owned by the owners in the same proportion as their respective interests in the common areas, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct. The Board shall not, however, in any case acquire real property or personal property valued in excess of FIVE THOUSAND DOLLARS (\$5000) by lease or purchase except upon a majority vote of the apartment owners, provided the foregoing shall not be applicable or restrict to the right of the Board (or the Declarant or Declarant's managing agent exercising the power of the Board) to purchase a manager's apartment of the condominium on behalf of the Association or to maintain said manager's apartment as a common expense and the Board (or the Declarant or Declarant's managing agent exercising the power of the Board) is authorized on behalf of the Association to purchase a manager's apartment for the condominium and to maintain said Manager's apartment as a common expense. Said apartment has been acquired by the Association with an initial down payment during Phase I equal to fifteen percent (15%) of the

purchase price and an addition down payment during Phase II equal to ten percent (10%) of the purchase price. An additional down payment equal to ten percent (10%) of the purchase price is due and owing upon recording of this Declaration.

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

apartment. Each owner shall deposit a key to the exterior door of his apartment with the Board and shall not change the lock on the exterior door of his apartment without providing the Board with a new key.

10.3.14 Each owner by the act of becoming an owner or contract purchaser of an apartment shall irrevocably appoint the Association as his attorney-in-fact (or the Declarant or any Advisory Board constituted by the Declarant exercising the powers of the board of directors of the Association) with full power of substitution to take such action as may be reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the property, to deal with the apartment upon damage, destruction, condemnation or taking (subject to the provisions of subparagraph 15.4) and to secure insurance proceeds.

11. USE: REGULATION OF USES:
ARCHITECTURAL UNIFORMITY.

11.1 Residential Use.

The buildings, excluding the recreational building, and apartments shall be used for single family residential purposes only, on an ownership, rental or lease basis, for the common social, recreational or other reasonable uses normally incident to such purposes, and for such additional uses or purposed as are from time to time determined appropriate by the Board. Such use as a single family residence shall be deemed to include accessory use as a professional office to the extent permitted by applicable zoning ordinances and to the extent customarily incidents, to primary use as a residence. Apartments of the buildings may be used for the purposes of operating this Association and for the management of the Condominium in the event that no other facilities are reasonably available for these purposes.

11.2 Sales Facilities of Declarant.

Notwithstanding the provisions of subparagraph 11.1, Declarant, its agents, employees and contractors shall be permitted to

maintain during the period of sale of the condominium upon such portion of the property as Declarant may choose such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the sale or rental of condominium apartments and interests, including but not limited to, a business office, storage area, signs, model apartment, sales office, and parking areas for prospective tenants or purchasers of Declarant.

11.3 Vehicle Parking.

Parking spaces are restricted solely to use for parking of operative automobiles. Other items and equipment may not be parked or kept in parking spaces except by prior written approval of the board or pursuant to the rules or regulations of the Board uniformly applied. The Board may require removal of any inoperative vehicle, any unsightly vehicle, and any other equipment or item improperly stored in parking spaces. If the car is not removed, the Board may cause removal at the risk and expense of the owner thereof. Use of all parking areas may be regulated and is subject to the provisions of paragraph 7 of this Declaration.

11.4 Common Drive and Walks.

Common drives, roadways, walks, corridors, hallways and stairways shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

11.5 Interior Apartment Maintenance.

11.5.1 Each apartment owner shall, at his sole expense, have the right and duty to keep the interior of his apartment and its windows, exterior doors, equipment, appliances, and appurtenances in good order, condition and repair, and shall do all redecorating and painting and provide all upkeep which, from time to time, shall be necessary to maintain the good appearance and condition of his apartment. Each owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, air conditioning equipment, heating or other equipment, fixtures or appliances which may be in or connected with his apartment and any exterior windows within his apartment.

11.5.2 Without limiting the generality of the foregoing, each owner shall have the right and the duty, at his sole cost and

expense, to maintain, repair, paint, paper, panel, plaster, tile, and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, and the perimeter walls of the apartment and the surfaces of the bearing walls located within his apartment and shall not permit or commit waste of his apartment or the common areas. Each owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls. Each owner and his agent has the right to maintain, repair, paint, finish, alter, substitute, add or remove any fixtures attached to said ceilings, floors or walls. This subparagraph shall not be construed as permitting any interference with damage to the structural integrity of the buildings or interference with the use and enjoyment of the common areas or of the other apartments or any of them, nor shall it be construed to limit the powers or obligations of the Board hereunder.

11.5.3 Limited common areas, as defined in paragraph 7, although the use, condition and appearance thereof may be regulated under provisions of this Declaration or by the By-Laws or rules, are for the sole and exclusive use

of the apartments for which they are reserved or assigned. Apartment owners will be responsible for care and maintenance of the limited common areas reserved for or assigned to their apartments, including patio, yard area and/or lanai and parking space; provided that the Association may, at its option, landscape any yard area and in said event, the cost of any such landscaping, together with the cost of maintenance thereof, shall constitute a common expense. Owners may not, however, modify, paint or other decorate or in any way alter their respective limited common areas without the prior written approval of the Board. The cost of caring for and maintaining limited common areas reserved for or assigned to more than one apartment for the mutual and joint use thereof shall be divided in equal shares among the apartments for which such limited common area is reserved with each such share being collected as special assessment owed by each such apartment. Any chimney flues for fireplaces shall be limited common areas as defined in paragraph 7 of this Declaration.

11.6 Exterior Appearance.

In order to preserve a uniform exterior appearance of the buildings and the common and limited common areas visible to the public, the Board may require and provide for the painting and other decorative finish of the buildings, any lanai/patio/yard areas, or common or limited common areas and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the buildings, any lanai/patio/yard areas or common or limited common areas undertaken or proposed by any owner. This power of the Board extends to windows, screens, doors, awnings, hills or other visible portions of each apartment and condominium buildings. The Board may also require use of a uniform color of draperies, under draperies or drapery lining for all apartments. No owner shall modify, paint or decorate any portion of the exterior of the buildings, any lanai/patio/yard areas, limited common areas or parking space without first obtaining the written consent of the Board.

11.7 Effect on Insurance.

Nothing shall be done or kept in any apartment or in the common areas which will increase the rate of insurance on the common areas or apartments without the prior written consent of the Board. No owner shall permit anything to be done or kept in his apartment or in the common or limited common areas which will result in the cancellation of insurance on any apartment or any part of the common or limited common areas, or which would be in violation of the law.

11.8 Waste.

No waste shall be committed in any apartment or in a common or limited common areas.

11.9 Signs.

No sign of any kind shall be displayed to the public view on or from any apartment or common or limited common area without the prior written consent fo the Board; provided, that this paragraph shall not apply to Declarant or Declarant's agents.

11.10 Pets.

No animals, including livestock, domestic animals, poultry, reptiles or living creatures of any kind, but excluding dogs, cats, or other reasonably acceptable household pets, shall be raised, bred, or kept in any apartment in the common or limited common areas, whether as pets or otherwise. Dogs, cats or other reasonably acceptable household pet may be raised, bred, or kept in apartments if specifically authorized by a two-thirds (2/3/) vote by percentage of ownership of the Association. In the event that the Association authorizes dogs, cats or other reasonably acceptable household pets, the Board may at any time require the removal of any dog, cat or other reasonably acceptable household pet which it finds, in its sole discretion, is unreasonably disturbing other owners and may exercise this authority for specific animals even though other similar animals are permitted to remain.

