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REQUEST OF _____

9501170108

DECLARATION

FOR

ROOSEVELT BUSINESS CENTER, A CONDOMINIUM

9501170108

BK1406PG0539

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EXHIBIT A - Legal Description

EXHIBIT B - Page 1 - Building Survey/Parking Area and Spaces
 - Page 2 - Unit Description
 - Page 3 - Unit Description
 - Page 4 - Principal Materials Of Which Building
 Is Constructed

EXHIBIT C - Page 1 - Condominium Office/Warehouse Suites
 (including square footage, declared value,
 percentage interests, and assigned parking
 space numbers

Page 2 - Building Survey With Added Drawing of
 Potential Phase II.

**DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
ROOSEVELT BUSINESS CENTER, A CONDOMINIUM**

Pursuant to the Act defined in Section 1.9.1 and for the purpose of submitting the Property hereinafter described (including the Land described in Exhibit "A") to the provisions of said Act, the undersigned, being sole owners of said property, make the following Declaration. By acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of uses or enjoyment, respecting the Property or any Unit created by this Declaration, it is agreed that this Declaration, together with the Survey Map and Plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the Condominium development mutually beneficial to all of the described Units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Property and upon each such Unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Property or any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments and regardless of any subsequent forfeiture, foreclosures, or sales of Units under security instruments.

ARTICLE 1

INTERPRETATION

1.1 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 Project under the provisions of Washington law. It is intended and covenanted also that, insofar as it affects this Declaration and Condominium, the provisions of the Act under which this Declaration is operative shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

1.2 Consistent With Act. The terms such as, but not limited to, "unit," "unit owner," "association of unit owners," "building," "common elements and facilities," "common expenses," "land," "limited common elements" and "property," used herein are intended to have the same meaning given in the Act unless the

context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.3 Covenant Running With Land. It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent Owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

1.4 Unit and Building Boundary. In interpreting the Survey Map and Plans, the existing physical boundaries of the Building and each Unit as constructed or reconstructed shall be conclusively presumed to be its boundaries.

1.5 Percentage of Mortgagees. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Unit, such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

1.6 Declarant Is Original Owner. Declarant is the original Owner of all Units and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Units are filed of record.

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

1.8 Inflationary Increase in Dollar Limits. The dollar amount specified in Articles 10, 13, 14 and 18 may, in the discretion of the Board, be increased proportionately by the increase in the Consumer Price Index for the City of Seattle, Washington For All Urban Consumers, prepared by the United States Department of Labor for the base period January 1, 1995, to adjust for any deflation in the value of the dollar.

1.9 Definitions.

1.9.1 "The Act" shall mean the Washington Condominium Act of Washington, Law of 1990, RCW Chapter 64.34, as amended.

1.9.2 "Unit" shall mean a part of the property intended for use specified herein, including one or more rooms or spaces located on one or more floors (or part or parts thereof)

in a Building. The boundaries of a Unit are the unfinished interior surfaces of its perimeter walls, floors, ceiling, windows, and doors, and the Unit includes both the portions of the Building so described and the air space so encompassed.

1.9.3 "Unit Owner" or "Owner" shall mean the person or persons owning a Unit in the kind of estate specified herein, together with an undivided interest in a like estate of the Common Elements in the percentage specified herein.

1.9.4 "Association" shall mean Roosevelt Business Center Condominium Owners Association, comprising all of the Unit Owners acting as a group in accordance with the Bylaws and with this Declaration as it is duly recorded and as they may be lawfully amended, which Association is more particularly provided for in Article 9.

1.9.5 "Board" shall mean the board of directors of the Association provided for in Section 10.3.

1.9.6 "Building" shall mean the building or buildings containing the Units and comprising a part of the Property.

1.9.7 "Bylaws" shall mean the bylaws of the Association provided for in Section 9.5.

1.9.8 "Common Elements" shall include the Common Facilities, and shall mean those portions of the Condominium Property (including the land described in Exhibit "A" and improvements thereto) as provided in Article 6 as limited by Article 7.

1.9.9 "Common Expenses" shall include all sums lawfully assessed against Owners by the Association and expenses of administration, maintenance, repair or replacement of the Common Elements; declared to be common expenses by the Act, this Declaration or the Bylaws (as they may be lawfully amended); and agreed upon as common expenses by the Association.

1.9.10 "Common Funds" shall mean those funds held by the Association and collected from Owners by means of regular or special assessments, for the payment of Common Expenses.

1.9.11 "Condominium" shall mean the project created by this Declaration.

1.9.12 "Declarant" shall mean the undersigned (being the sole owner of the Property described in Exhibit "A" hereof).

1.9.13 "Declaration" shall mean this Declaration and any amendments thereto.

1.9.14 "Interior Surfaces" (where that phrase is used in defining the boundaries of Units or Limited Common Elements) shall not include paint, wallpaper, paneling, carpeting, tiles or other such decorative surface coverings or finishes. Said decorative finishes and coverings, along with fixtures and other tangible personal property (including furniture, planters, mirrors, and the like) located in and used in connection with said Unit or Limited Common Element, shall be deemed a part of said Unit or Limited Common Element.

1.9.15 "Limited Common Element" shall include Limited Common Facilities, and shall mean those portions of the Common Elements as provided in Article 7.

1.9.16 "Majority" or "Majority of Unit Owners" shall mean the Unit Owners with fifty-one percent (51%) or more of the votes in accordance with the percentages assigned herein.

1.9.17 "Manager" shall mean the person retained by the Board (or Declarant exercising the Board's authority) to perform such management and administrative functions and duties with respect to the Condominium as are delegated to such person and as are provided in a written agreement between such person and the Association.

1.9.18 "Mortgage" shall mean a recorded mortgage or recorded deed of trust that creates a lien against a Unit and shall also mean a recorded real estate contract for the sale of a Unit.

1.9.19 "Mortgagee" shall mean the beneficial owner, or the designee of a beneficial owner, of a recorded encumbrance on a Unit created by mortgage or deed of trust, and shall also mean the vendor, or the designee of a vendor, of a recorded real estate contract for the sale of a Unit. A Mortgagee of the Condominium and a Mortgagee of a Unit are included within the definition of Mortgagee.

1.9.20 "Mortgage Foreclosure" shall include a deed of trust sale, a forfeiture of a real estate contract, and a deed given in lieu of such foreclosure, sale or forfeiture.

1.9.21 "Mortgagee of a Unit" shall mean the holder of a Mortgage on a Unit, which mortgage was recorded simultaneous with or after the recordation of this Declaration. Unless the context requires otherwise, the term "Mortgagee of a Unit" shall also be deemed to include the Mortgagee of the Condominium.

1.9.22 "Mortgagee of the Condominium" shall mean the holder of a Mortgage on the real property which this Declaration affects, which Mortgage was recorded prior to the recordation of

this Declaration. The term "Mortgagee of the Condominium" does not include Mortgagees of the individual Units.

1.9.23 "Person" shall include natural persons, partnerships, corporations, associations, personal representatives, trustees or other legal entities.

1.9.24 "Property" shall mean the land, Buildings, all improvements and structures now or hereafter placed on the land described in Exhibit "A", and all easements, rights and appurtenances belonging thereto, and all articles of personalty intended for use in connection therewith.

1.9.25 "Renting or Leasing" a Unit shall mean the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but shall not mean or include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

1.9.26 "Survey Map and Plans" shall mean the survey map and the plans recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.

ARTICLE 2

DESCRIPTION OF LAND

2.1 Description of Land. The land on which the Buildings and improvements provided for in this Declaration are located is described in Exhibit "A" attached hereto.

ARTICLE 3

DESCRIPTION OF BUILDINGS AND IMPROVEMENTS

3.1 Buildings. A description of the principal materials of which the Buildings are constructed, the number of floors in each Building and the number of Units, storage areas, and parking spaces is set forth in Exhibit "B" attached hereto.