11.11 Offensive Activity.

No noxious or offensive activity shall be carried on in any apartment or common or limited common areas, nor shall anything be done

therein which may be or become an annoyance or nuisance to other owners. Subject to any applicable By-laws, the Board's decision on these matters shall be final and conclusive unless modified by the vote of the majority of the apartment owners by voting power.

11.12 Common Area Alterations.

Nothing shall be altered or constructed in or removed from the common or limited common areas except upon the written consent of the Board and after procedures required herein or by law.

11.13 House Rules.

The Board or the Association membership is empowered to pass, amend and revoke such additional rules and regulations (or "House Rules") as may, from time to time, be necessary or convenient to ensure compliance with the general guidelines of this paragraph, the other provisions of this Declaration, By-Laws, and other rules and regulations adopted by the Association and violation of any such additional rules and regulations, if any, provided in writing to any owner shall subject any owner to an action for the relief provided in subparagraph 17.1.

12. COMMON EXPENSES AND ASSESSMENTS.12.1 Estimated Expenses.

Within thirty(30) days prior to the beginning of each calendar year, (or fiscal year, if adopted by the Board), the Board shall estimate the charges (including common expenses, and any special assessments for particular apartments) to be paid during such year, make provision for creating, funding and maintaining reasonable reserves for contingencies, operations, and repair, replacement and acquisition of common areas and facilities, and a reserve for replacement of those common areas which can reasonably be expected to require replacement prior to the useful life of the building; PROVIDED, HOWEVER, that Declarant or the first elected Board may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any owner's assessment, the Board may at any time levy a further assessment which shall be assessed to the owners in like proportions.

12.2 Date of Commencement of Annual Assessments.

The annual assessments provided herein shall commence on the date *which shall be the first day of the month) fixed by the Board to be the date of commencement; provided that the date for the first annual assessments shall be fixed by the Declarant who shall also fix the date and the manner for prorating utilities, insurance, and all other matters requiring proration at such time as the apartment owners commence occupancy of the condominium. Declarant had the right in lieu of fixing the first annual assessment to accept payment in the manner provided in subparagraph 10.1 prior to the date that fifty per cent (50%) of the apartment units were sold and occupied as to Phases I and II. The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the date fixed for commencement. The assessments for any year after the first year shall become due and payable on the first day of January (or fiscal year, if adopted by the Board) of each year.

12.3 Payment by Owners.

Except to the extent provided in subparagraph 12.10, each owner shall be obligated to pay assessments made pursuant to this paragraph to the treasurer of the Board, the Declarant, or the managing agent, as applicable, for the Association in equal monthly installments on or before the first day of each month during such year or in such other reasonable manner as the Board, Declarant or managing agent, as applicable, shall designate, and any unpaid assessments shall bear interest at the rate of twelve per cent (12%) or the highest legal rate, whichever is greater, per annum from the due date until paid. The budget may be reviewed and revised by the owners at any annual meeting or any special meeting called for such purpose, but if not so reviewed or if no change is made shall be deemed approved.

12.4 Purpose.

All funds collected hereunder shall be expended for the purposes designated in this Declaration.

12.5 Separate Accounts.

The Board may maintain separate accounts for current operations, reserves, and a

special separate reserve account for payment of insurance. Each month the Board shall first deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least one-twelfth of the total cost of all the insurance policies of the condominium or required pursuant to this Declaration and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance premiums. All other reserve accounts shall be separately maintained in a similar manner. Thereafter the remainder of the assessments collected may be utilized for payment of other expenses or deposited or credited to other accounts. All such assessments shall be collected and held in trust for, and administered and expended for the benefit of, the apartment owners.

12.6 Based on Percentage.

Except for certain special assessments which may be levied against particular apartments under the provisions of this Declaration, or as otherwise provided herein, all assessments for common expenses shall be assessed

percentages provided in Exhibits F or any amendments thereto.

12.7 Omission of Assessments.

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

12.8 Right to Assign Assessment.

Subject to the provisions of subparagraph 10.3, the Board shall, from time to time, have the right to assign future assessments to banks, other financial institutions, lenders, and/or contractors for alterations, capital additions, or improvements.

12.9 Records.

The board shall cause to be kept detailed and accurate records in the form of established by the Association's accountant out of

the receipts and expenditures of the Association affecting the common areas, specifying and itemizing the maintenance and repair expense and any other expenses incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner at convenient hours during week days.

12.10 Declarant Liability.

The assessments provided in this Declaration shall not be imposed on the apartments owned by Declarant for Phases I and II prior to the date that each of said apartments have been sold, rented or leased, or for a period of two (2) years from February 16, 1979, whichever event shall first occur; PROVIDED, HOWEVER, Declarant's liability during Phases I and II only shall not exceed the actual expenses for apartments belonging to Declarant, including, but not limited to insurance and utilities, or twenty-five percent (25%) of the assessment levied against other apartments in Phases I and II of said condominium having the same percentage of interest in the common areas which assessment shall include Declarant's pro rate share of assessments for insurance purposes, whichever shall be the lesser.

The assessments provided in this Declaration as to Phase III shall be imposed upon apartments owned by Declarant beginning on the date that the first apartments sale of Phase III closes on the same basis as imposed upon all other apartments of Phase III, regardless of whether Declarant-owned apartments are vacant or have been sold, leased or rented.

12.11 Lien Indebtedness.

Each monthly assessment and each special assessment shall be the joint and several personal debt and obligation of the owner or owners and contract purchasers of apartments for which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special, assessed to any apartment and the owner and/or purchaser of any apartment, plus interest at the rate of twelve per cent (12%) or the highest legal rate, whichever is the greater, per annum, and costs including reasonable attorneys' fees, shall be a lien upon such apartment and any appurtenant limited common area and the use thereof. Said lien for payment of such assessments shall have priority over all other

liens and encumbrances, recorded or unrecorded, to the extent provided in RCW 64.32.200(2). An action to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same.

12.12 Certificate of Assessment.

A certificate executed and acknowledged by the Treasurer or the President of the Board or an authorized agent thereof if neither the President nor Treasurer is available, stating the indebtedness for assessments or lack thereof secured by the assessment lien upon any apartment shall be conclusive upon the Board and the owners as to the amount of such indebtedness on the date of the certificate in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished to any owner or any encumbrancer of an apartment within a reasonable time after request, in recordable form, at a reasonable fee not to exceed TWENTY DOLLARS (\$20.00). Unless otherwise prohibited by law, any encumbrancer holding a lien on an apartment may pay any unpaid common expenses payable with respect to such apartment and upon such payment such encumbrancer shall have a lien on such

apartment for the amounts paid of the same rank as the lien of his encumbrance.

12.13 Security Deposit.

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

12.14 Foreclosure of Assessment Lien; Attorney's Fees and Costs.

The Declarant, manager, or Board on behalf of the Association may initiate action to foreclose the lien of any assessment. In any action to foreclose a lien against any apartment for nonpayment of delinquent assessments, any judgment rendered against the owners of such apartment in favor of the Association shall

include a reasonable sum for attorneys' fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action in addition to the taxable costs permitted by law.

12.15 Rental Value.

From the time of commencement of any action to foreclose a lien against an apartment for nonpayment of delinquent assessments, the owner or purchaser of such apartment shall pay to the Association the reasonable rental value of the apartment to be fixed by the Board, and the plaintiff in any such foreclosure action shall be entitled to the appointment of a receiver to collect the same who may, if said rental is not paid, obtain possession of the apartment, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the apartment or permit its rental to others, and apply rents first to the costs of the receivership and attorneys' fees thereof, then to the costs of refurbishing the apartment, then to applicable charges, then to costs, fees and charges or the foreclosure action,

and then to the payment of the delinquent assessment charges.

12.16 Rental Apartment.

If an apartment is rented by its owner, the rent is hereby pledged and assigned to the Board and the Board may collect and the tenant or lessee shall pay over to the Board so much of the rent for such apartment as is required to pay any amounts due the Board hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall have no right to question payment over to the Board and such payment will discharge the lessee's or renter's duty of payment to the owner for rent to the extent such rent is paid to the association, but will not discharge the liability of the owner or purchaser and the apartment under this Declaration for assessments or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed as provided in subparagraph 12.15.

12.17 Termination of Utility Service.

In addition to and not by way of limitation upon other methods of collecting any assessments, the Board shall have the right, after

having given ten (10) days' notice to any apartment owner who is delinquent in paying his assessments, to cut off or cause to be cut off any or all utility services to the delinquent owner's apartment until such time as any such delinquent assessments are paid.

12.18 Remedies Cumulative.

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

13. Insurance.

13.1 Insurance Coverage.

The Board shall obtain and maintain at all times as a common expense a policy or policies and bonds required to provide:

13.1.1 Fire insurance with an extended coverage endorsement in an amount as near as practicable to the full insurable replacement value, and if deemed necessary endorsements for contingent liability from operation of building laws, demolition cost, and increased cost of construction, with such deductions or modifications thereof as the Board may find reasonable after consultation with its insurance

consultant of the common and limited common areas and the apartments, with the Board named as insured as trustee for the benefit of owners and mortgages as their interest may appear, with authority to adjust any loss and receive any payment of any insurance proceeds for the benefit of owners and mortgages as their interests may appear, or such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection insuring the owners and their mortgages, as their interests may appear. Said policy or policies shall provide for separate protection for each apartment, including, without limitation thereto, any built-in appliances, cabinets, carpets and drapes, to the full insurable replacement value thereof (limited as provided above), and a separate loss payable endorsement, in favor of any vendor, mortgages or deed of trust beneficiary, if any, of each apartment and a separate loss payable clause in favor of any such vendor, mortgages or beneficiary. All insurance shall be obtained from an insurance carrier rated AAA (and rated as in Class XI, or better, financial condition) by Best's Insurance Reports or equivalent rating

service and licensed to do business in the State of Washington.

13.1.2 General comprehensive liability insurance insuring the Board, the Association, the owners, Declarant and managing agent against any liability to the public or to the owners of apartments, and their invitees or tenants, incident to the ownership or use of common and limited common areas and apartments (including but not limited to owned and non-owned automobile liability, water damage, host liquor liability, liability for property of others and, if applicable, elevator collision, and garage keeper's liability) under which the liability shall be an amount determined by the Board after consultation with insurance consultants, but not less than ONE MILLION DOLLARS (\$1,000,000.00) covering all claims for personal injury and/or/ property damage arising out of a single occurrence; provided that any such policy limits shall be reviewed at least annually by the Board and increased in its discretion. Such insurance shall contain appropriate provisions or endorsements precluding the insurer from denying the claim of an owner because of the negligent

acts of the Association, the Declarant or another owner.

13.1.3 Workmen's compensation insurance and employer's liability insurance to the extent required by applicable laws.

13.1.4 Fidelity bonds naming the Board and its individual members, the manager and such other persons as may be designated by the Board as principals and the Association and the apartment owners as obliges in such amounts as may be specified in the By-Laws or in an amount equal to at least one-half of the total estimated cash to be collected as assessments each year, whichever is greater, or in the event that Declarant elects to sell on VA financing, an amount equal to one hundred fifty per cent (150%) of said assessments. Such fidelity 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.

13.1.5 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

13.1.6 In the event the condominium contains a steam boiler, a broad form policy of repair/replacement boiler and machinery insurance, having limits of at least FIFTY THOUSAND DOLLARS (\$50,000.00) per accident per location.

13.1.7 Such other insurance as the Board deems advisable; PROVIDED, HOWEVER, that notwithstanding any other provisions herein, in the event that Declarant sells apartments financed or insured with Declarant's consent and approval on the secondary market as hereafter provided, the Association shall continually maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance fidelity bond requirements for condominium projects established by the Federal National Mortgage Association, Government national Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, Veterans Administration, or such other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any of the foregoing are a mortgagee or owner of an apartment, except to the extent that any

such coverage is not available or has been waived in writing by any such agency.

13.1.8 Such other insurance s the Board deems advisable.

13.2 Alternative Insurance.

If available, in lieu of the coverage provided in subparagraphs 13.1.1 and 13.1.2 the Board may, at its option, substitute any special multi-purpose condominium insurance policy which, from time to time, may be approved for use in the State of Washington having said limits or provisions, provided any such policy has the limits and coverage provided in subparagraph 13.1.

13.3 Owner's Additional Insurance.

Each owner shall obtain additional insurance and his own expense for his apartment as contemplated pursuant to RCW 64.32.220 and 64.32.010(1). No owner shall be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board or any trustee for the Board upon behalf of all of the owners will realize under any insurance policy which the Board may have in force on the condominium at any

particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner to his apartment the value of which is in excess of ONE THOUSAND DOLLARS (\$1,000.00). Any owner who obtains individual insurance policies covering any portion of the condominium other than personal property belonging to such owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

13.4 Insurance Proceeds.

Insurance proceeds for damage or destruction by fire or other casualty to any part of the property shall be paid to the Board upon behalf of the Association which shall segregate such proceeds from other funds of the Association for use and payment as provided in paragraph 14. The Association acting through its Board shall have the authority to settle and compromise any claim under insurance obtained by the Association and the insurer may accept a release and discharge of liability made by the Board on behalf of the named insureds under policy.

13.5 Additional Policy Provisions.

To the extent deemed practicable and desirable by the Board, after consultation with the Association's insurance broker, agent or carrier, the insurance policy or policies required under paragraph 13.1 shall:

13.5.1 Provide that the liability of the insurer thereunder shall not be affected by and the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any apartment owner;

13.5.2 Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any apartment owner or any other persons whose rights or obligations are derived by or through either of them;

13.5.3 Provide that such policy may not be canceled (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to

the Board and every other person in interest who shall have requested such notice of the insurer;

13.5.4 Contain a waiver by the insurer of any right of subrogation to any right of the Board and the Association or against either the owner or lessee of any apartment; and

13.5.5 Contain a standard mortgages clause which shall;

(a) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease of the project, in their respective order and 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 of apartment owners or any persons whose rights or obligations are derived, directly or indirectly, by or through either 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 Board or the insurance trustees.

14. DAMAGE OR DESTRUCTION; RECONSTRUCTION.

14.1 Initial Board Determinations.

In the event of damage or destruction oany part of the property by fire or other casualty, the Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

14.1.1 The nature and extent of the damage or destruction from fire or other casualty, together with an inventory of the improvements and property directly affected thereby.