ARTICLE 4

DESCRIPTION OF UNITS, LOCATION AREA AND NUMBER OF ROOMS

4.1 Building Location. Each Unit Building is identified and shown on the survey map filed in conjunction herewith,

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recorded under Auditor's File No. 9501170107, in Volume 16
of ~~Condominiums~~ ^{Plans}, at pages 15 & 16, on JANUARY 17, 1995,
records of Skagit County, Washington.

4.2 Unit Location. Each Unit and parking space (if any) is identified by a letter and/or number. The location of each Unit and parking space (if any) is shown in the Plans filed in conjunction herewith.

4.3 Unit Description. In Exhibits "B" attached hereto, each Unit is described by Unit number, floor location, kind and number of rooms in the Unit, and total square foot floor area of such Unit.

ARTICLE 5

ACCESS

5.1 Access to Common Ways. Each Unit has direct access to Common Elements, including walks, parking areas and/or driveways.

5.2 Access to Public Streets. The Common Elements have a direct access to Roosevelt Way.

ARTICLE 6

DESCRIPTION OF COMMON ELEMENTS AND FACILITIES; CERTAIN ITEMS MAY BE MADE OWNER'S RESPONSIBILITY

6.1 Except as otherwise specifically reserved, assigned or limited by the provisions of Article 7 hereof, the Common Elements and Facilities consist of the following:

6.1.1 The land described in Exhibit "A".

6.1.2 The windows, roofs, foundation, columns, girders, studding, joists, beams, supports, walls (except nonbearing interior partitions of Units), chimneys, and all other structural parts of the Buildings, to the interior surfaces of the Units' perimeter walls, floors, ceiling, windows, and doors; that is, to the boundaries of the Units as the boundaries are defined in the Act, and any replacements thereto.

6.1.3 Installation of central services 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 and whether they serve one (1) Unit, all Units or the Common Elements; tanks, pumps, motors, fans, compressors, ducts; and in general all apparatus and installations existing for common use;

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but excluding plumbing, electrical and similar fixtures, which fixtures are located within a Unit for the exclusive use of that Unit.

6.1.4 The driving areas (not assigned as limited common elements in Article 7) which provide access to the Limited Common Elements for parking, and any guest parking or other parking areas not assigned to Units.

6.1.5 The landscaped areas and walkways (not assigned as limited common elements in Article 7) which surround and provide access to the Buildings or are used for aesthetic purposes.

6.1.6 Premises for the lodging or use of persons in charge of, or maintaining, the Property, if any.

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

6.1.8 Certain items which could ordinarily be considered Common Elements (such as but not limited to screen doors, window screens, awnings, storm windows, planter boxes, and the like), may, pursuant to decision of a majority of Owners and specifications in the Bylaws or administrative rules, be designated Limited Common Elements and as items to be furnished and maintained by the individual Unit Owner or Owners (who are directly benefiting from or using said items) at their individual expense, in good order, according to standards and requirements set by the Board by rule, regulation or Bylaws.

ARTICLE 7

DESCRIPTION OF LIMITED COMMON ELEMENTS: EASEMENTS FOR EXCLUSIVE USE RESERVED FOR CERTAIN UNITS

7.1 Limited Common Elements. The Limited Common Elements and Facilities are reserved for the exclusive use of the Owner or Owners of the Unit or Units to which they are adjacent or assigned and consist of:

7.1.1 The parking spaces and driving areas of the kind referred to in Section 6.1.4 which are assigned to a Unit by the Declarant pursuant to Section 7.2 and as more particularly shown on the Survey Map and Plans, the boundaries of said parking area being defined by the curbs and/or striping enclosing said parking area.

7.1.2 Such other Limited Common Elements, if any, as may be described in Exhibit "B" attached hereto.

DECLARATION OF CONDOMINIUM - 7

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7.2 Parking Assignment. The total number of parking spaces is shown on Exhibit "B" attached hereto, and the general locations of parking spaces are depicted on the Survey Map and Plans. The Owner of each Unit has the unqualified right to use the parking space or spaces which will be assigned as provided in this Section 7.2. Declarant reserves the right to make the initial assignment of parking spaces, such assignment being made in Exhibit "C" attached hereto, in the event said assignments are different than those set forth on the Survey Map and Plans, or any amendments thereto. With respect to each Unit, Declarant shall make such assignments prior to or contemporaneously with the closing of the sale of such Unit by Declarant. Declarant reserves the right to assign as few as zero or as many as five parking spaces to any one Unit.

7.3 Transfer of Parking Rights.

7.3.1 After Declarant's initial assignment, any Unit Owner may rent or lease the parking space or spaces assigned to that Unit, if any, to any other Unit Owner; provided, that the rental or lease term shall automatically expire on the date the Lessor/Unit Owner disposes of its interest in the Unit, whether such disposition is by deed, contract, foreclosure or otherwise; and provided further, that the Board shall be notified in writing of the existence of any such rental or lease arrangement.

7.3.2 Notwithstanding any other provision of this Declaration to the contrary, the Limited Common Element parking space(s) assigned to a Unit, if any, may be reassigned as a Limited Common Element from one Unit to another Unit if the owners of both Units, at their sole expense, prepare an appropriate amendment to this Declaration and the Survey Map and Plans; submit for approval, as to form and legality, such amendment to the Board, who may require such Owners to also obtain such approval from the Association's attorney and/or title insurer; obtain the written consent of the record Mortgagees, if any, of such Units; and cause such amendment to be executed and recorded as provided in Section 21 hereof. Any such amendment complying with the requirements of this Section 7.3 shall be deemed consented to by the Owners and Mortgagees of all the Units.

ARTICLE 8

VALUE AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS

The value of the entire Property and the value and percentages of interest for each Unit are expressed in Exhibit "C" attached hereto. Each Unit includes all the Limited Common Elements appertaining to thereto and the percentage of undivided interest in the Common Elements appertaining thereto. The values are required by the Act and do not reflect, necessarily, the

amount for which a Unit will be sold, from time to time, by Declarant or others. Each Unit's percentage interest in the Common Elements and share of common expenses is calculated by dividing the value declared for such Unit in Exhibit "C" by the value of the entire Property declared in Exhibit "C" (as such entire Property value may be amended as subsequent phases are added). The undivided interest and share of common expenses appertaining to each Unit cannot be changed except as provided in Article 21. The undivided interest in the Common Elements and the title to the respective Units shall not be separated or separately conveyed and each undivided interest shall be deemed to be conveyed with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the title of the Unit.

ARTICLE 9

OWNER'S ASSOCIATION

9.1 Form of Association. The association shall be incorporated as a non-profit corporation. From and after the formation of 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, this Declaration and the Bylaws.

9.2 Membership.

9.2.1 Qualifications. Each owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit so owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Unit Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit 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 Unit 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 Unit and then only to the transferee of title of such Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association 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 seven (7) votes and each Unit Owner shall have one (1) vote; if Declarant elects to construct Phase Two, each Unit Owner therein shall also have one (1) vote.

9.3.2 Voting Owner. There shall be one (1) voting representative of each Unit. Declarant shall be considered an "Owner" as that term is used herein, and shall be the voting representative, with respect to any Unit or Units owned by Declarant. If a person (including Declarant) owns more than one Unit, he/she shall have the votes for each Unit owned. The voting representative shall be designated by the Owner or Owners of each Unit by written notice to the Board, and need not be an Owner or a natural person. The designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in the Unit. This power of designation and revocation may be exercised by the guardian of a Unit 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 voting representative of each Unit shall be the group composed of all its Owners.

9.3.3 Joint Owner Disputes. The vote for a Unit must be cast as a single vote, and 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 (1) vote is cast for a particular Unit, 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 the Unit for ninety (90) consecutive days or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Unit Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee or vendor will be recognized in regard to the special matter upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this subsection shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees, if any.