14.1.2 A reasonably reliable estimate of the cost to repair and restore the damage and destruction from fire or other casualty, which estimate shall if reasonably

practicable be based upon two or more firm bids obtained from responsible contractors.

14.1.3 The anticipated insurance proceeds, if any, to be available from insurance covering the loss from fire or other casualty based upon the amount paid or initially offered by the insurer.

14.1.4 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds from fire or other casualty, and the amount of assessment to each apartment if such excess were paid as a maintenance expense and especially assessed against the apartments in proportion to their percentage of interest in the common areas.

14.1.5 The Board's recommendation as to whether such damage or destruction from fire or other casualty should be repaired or restored.

14.2 Notice of Damage or Destruction.

The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction from fire or other casualty, provide each owner and each mortgagee who has theretofore requested special notice with

a written notice summarizing the initial Board determination made under subparagraph 14.1. If the Board fails to do so within said sixty (60) days, then any owner or mortgagee may make the determinations required under subparagraph 14.1 and give the notice required under this subparagraph 14.2.

14.3 Definitions: Restorations; Emergency Work.

14.3.1 As used in this paragraph 14, the words "repair," "reconstruct," "rebuild" or "restore" shall mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction by fire or other casualty with each apartment and the common and limited common areas having substantially the same vertical and horizontal boundaries are before. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

14.3.2 As used in this paragraph 14, the term "emergency work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or

substantial diminution in value to the improvements and to reasonably protect the owners from liability from the condition of the site.

14.4 Restoration by Board.

14.4.1 Unless prior to the commencement of repair and restoration work (other than emergency work referred to in subparagraph 14.3.2), the owners shall have decided not to repair and reconstruct in accordance with the provisions of either subparagraph 14.5.3 or 14.6.3, the Board shall promptly repair and restore the damage and destruction from fire or other casualty, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense which shall be specially assessed against all of the apartments in proportion to their percentages of interest in the common areas.

14.4.2 The board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as may be reasonably necessary to effectuate the repair and restoration. Contract for such repair and

restoration shall be awarded when the Board has by means of insurance proceeds and sufficient assessments made provision for the cost thereof. The Board may authorize the insurance carrier to proceed with repair and restoration when the Board is satisfied that such work will be appropriately carried out.

14.4.3 The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for such loss in excess of FIFTY THOUSAND DOLLARS (\$50,000.00), or for such firm or institution to collect the insurance proceeds and carry out the provisions of this paragraph.

14.5 Limited Damage; Assessment under \$5,000.

If the amount of the estimated assessment determined under subparagraph 14.1.4 does not exceed FIVE THOUSAND DOLLARS (\$5,000.00) for any one apartment, then the provisions of this subparagraph 14.5 shall apply:

14.5.1 Either the Board or a requisite number of owners, within fifteen (15)

days after the notice required under subparagraph 14.2 has been given, may, but shall not be required to, call a special owners' meeting in accordance with the provisions of subparagraph 9.4.2 to consider such repair and restoration work.

14.5.2 Except for emergency work, no repair and restoration work shall be commenced until after said fifteen (15) day period and until after the conclusion of said special meeting if such meeting is called within said fifteen (15) days.

14.6 Major Damage; Assessment over \$5000.

If the amount of the estimated assessment determined under subparagraph 14.1.4 exceeds FIVE THOUSAND DOLLARS (\$5,000.00) for any one apartment, then the provisions of this subparagraph 14.6 shall apply:

14.6.1 The Board shall promptly, and in all events within sixty (6) days after the date of damage or destruction from fire or other casualty, call a special owners' meeting to consider repair and restoration of such damage or destruction. If the Board fails to do so within

said sixty (60) day period, then notwithstanding the provisions of subparagraph 9.4.2, any owner or mortgagee may convene and conduct the meeting required under this subparagraph 14.6.1.

14.6.2 Except for emergency work, no repair and restoration work shall be commenced until the conclusion of the special owners' meeting required under subparagraph 14.6.1.

14.6.3 A concurring vote of more than two-thirds (2/3) of the total voting power will be required to avoid the provisions of subparagraph 14.4.1 and to determine not to repair and restore the damage and destruction from fire or other casualty; PROVIDED, HOWEVER, that failure of the Board, owners, or mortgagee to convene the special meeting required under subparagraph 14.6.1 within ninety (90) days after the date of damage or destruction from fire or other casualty shall be deemed a unanimous decision not to undertake such repair and restoration.

14.7 Decision Not to Restore;
Disposition.

In the event of a decision under either subparagraphs 14.5.3 or 14.6.3 not to

repair and restore the damage and destruction from fire or other casualty, and said damage and destruction affects or in the opinion of the board materially affects the entire condominium, the Board may nevertheless expend such 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 or destroyed buildings and clearing, filling and grading the real property), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

14.7.1 The property shall be owned in common by the apartment owners and shall no longer be subject to this Declaration or to condominium ownership;

14.7.2 The undivided interest in the property owned in common which pertains to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

14.7.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with their existing

priorities to the percentage of undivided interest of the apartment owner in the property and provided herein; and

14.7.4 The property shall be subject to an action for partition at the suit of any apartment owner in which event the net proceeds of sale, together with the net proceeds of the insurance of the property, if any, shall be considered as one fund; such fund shall be divided into separate shares, one for each apartment owner, in a percentage equal to the percentage of undivided interest owned by each such owner in the property; then, after first paying out of the respective share of each apartment owner, to the extent sufficient for the purpose, all mortgages and liens on the undivided interest in the property owned by such apartment owner, the balance remaining in each share shall then be distributed to each apartment owner respectively.

14.8 Decision Not to Restore; Damage To Less Than all Buildings; Disposition.

In the event of a decision under either subparagraph 14.5.3 or 14.6.3 not to repair and restore the damage and destruction from fire

or other casualty and said damage and destruction affects or in the opinion of the board materially affects less than the entire condominium, the Board may nevertheless expend such of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which work may include but is not necessarily limited to removal of the damaged or destroyed buildings or portions thereof and clearing, filling and grading the applicable portions of said property (hereafter referred to as "affected property") and the remaining funds, if any, and the affected property shall thereafter be held and distributed as follows:

14.8.1 The affected property shall be owned in common by the apartment owners of the affected property and shall no longer be subject to this Declaration or to condominium ownership and the percentage of interest of the owners of the unaffected property in the common area shall be recalculated by adding the total percentage of interest of the unaffected apartment units in the common area of the entire condominium and dividing the total thereof into each such owner's respective percentage of interest in the

common areas and each such unaffected apartment owner's percentage of interest as recalculated shall in said event thereafter be the percentage of undivided interest in the common areas appurtenant to the unaffected apartments;

14.8.3 The undivided interest in the affected property owned in common which pertains to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities.

14.8.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with their existing priorities to the percentage of the undivided interest of the apartment owner in the property as provided herein; and

14.8.4 The affected property shall be subject to an action for partition at the suit of any apartment owner of the affected property in which event the net proceeds of sale, together with the net proceeds of the insurance of the affected property, if any, shall be considered as one fund; such fund shall be divided into separate shares one for each apartment owner of the affected property in a percentage equal to the

percentage of undivided interest owned by each such owner in the affected property; then, after first paying out of the respective share of each apartment owner of the affected property, to the extent sufficient for the purpose, all mortgages and liens on the undivided interest in the affected property owned by such apartment owner, the balance remaining in each share shall then be distributed to each apartment owner of the affected apartment.