9.4 Meetings, Audits, Notices of Meetings.

9.4.1 Annual Meetings, Audits. There shall be an annual meeting of the Owners in the first quarter of each calendar year, or such other fiscal year as the Board may by resolution adopt, 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. At the annual meeting, there shall be presented an audit of the Common Expenses, itemizing receipts and disbursements for the preceding fiscal year, and the allocation thereof to each Owner, and the estimated Common Expenses for the coming fiscal year. The Board at any time, or by written request of Owners having at least forty percent (40%) of the total votes, may require that an audit of the Association and management books be presented at any special meeting. A Unit Owner, at his own expense, may at any reasonable time make an audit 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 after request by a majority of the Board, or by written request by the Owners having at least forty percent (40%) of the total votes, which notice shall be delivered not less than ten (10) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and in general the matters to be considered.

9.5 Bylaws of Association.

9.5.1 Adoption of Bylaws. Bylaws for the administration of the Association and the Property, and for other purposes not inconsistent with the Act or with the intent of this Declaration shall be adopted by the Association upon concurrence of those voting Owners holding a majority of the total voting power. Amendments to the Bylaws may be adopted at any regular or special meeting. Declarant may adopt initial Bylaws.

9.5.2 Bylaws Provisions. The Bylaws shall be deemed to contain provisions identical to those provided in this Article 9 and may contain supplementary, not inconsistent, provisions regarding the operation of the Condominium and administration of the Property. The Bylaws shall establish such provisions for quorum, ordering of meetings and details regarding the giving of notice as may be required for the proper administration of the Association and the Property.

ARTICLE 10

MANAGEMENT OF CONDOMINIUM

10.1 Administration of the Condominium. The Unit Owners covenant and agree that the administration of the Condominium shall be in accordance with the provisions of this Declaration and the Bylaws of the Association which are made a part thereof.

10.2 Management by Declarant. Until a date two (2) years from the date of the first conveyance of a Unit within the Project, or a date not more than sixty (60) days from the date on which Declarant shall have closed the sales of seventy-one percent (71%--rounded to the nearest 10th) of the Units, or the date on which Declarant elects to permanently relinquish all of its authority under this Section 10.2 by written notice to all Owners, whichever date first occurs, the Property shall be managed and the Association organized as follows, in the exercise of the sole discretion of the Declarant:

10.2.1 So long as no temporary board is then entitled to exercise management authority under Section 10.2.2, Declarant, or a Manager selected by Declarant, shall have the power and authority to exercise all the rights, duties and functions of the Board, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance, and collecting and expending all assessments and Association funds. The Declarant, or any such Manager, shall have the exclusive right to contract for all goods and services, payment for which is to be made from any Common Funds; provided, that the Association may not be bound directly or indirectly to contracts or leases without a right of termination of any such contract or lease without cause, exercisable without penalty at any time after transfer of control from the Declarant, upon not more than ninety (90) days' notice to the other party to the contract.

10.2.2 Declarant may at such times as Declarant deems appropriate select a temporary board of persons who own, or are purchasers of, Units, or are officers of corporations, trusts, partnerships or other entities owning or purchasing such Units. This temporary board shall have the full authority and all rights, responsibilities, privileges and duties to manage the Condominium under this Declaration and Bylaws, and shall be subject to all provisions of this Declaration and Bylaws; provided, that, after selecting any such temporary board, Declarant in the exercise of its sole discretion may at any time terminate such temporary board, and reassume its management authority under Section 10.2.1 or select a new temporary board under Section 10.2.2.

10.2.3 These requirements and covenants are made in order to assure that the Property and Condominium will be adequately administered in the initial phases of development, and to assure an orderly transition to Association operations. After the expiration of Declarant's management authority under Section 10.2, Declarant may elect to continue to exercise such authority on a day-to-day basis until a Board is elected pursuant to Section 10.3.

10.3 Management by Board. At the expiration of Declarant's management authority under Section 10.2, administrative power and authority for operating the Association shall vest in a Board of directors elected among the Unit Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. The Board may delegate all or any portion of its administrative duties to a Manager or officer of the Association, or in such manner as may be provided by the Bylaws. All Board positions shall be open for election at the first annual meeting, or a special meeting called for that purpose. The Board shall elect a president from among its members, who shall preside over meetings of the Board and the meetings of the Association.