14.9 Definition of Owners of Affected Property.

For purposes of subparagraph 14.8, the provisions, definitions and calculations of subparagraph 15.4.3 shall be utilized to the extent applicable to determine the owners of the affected property, their respective percentages of interest, and the disposition of any remaining funds in the event that the damage or destruction is to less than all buildings.

14.10 Miscellaneous.

The provisions of this paragraph 14 shall constitute the procedure by which a determination is made by the apartment owners to repair, restore, reconstruct or rebuild any damage

from fire or other casualty as provided in Act. By the act of accepting an interest in the property, each apartment owner and any party claiming by, through or under such owner hereby consents and agrees to the provisions hereof. In the event that any provisions of this paragraph 14 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect the validity of any other provision of this Declaration. The purpose of this paragraph 14 shall be to provide a fair and equitable method of allocating the costs of repair and restoration of any damages caused by fire or other casualty and making a determination for repair and restoration if all or a portion of the improvements are damaged or destroyed by fire or other casualty. The provisions of this paragraph 14 shall be liberally construed to accomplish such purpose. The dollar amounts specified in this paragraph 14 may, in the discretion of the Board, be increased proportionately by the increase in the Consumer Price Index for All Urban Consumers for Seattle prepared by the United States Department of Labor for the year preceding the date of damage CANTREAD

the first bimonthly report of the year 1979 to adjust for any inflation in the value of the dollar. In the event that the Consumer Price Index for All Urban Consumers is for any reason discontinued, then the nearest comparable official consumer price index, whether so named or designated, issued by any authorized agency of the United states of America for purposes of reflecting comparative price insurance or increases in the cost of living shall be utilized for purposes of adjusting for any inflation in the value of the dollar. By unanimous vote of the apartment owners, which vote shall be taken within ninety days after the date of said damage, the applicable owners may determine to proceed other than as provided in this paragraph 14.

15. CONDEMNATION.

15.1 Consequences of Condemnation.

If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all of the property and the common areas of the condominium shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in

avoidance thereof, unless otherwise provided, the provisions of this paragraph 15 shall apply.

15.2 Proceeds.

All compensation, damages, or other proceeds therefrom (the sum of which is hereafter called the "condemnation Award") shall be payable to the Association.

15.3 Complete Taking.

In the event that the entire property and all of the common areas of the condominium is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the owners in proportion to their respective undivided interest in the common areas; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principal, the Board shall as soon as practicable determine the share of the Condemnation Award to

which each owner is entitled. After first paying out of the respective share of each owner, to the extent sufficient for the purposes, of all mortgages and liens on the interest of such owner, the balance remaining in each share shall then be distributed to each owner respectively.

15.4 Partial Taking.

In the event that less than the entire property or common areas of the condominium are taken or condemned by any public authority sold or otherwise disposed of in lieu of or in avoidance there, the condominium ownership shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner:

15.4.1 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds.

15.4.2 The Board shall apportion the amounts so allocated to taxing of or injury to the common areas which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas.

15.4.3 The total amount allocated to severance damages shall be apportioned to those apartments which were not taken or condemned.

15.4.4 The respective amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within his own apartment shall be apportioned to the particular apartment involved.

15.4.5 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.

15.4.6 If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Board shall employ such allocation to the extent it is relevant and applicable.

15.4.7 Distribution of apportioned proceeds shall be made to the respective owners and their respective mortgages in the manner provided in subparagraph 15.3.

15.5 Reduction of Condominium Upon Partial Taking.

In the event that (a) a partial taking occurs which does not result in a termination of condominium ownership hereunder pursuant to subparagraph 15.4, (b) at least one or more apartments are taken or condemned, and (c) the condemning authority elects not to hold, use and own said apartment(s) as a condominium apartment owner subject to and in accordance with the provisions of this Declaration, then the provisions of this subparagraph 15.5 shall take effect immediately upon the condemning authority taking possession of the apartment(s) taken or condemned;

15.5.1 The apartments subject to this Declaration shall be reduced to those apartments not taken or condemned (or not sold or otherwise disposed of in lieu of or in avoidance thereof).

15.5.2 The common area subject to this Declaration shall be reduced to the common areas not so taken or condemned (or not sold or otherwise disposed of in lieu of or in avoidance thereof).

15.5.3 The limited common areas which were not taken or condemned (or not sold or otherwise disposed of in lieu of or in avoidance thereof), but which were appurtenant to the apartment(s) which were taken or condemned (or sold or otherwise disposed of in lieu of or in avoidance thereof) shall be deemed part of the general common areas remaining subject to this Declaration.

15.5.4 The percentage of undivided interest in the common areas appurtenant to each apartment not so taken or condemned (or sold or otherwise disposed of in lieu of or in avoidance thereof) shall be recalculated by adding the total percentage of interest of the unaffected apartment units in the common areas of the entire condominium and dividing the total thereof into each owner's respective percentage of interest in the common areas of the entire condominium. The resultant percentage shall thereafter be the percentage of undivided interest in the common areas appurtenant to the respective apartments not so taken or condemned (or sold or otherwise disposed of in lieu of or in avoidance thereof).

15.5.5 Except to the extent provided in subparagraph 15.4, no owner or mortgagee of an apartment so taken or condemned (or sold or otherwise disposed of in lieu of or in avoidance thereof) shall have, nor shall it be appurtenant to any such apartment, any right, title, interest, privilege, duty or obligation in and/or to the Association or in any apartment, common area or limited common area which remains subject to this declaration and which is not so taken or condemned ((or sold or otherwise disposed of in lieu of or in avoidance thereof)).

15.5.6 Except to the extent expressly provided in this subparagraph 15.5 and/or subparagraph 15.6, the rights, title, interest, privileges, duties and obligations of an owner or mortgagee in and/or to an apartment not so taken or condemned ((or sold or otherwise disposed of in lieu of or in avoidance thereof) shall continue in full force and effect as provided in this Declaration.

15.5.7 The provisions of this subparagraph 15.5 shall be binding upon and inure to the benefit of all owners and mortgagees or any other person or entity having or claiming to have

any interest in all apartments which are so taken or condemned (or sold or otherwise disposed of in lieu of or in avoidance thereof)

And all such owners, mortgagees, and other persons covenant to execute and deliver any documents, agreements or instruments, including, but not limited to, appropriate amendments to this Declaration and the Survey Map and Plans, as may reasonably or necessarily be required so effectuate the purposes of this subparagraph 15.5 or subparagraph 15.6.

15.6 Reconstruction and Repair.

To the extent provided in subparagraph 15.4, any reconstruction and repair necessitated by condemnation shall be governed by the procedures provided in the above provisions of paragraph 14, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as may be necessary to discharge said owner's liability for any special assessment arising from the operation of paragraph 14 to the extent said paragraph may be applicable.

16. MODIFICATIONS OF APARTMENTS, SUBDIVIDING AND COMBINING OF APARTMENTS.

16.1 Subdividing or Combining.

Subdivision and/or combining any of the apartment or apartments, common areas and facilities or limited common areas and facilities are authorized only subject to the following conditions:

16.1.1 Any owner of any apartment or apartments may propose any subdividing or combining of an apartment or apartments and appurtenant common areas or limited common areas in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration and Survey Map and Plans covering such subdivision or combining to the Board which shall then notify all other apartment owners of the requested subdivision or combination.

16.1.2 Upon written approval of such proposal by seventy five percent (75%) of the mortgagees and owners (other than Declarant) and unanimous approval of the Mortgagee(s) of the apartment(s) to be combined or subdivided, the

owner making the proposal may proceed according to such plans and specifications; PROVIDED, HOWEVER, the Board (or during the period provided in subparagraph 10.1, the Declarant or Declarant's managing agent) may in its discretion (but it is not required to exercise this authority) require that the board administer the work or that provisions for the protection of other apartments or common areas or reasonable deadlines for completion of the work be inserted in the contracts for the work.

16.1.3 The charges in the survey may end plans, if any, and in this Declaration shall be placed of record as amendments to the Survey map, Plans and Declaration of the condominium in accordance with the provisions of paragraph 22 at the expense of the owner proposing said changes.

16.1.4 In the event that the proposed changes are not approved as provided in paragraph 16.1.2, no owner shall have any right to subdivide or combine as provided in this paragraph 16.

17. COMPLIANCE WITH DECLARATION.

17.1 Enforcement.

Each owner shall comply strictly with the provisions of this Declaration, the By-Laws and rules and regulations adopted pursuant thereto, as the same may, from time to time, be amended and all decisions adopted pursuant thereto. Any failure to comply with this Declaration, the By-Laws or Rules and Regulations shall be grounds for an action to recover sums due for damages, injunctive relief, or both, maintainable by either the Board acting through its officers upon behalf of the owners or by any aggrieved owner.

17.2 No Waiver of Strict Performance.

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the By-Laws or the Rules and Regulations adopted thereto, to exercise any right or option contained in this Declaration, By-Laws or Rules and Regulations, or to serve any notice or to institute any action shall be construed as a waiver or relinquishment for the future of such

terms, covenant, condition, restriction, By-Law, rule or regulation, but such term, covenant, condition, restriction, By-Law, rule or regulation shall remain in full force and effect. The receipt by the board of payment of any assessment from an owner with knowledge of any such breach shall not be deemed a waiver for such breach and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This paragraph also extends to the Declarant or Declarant's managing agent exercising the powers of the Board during the initial period of operation of the Association and the condominium development.

18. LIMITATION OF LIABILITY.

18.1 Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to paragraph 13, neither the Association nor the Board (or the Declarant or Declarant's managing agent exercising the powers of the Board) shall be liable for any failure of any utility or other service to be obtained and paid for by the Board, for injury or damage to person or property caused

by the elements or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of any building or from any of its pipes, drains, conduits, appliances, or equipment or from any other place or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, for such inconvenience or discomfort arising from the making of repairs or improvements to the common areas, or from any action taken to comply with any law, ordinance or orders from any governmental agency. This exemption shall extend to the entire Association as well as the Board. This paragraph shall not be interpreted to impose any form of liability by any implication upon the Board or the Association. This paragraph shall also extend to the Declarants exercise of the powers of the Board during the initial period of operation of the Association and Condominium development.

18.2 No Personal Liability.

So long as a Board member, Association committee member, Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this subparagraph shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to paragraph 13.

18.3 Indemnification of Board Members.

Each Board member, Association committee member, or Association officer, or the Declarant or Declarant's managing agent exercising the powers of the Board shall be indemnified by the owners against all expenses and liabilities, including attorney's fees, reasonably incurred by

or imposed in connection with any proceeding to which he may be a party or in which he may become involved by reason of being or having held such position or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of settlement, the indemnification shall apply only when the Board approved such settlement and reimbursement as being for the best interests of the Association. This paragraph shall extend to and apply also for the indemnification of the Declarant or for the indemnification of the manager, if any.

19. MORTGAGEE PROTECTION.

19.1 Priority of Mortgagees.

Notwithstanding all other provisions hereof and as provided in the Act, the liens created under this Declaration upon any apartment for assessments shall be subject to the rights of the secured party in the case of any indebtedness secured by mortgages or deeds or trust which were made in good faith and for value

upon the apartment. Where a mortgagee of an apartment or other purchaser of an apartment obtains possession of an apartment as a result of a mortgage foreclosure or deed of trust sale, such possessor and his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such apartment which become due prior to such sale, but will be liable for the common expense and assessments accruing after such sales. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners including such possessor, his successor and assigns.

19.2 Change in Manager.

In the event that professional management is employed by the Association, at least thirty (30) days' notice of any contemplated change in the professional manager shall be given to any first mortgagee who has requested to be so notified, and any agreement with any such professional manager shall permit cancellation by the Association without cause upon thirty (30) days written notice and shall have a term which does not exceed one year, renewable by agreement

of the parties for CANTREAD one year periods. In the event that the Association has professional management, the Association shall not elect to terminate professional management and assume self-management without the prior consent of seventy-five percent (75%) of all first mortgagees; PROVIDED, HOWEVER, no such prior consent shall be required to effect a change from one professional manager to another professional manager.

19.3 Abandonment of Condominium Status.

Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not, without the consent of one hundred percent (100%) of all first mortgagees of record of the apartments CANTREAD by act or omission to abandon the condominium status of the condominium or to abandon, encumber, sell or transfer any of the common areas.

19.4 Partitions and Subdivision.

The Association shall not combine nor subdivide any apartment or the appurtenant limited common areas nor abandon, partition, subdivide, encumber or sell any common

areas or accept any proposal to do so without the prior approval of seventy five percent (75%) of all first mortgagees of record of the apartments and without the unanimous approval of the first mortgagee(s) of the apartment(s) to be partitioned or subdivided.

19.5 Change in Percentages.

The Association shall not make any material changes to this Declaration or any By-Laws, including changes in the percentage of interest in the common areas (without the prior approval of one hundred percent (110%) of all first mortgagees of record of the apartments or without the unanimous approval of the owner(s) for whose apartment any percentage would be changed.

19.6 Copies of Notices.

Written notice that an owner of an apartment has for more than sixty (60) days failed to meet any obligation under the condominium Declaration or documents shall be given by the Association to any first mortgages of any such apartment who has requested to be so notified. Any first mortgages of any such apartment shall, upon request, be entitled to receive written notice of all meetings of the

Association and be permitted to designate a representative to attend any such meetings.

19.7 Effective Declaration Amendments.

No amendment of this Declaration shall be effective to modify, change, limit, or alter the rights expressly conferred upon mortgagees in this Declaration with respect to any unsatisfied mortgage duly recorded unless the Amendment shall be consented to in writing by the holder of such mortgage or does not materially affect any such mortgage.

19.8 Insurance.

Where the mortgagee of an apartment has filed a written request with the Board or where any mortgagee of the condominium has filed a written request with the board or is known to the Board, the board shall:

19.8.1 Furnish the mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the apartment upon which such mortgagee has a lien;

19.8.2 Require any insurance carrier to give such mortgagee at least thirty (30) days written notice before cancelling

CANTREAD the coverage or CANTREAD, or otherwise substantially modifying any insurance with respect to the property upon which the mortgagee has a lien (including cancellation for non-payment of premium);

19.5.3 Not make any settlement of any insurance claims for loss or damage to any such apartment exceeding \$2,000 without the approval of such mortgagee; provided, that the withholding of such approval shall not be unreasonable or in conflict with the provisions of paragraph 14; and

19.8.4 Give the mortgagee written notice of any loss or taking affecting common areas, if such loss or taking exceeds \$10,000 or of any loss, damage or taking affecting any apartment or limited common area in which it has an interest if such loss, damage or taking exceeds \$1,000.