10.4 Authority of the Board.

10.4.1 The Board, or the Manager, or the Declarant as provided in Section 10.1 hereto, for the benefit of the Condominium and the Owners, shall enforce the provisions of this Declaration and of the Bylaws, and shall have all powers and authority permitted to the Board under the Act and this Declaration, and shall acquire and shall pay for out of the Common Fund hereinafter provided for, all goods and services requisite for the proper functioning of the Condominium, including but not limited to the following:

(a) Water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility services, including utility easements, as required for the Common Element. If one or more Units or Common or Limited Common Elements are not separately metered, the utility service may be paid as a Common Expense, and the Board may by reasonable formula allocate a portion of such expense to each such Unit involved as a portion of its Common Expense.

(b) Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, and for fidelity of Association offices and other employees, as the same are more fully required hereafter and in the Bylaws.

(c) The services of persons or firms as required to properly manage the affairs of the Condominium to the

extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Element, whether such personnel are necessary or proper for the operation of the Common Element, and whether such personnel are employed directly by the Board or are furnished by the Manager.

(d) Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the Common Element, or the enforcement of this Declaration and Association Bylaws referred to herein.

(e) Painting, maintenance, repair and all landscaping and gardening work for the Common Element, and such furnishings and equipment for the Common Element 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 Element; provided, however, that the interior surfaces of each Unit 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 more particularly provided in Section 11.5.

(f) 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 Element or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular Units or their Owners, the cost thereof shall be specifically charged to the Owner of such Units.

(g) Maintenance and repair of any Unit, its appurtenances and appliances, and any Limited Common Elements, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Element or preserve the appearance and value of the Condominium, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Owner; provided that the Board shall levy a special charge against the Unit of such Owner for the cost of such maintenance or repair.

(h) The Board may also pay any amount necessary to discharge any lien or encumbrance 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 Elements, 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 (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall be specially charged against the Owners and the Unit responsible to the extent of their responsibility.

(i) The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay out of the Common Fund a capital addition or improvement (other than for purposes of restoring, repairing or replacing portions of the Common Elements) having a total cost in excess of One Thousand and No/100 dollars (\$1,000.00), without first obtaining the affirmative vote of a majority of Owners at a meeting called for such purpose, or if no such meeting is held, then the written consent of a majority of Owners; provided that any expenditure or contract for each capital addition or improvement in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) must be approved by Owners having not less than seventy-one percent (71%--rounded to the nearest 10th) of the voting power.

(j) 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.

(k) The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the Common Fund. The Board may delegate such powers subject to the terms hereof.

(l) 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 interest therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the Owners (as an appurtenance to and inseparable from the Unit owned by such Owner) in the same proportion as their respective interest in the Common Elements, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the common benefit of the Owners as the Board may direct. The Board shall not, however, in any case acquire, lease, or purchase real or personal property valued in excess of One Thousand and No/100 Dollars (\$1,000.00) except upon consent of a Majority vote of the Unit Owners; or valued in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) except upon a

seventy-one percent (71%--rounded to the nearest 10th) affirmative vote of the Unit Owners.

(m) The Board and its agent or employees, may enter any Unit or Limited Common Element 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 Fund if the entry was due to an emergency, or for the purpose of maintenance or repairs to Common or Limited Common Elements where the repairs were undertaken by or under the direction or authority of the Board; provided, if the repairs or maintenance were necessitated by or for the Unit entered or its Owners, or requested by its Owners, the costs thereof shall be specifically charged to such Unit.

(n) Each Owner, by the mere act of becoming an Owner or contract purchaser of a Unit, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as 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 Unit upon damage or destruction, and to secure insurance proceeds.