19.9 Mortgaging Clause.

The insurance policy required pursuant to subparagraph 13.1.1 shall contain a standard mortgagee clause which, shall, if reasonably obtainable;

19.9.1 Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease of condominium in their respective order, reference and priority, whether or not named therein;

19.9.2 Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any set of the Board or apartment owners or any persons under any of them; and

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

19.10 Inspection of Books.

Any first mortgagee shall be entitled to inspect the books and records of the Association at reasonable hours of the weekday and, upon request, to receive a copy of any financial statements of the Association within ninety (90) days following the end of any fiscal year of the Association.

20. MORTGAGEE'S RIGHTS AFTER FORECLOSURE.

20.1 Apartment and Condominium Mortgagee.

Mortgagee of an apartment refers to the holder of any mortgage or deed of trust upon an apartment which was recorded simultaneously with or after the recordation of this Declaration. Mortgagee of the condominium refers to the holder of a deed of trust or mortgage of the real property on one or more phases of the Condominium executed by Declarant and recorded prior to the recordation of this Declaration.

20.2 Obtaining Declarant's Powers.

In the event that any mortgagee of the condominium or any phase thereof becomes bound by this Declaration by granting one or more partial releases or otherwise and subsequently forecloses its mortgage or deed of trust and obtains possessory rights, legal title, or certificates of sale to the unsold apartment or apartments of the phase of the condominium covered by its mortgage or deed of trust and the appurtenant common areas covered by the respective deed of trust or mortgage liens, then the

mortgagee of the condominium or any phase thereof may succeed to and assume, to the exclusion of the Declarant, pro rata to the extent of mortgagee's deed of trust or mortgage upon any building or phase of the condominium the powers of the Declarant as provided in this Declaration or any amendment thereto.

20.3 Extension of Declarant's Powers.

In the event any mortgagee of the condominium commences a foreclosure or accepts the title to the unsold apartments of the phase of the Condominium covered by its mortgage or deed of trust by deed in lieu of foreclosure during the time that the Declarant may perform all board functions pursuant to subparagraph 10.1, then said powers conferred upon Declarant by said subparagraph and to which the mortgagee of the condominium may succeed shall be extended pro rata to said mortgagee for an additional period of one (1) year or until all unsold apartments described in said mortgage are sold, whichever event shall first occur. Any mortgagee of the condominium or any phase thereof shall be entitled to the appointment of a receiver for the phase of the condominium covered by its mortgage or deed of

trust during the pendency of any foreclosure but not the common recreational facilities or amenities and any such receiver shall immediately upon appointment succeed to and assume the rights and powers of the Declarant as to its respective phase of the Condominium as provided in this Declaration and, subject to confirmation by court order, be entitled to sell any unsold condominium apartments of the phase of the condominium covered by its mortgage or deed of trust during the pendency of said foreclosure.

20.4 Liability of Mortgagee.

In the event any mortgagee of the condominium or one or more buildings thereof is conveyed the unsold apartment units in lieu of foreclosure or obtains possessory rights, legal title or a purchaser's certificate of sale to said unsold apartments as a result of the foreclosure of the mortgage or deed of trust covering the condominium or one or more buildings thereof, then said mortgagee shall be liable for only that portion of any assessment against any apartment owned by mortgagee (or to which mortgagee has a certificate of purchase) for which Declarant would be liable under subparagraph 12.10.

21. EASEMENTS.

21.1 In General.

It is intended that in addition to rights under the Act, each apartment shall have an easement in and through each other apartment and the common and limited common areas for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto as many reasonably or necessarily be required to effectuate the purposes of this Declaration or the Act. Without limiting the generality of the foregoing, each apartment and all common and limited common areas are specifically subject to an easement for the benefit of each of the other apartments in the same building for all duct work for the several apartments, for any fireplaces and associated flues or chimneys, the intercom and electrical entry system, if any, the electrical wiring and plumbing, the air conditioning lines and equipment, if any, for each apartment, the vacuum system roughed-in in each apartment, if any, and the master antenna cable system, if any, and the location and maintenance of all of the original equipment and facilities and utilities in each

such apartment. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.

21.2 Association Functions.

There is hereby reserved to Declarant and the Association or their duly authorized agents and representatives such easements as are necessary to perform the duties and obligations of the Association as provided in the Act, this Declaration, the By-Laws, and/or the Association Rules and Regulations.

21.3 Encroachment.

Each apartment and all common and limited common areas are hereby declared to have an easement over all adjoining apartments and common and limited common areas for the purpose of accommodating any encroachment, if any, due to engineering errors, errors in original construction, settlement or shifting of the buildings, or any other similar cause, and any encroachment, if any, due to building overhang or projection. There shall be valid easements for the maintenance of any such encroachments so long as they shall exist and the rights and obligations of

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

21.4 Easement for Ingress, Egress, and Access.

Each apartment and each phase of the condominium shall have an easement over, through, and across the common areas of each other phase, if any, of the condominium for ingress, egress, and access to the common areas and facilities and/or to the parking.

21.5 Reservation of Easements.

Declarant hereby reserves nonexclusive easements over, across and through the common areas and facilities of the condominium for the benefit of Declarant and its Successors and assigns as the present and future owners of the property and land described in paragraph 2 for ingress, egress, access, drainage, and utilities and the right to tie into and utilize any water, sanitary sewer, CANTREAD sewer, electricity, gas, telephone and any other utility lines now or hereafter established for the Condominium and an access easement, for ingress and egress, over, across and through the common areas and facilities of the condominium for the purpose of completing any unfinished apartments or other improvements or constructing any other improvements or any utilities over, across, under, or through any prior phase of the Condominium.

22. AMENDMENT OF DECLARATION, PLANS, SURVEY.

22.1 Amendment of Declaration.

Amendments to this Declaration shall be made in an instrument in writing entitled "Amendment to Declaration of TALL FIRS

CONDOMINIUM" which shall set forth the entire amendment. Except as otherwise provided herein, notice of any proposed amendment shall be given to all owners of apartments as provided herein and any proposed amendment shall not be adopted unless approved prior to its adoption by a majority of the Board. Amendments may be adopted at a meeting of or without a meeting of the owners if sixty-six and two-thirds percent (66-2/3%) of the owners by percentage of ownership consent in writing to such amendment. Except as otherwise provided herein, any amendment shall bear the signature of the President of the Board of the Association of Apartment owners and shall be attested by the Secretary, shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording. Any amendment changing the values and percentage of interest expressed herein shall require the unanimous consent of the apartment owners and their mortgagees. Any amendment changing the provisions of subparagraph 12.10 shall, so long as said provisions are applicable, require the written consent of Declarant unless

Declarant waives the provisions of this subparagraph in writing. It is specifically covenanted and understood by any parties accepting ownership interests in apartments under this Declaration that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions, restrictions and reservations contained herein which may be affected and any or all provisions of this Declaration.

22.2 Amendment to Plans and Survey.

Except as otherwise provided herein, the Plans and Survey may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to the Plans and Survey adopted or provided herein. Copies of any amendments to the Plans and Survey shall be made available for the examination of every owner. Any such amendment to the Plans and Survey shall be effective upon recording.