10.4.2 In the discharge of its duties and the exercise of its powers as set forth in Section 10.4.1, but subject to the limitations set forth in this Declaration (including Subsections 10.4.1(i) and (l) and 18.4), the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's pro rata share of said borrowed funds and the obligation to pay said pro rata share shall be a lien against said Unit and the undivided interest in the Common Elements appurtenant to said Unit. Provided, that the Owner of a Unit may remove said Unit and the percentage of undivided interest in the Common Elements appurtenant to such Unit from the lien of such assessment or from any other lien arising pursuant to the provisions of RCW 64.32.070 by payment of the fractional or proportional amounts attributable to such Unit. Such individual payments shall be computed by reference to the percentages appearing in this Declaration. Subsequent to any such payment, discharge, or satisfaction, the Unit and the percentage of undivided interest in the Common Elements appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce its rights against any Unit and the percentage of undivided interest in the Common

Elements appurtenant thereto not so paid, satisfied, or discharged.

10.4.3 Association Agreements. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Washington Condominium Act, this Declaration and the Bylaws shall be binding on all Owners, their successors and assigns.

ARTICLE 11

USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY

11.1 Commercial Units. The commercial Units shall be used: for commercial purposes only, and more specifically, only those uses which are now permitted by the City of Mount Vernon zoning ordinances for a C-2 zone, as the same are now in existence or as may hereafter be amended; or other reasonable uses normally incident to such purposes provided they are allowed by ordinance; and for purposes of operating the Association and managing the Condominium, if appropriate.

The buildings and Units may only be used for office purposes, retail and wholesale operations, and other light commercial purposes previously approved by the Board of Directors of this Condominium, and consistent with all applicable laws, ordinances and regulations of any governmental authority with jurisdiction.

11.2 Sales Facilities of Declarant. Notwithstanding any provision of Section 11.1, Declarant, its agent, 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 required, convenient or incidental to the construction, sale or rental of Units and appurtenant interests, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant. This Section 11.2 may not be amended without the prior written consent of Declarant so long as Declarant continues to own at least one (1) Unit.

11.3 Vehicle Parking Restrictions. Parking spaces (except fully enclosed garages) are restricted to use for parking of operative motor vehicles; other items and equipment may be parked or kept herein only subject to the rules or regulations of the Board. The Board shall require removal of any inoperative or improperly licensed vehicle, or any unsightly vehicle, and any other equipment or item improperly stored in parking spaces. If the same is not removed, the Board shall cause removal at the

risk and expense of the Owner thereof. Use of all parking areas may be regulated by the Board and is subject to the provisions of Article 7 of this Declaration.

11.4 Common Drives and Walks. Common drives, entrances, walks and parking areas, and other general Common Elements shall be used exclusively for normal transit and no obstructions and/or decorations or other items shall be placed thereon or therein except by express written consent of the Board.

11.5 Hazardous Substances. A person shall maintain or store on or in the Unit or Common Element or Limited Common Element (hereinafter referred to as Property,) only such property and materials which may be legally possessed by such person. No person shall improperly store or release from the Unit or the Common Elements or Limited Common Elements, any explosives or petroleum distillates, or improperly store, use or release therefrom any acids, caustics, or any other inflammable, toxic, explosive or other hazardous substance which may be hazardous to either the Property or the the health or safety of lawful occupants or invitees of the Condominium. Any person lawfully occupying any portion of the Property shall promptly provide written notice to the Association of his or her receipt of any notice of governmental action or third-party claims alleging noncompliance or suspected noncompliance with environmental laws or laws relating to hazardous substances. In the event of a spill or release of any hazardous substances within or from the Property, the person(s) causing or otherwise responsible for such spill or release shall promptly undertake thorough cleanup measures and provide notice to the Association and to any governmental entity with appropriate jurisdiction, of the occurrence of the spill or release, and of the measures taken for cleanup and remediation.

11.6 Compliance with Environmental Laws. Use of the Units, Common Elements and Limited Common Elements of this Condominium is subject to various federal, state and local laws, regulations and guidelines now in effect and/or hereafter enacted, related to or effecting the Property, concerning the impact on the environment of construction, land use, the maintenance and operation of structures in the conduct of business. No Unit Owner or Lessee shall cause, or permit to be caused, any act or practice by negligence, or omission, or otherwise, that would adversely affect the environment or do anything or permit anything to be done that would violate any of the said laws, regulations or guidelines. The foregoing shall cover all requirements whether or not foreseeable at the present time and regardless of their expense.