22.3 Amendments by Declarant.

Notwithstanding any other provisions of this Declaration, Declarant may at any time record an amendment to this Declaration

or the Plans or Survey showing, correcting or revising the assignment of parking spaces, if any, to apartments or, during the period provided in subparagraphs 10.1 and 23.1, respectively, changing the name and address of the agent for service of process or within seven (7) years from February 16, 1979, to expand the Condominium to include Phase III, or, so long as Declarant holds 66-2/3% or more of the voting power by percentage of ownership or has a power of attorney for said purpose or the consent of owners, including Declarant, holding said percentage of the voting power to make such amendments to this Declaration as Declarant may desire and to amend the Plans and Survey for said purposes: PROVIDED, HOWEVER, that no such amendments shall change the percentage of voting power or affect any vested rights, if any, of any mortgagee, or in the event of any expansion of the Condominium by the addition of Phase III, change the percentage of ownership more than seven (7) years after February 16, 1979, and any owner or mortgagee of any apartment hereby consents to the same, agrees that the acceptance of any deed to the property submitted to this Declaration constitutes a power of attorney to Declarant as

his true and lawful attorney-in-fact for said uses and purposes in this name, place and stead to execute any and all documents required to effect the same, hereby GIVING AND GRANTING unto his attorney full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises for said purposes as fully to all intents and purposes as he might or could do if personally present with respect to said amendments, hereby ratifying and confirming all that his attorney shall do and cause to be done with respect to said amendments by virtue of these presents, it being expressly understood that the foregoing power is coupled with an interest and is irrevocable for a period of two (2) years from the date of recording of this Declaration (but shall extend for a period not to exceed seven (7) years from February 16, 1979, solely for the purposes of adding Phase III to the Condominium) and shall survive the recording of a deed by Declarant to the owner of any such apartment and any conveyance from any such owner and agrees to execute in writing a limited power of attorney or any other document required to accomplish the same upon

request by Declarant, any title insurance company or lender provided said amendments do not increase the values or the percentages of interest expressed herein as to any apartment contrary to the provisions of subparagraph 8.1, the maximum number of additional apartments submitted to this Declaration by the extension of the Condominium to include Phase III does not exceed 67 apartments, and that the total number of apartments subject to this Declaration does not exceed 144 apartments, plus the manager's apartment.

22.4 Amendments to Conform to Construction.

Declarant upon Declarant's sole signature may from time to time file an amendment to the Declaration and to the Plans and Survey to conform them to the buildings as constructed and to establish, vacate and relocate utilities and/or revise access road easements, if any, and parking areas.

22.5 Amendment by Board of Agent for Process.

The Board may from time to time without the consent or approval of the owners file

an amendment to this Declaration changing the name and address of the agent for service of process.

22.6 Discontinuance of Condominium or Removal of Act.

In the event that the owners pursuant to this Declaration or pursuant to any applicable provision of law or the act take any action which results in the discontinuance of the condominium or removal of all of the property from the provisions of the Act, said action shall, if such action is sufficient under the Act, also terminate and discontinue the effect of all or any provisions of this Declaration or of the Plans and Survey unless some other specific provision is made by a recorded amendment to this Declaration and, if required, to the Plans and Survey at the time of any such act.

23. MISCELLANEOUS.

23.1 Service of Process.

Rubin Salant, whose address is 19800 Pacific Highway South, Seattle, Washington CANTREAD, is hereby designated as the person upon whom service of process may be effected. After organization of the Association, service of process for the purposes provided in the Act may

be CANTREAD upon any elected President of the Association. The Board may at any time designate a new or different person or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making any such change and any such amendment need only be signed and acknowledged by the then President and Secretary of the Association. Declarant may at any time prior to the election of the first elected Board change such designation by amendment to the Declaration signed and acknowledged only by Declarant.

23.2 Warranties and Guarantees; Limitation of Actions.

Declarant hereby expressly disclaims any and all warranties or guarantees, express or implied, of any type of kind, including, without limitation thereto, implied warranties of fitness, merchantability or use, relating to all or any portion, aspect or condition of the condominium buildings, common or limited common areas, individual apartments, appliances, fixtures, condominium documents or as to the nature, amount or extent of any assessments unless Declarant has subsequently otherwise agreed

in writing by a separate written warranty or guarantee. No action may be commenced or maintained by any apartment owner, person, firm, entity, corporation, or the Association of Condominium Owners on any claim, known or unknown, based upon negligence or warranty, express or implied, against declarant more than one year after the date upon which apartments having sixty percent (60%) or more of the votes in the Association have been transferred to owners other than Declarant as to the Condominium and its common and limited common areas or one (1) year from the date of closing or the date of occupancy, whichever date shall first occur, as to individual apartments, *Date of Closing* for purposes of this subparagraph shall mean the date of recording of the deeds or contracts of sale of any such apartments.

23.3 Notices for all purposes.

23.3.1 Delivery of Notice.

Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have

been delivered twenty-four (24) hours after a copy has been deposited in the United States mail, postage prepaid for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the board in writing for the purpose of service of such notice or to the most recent address known to the Board. Notice to the owner or owners of any apartment shall be sufficient if mailed to the apartment of such person or persons if no other mailing address has been given to the Board by any of the persons entitled to any notice. Notice to be given to the Board may be given to Declarant until the Association and Board have been constituted and thereafter shall be given to the President or Secretary of the Board.

23.3.2 Mortgagee Notice.

Upon written request therefor, and for a period of three years (or such longer time as the Board may act) after such request, a vendor, mortgagee, or deed of trust beneficiary of any apartment shall be entitled to be sent a copy of any notices respecting the apartment covered by any security instrument until the request is withdrawn or the security right

discharged. Such written request may be renewed an unlimited number of times.

23.4 Waiver of Partition.

Except to the extent otherwise provided herein and RCW 64.32.050(3), Declarant and any owners pursuant to this Declaration waive any statutory right pursuant to RCW 7.52 et seq., any amendments thereto or any common law right to partition with respect to said property.

23.5 Severability.

The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, provided the remainder complies with the Act or is effective as covenants affecting the common plan or running with the land.

23.6 Effective Date.

This Declaration shall take effect upon recording.

23.7 Reference to Plans and Survey.

23.7.1 The Plans and Survey of the buildings of Phase I referred to herein were

filed with the King County Department of Records and Elections on February 16, 1979, in Volume 28 of Condominiums, page 92 through CANTREAD, inclusive, under King County Recording No. 7902160930.

23.7.2 The Plans and Survey of the buildings of Phase II referred to herein were filed with the King County Department of Records and Elections on August 16, 1979, in Volume 36 of Condominiums, pages 31 through 45, inclusive, under King County Recording No. 7908160869.

23.7.3 The Plans and Survey of the Buildings of Phase III referred to herein were filed with the King County Department of Records and Elections simultaneously with the recording of this Declaration in Volume 51 of Condominiums, pages 15 through 35, inclusive, under King County Recording No. CANTREAD

23.8 Severability.

The provisions of this Declaration shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof if

the remainder otherwise complies with the Act or as covenants affecting a common plan.

23.9 Successors to Declarant.

In the event that the Declarant sells, assigns or transfers all of its rights as Declarant of the Condominium by a recorded document making specific reference to this subparagraph, any such CANTREAD, assignee or transferee shall have each of Declarant's rights pursuant to this Declaration.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Condominium Declaration as of the day and year first above written.