11.7 Interior Unit Maintenance.

11.7.1 Each Unit Owner shall, at his/her sole expense, have the right and the duty to keep the interior of his/her Unit and its equipment, appliances, and appurtenances in good order, condition and repair and shall do all cleaning, redecoration and painting at any time necessary to maintain the good appearance and condition of his Unit. Each Owner shall be responsible for the construction, alteration, maintenance, repairs or replacement of any plumbing fixtures, water heaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected with his/her Unit.

11.7.2 Without limiting the generality of the foregoing, each Owner shall have the right and the duty, at his sole cost and expense, to construct, alter, maintain, repair, paint, paper, panel, plaster, tile, and finish the windows, window frames, doors, door frames and trim, interior non-loading portions, and the interior surfaces of the ceilings, floors, and the perimeter walls of the Unit and the surfaces of the bearing and non-bearing walls located within his/her Unit and shall not permit or commit waste of his/her Unit and shall not permit or commit waste of his/her Unit or the Common Elements. Each Owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls; provided that, except for hard surface flooring installed by Declarant or installed as part of the original construction of the Building, no Owner shall install hard surface flooring within a Unit except with the prior written consent of the Board. This section shall not be construed as permitting any violation of any other provision of this Declaration or any interference with or damage to the structural integrity of the Building or interference with the use and enjoyment of the Common Elements or of the other Units or any of them, nor shall it be construed to limit the powers or obligations of the Board hereunder.

11.8 Limited Common Element Maintenance. Limited Common Elements, as defined in Article 7, are for the sole and exclusive use of the Units for which they are reserved or assigned; provided, that the use, condition and appearance thereof may be regulated under provisions of the Bylaws, rules or this Declaration including the following:

(a) Decisions with respect to the standard of appearance and condition of Limited Common Elements, and with respect to the necessity for, and manner of, caring for, maintaining, repairing, repainting or redecorating Limited Common Elements ("Maintenance Work" herein), shall be made by the Board;

(b) Performance of such Maintenance Work shall be carried out by the Board on behalf of the Owner or Owners of

Units to which the Limited Common Element in question is assigned or reserved; provided, that by written notice, the Board may permit such Owner or Owners to perform such Maintenance Work themselves;

(c) Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective Limited Common Elements without prior written approval of the Board;

(d) Unit Owners will be responsible for the cost of such Maintenance Work for the Limited Common Elements reserved for or assigned to their Units;

(e) With respect to a Limited Common Element reserved for or assigned to more than one Unit for the mutual and joint use thereof, the cost of such Maintenance Work for such Limited Common Element shall be divided in equal shares among the Units for which such Limited Common Element is reserved;

(f) With respect to any such Maintenance Work performed by the Board, the cost thereof (or the appropriate share thereof if the Limited Common Element in question has been assigned or reserved jointly to more than one Unit) shall be levied as a special charge against the Unit or Units (and the Owner or Owners thereof) to which such Limited Common Element is assigned or reserved.

11.9 Exterior Appearance. In order to preserve a uniform exterior appearance to the Building, and the Common and Limited Common Elements visible to the public, the Board shall require and provide for the painting and other decorative finish of the building, or other Common or Limited Common Elements, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of the building, or other Common or Limited Common Elements undertaken or proposed by any Owner. This power of the Board extends to screens, doors, awnings, rails or other visible portions of each Unit and Building. The Board may also require use of a uniform color and kind of Unit window covering (including draperies, blinds, shades, etc.) visible from the exterior or from Common Elements. This power of the Board is subject to the covenants and restrictions of the College Way Village Association as the same are now in effect or as may hereafter be amended. Said covenants and restrictions are incorporated herein by reference and made a part hereof as though fully set forth.

11.10 Effect on Insurance. Nothing shall be done or kept in any Unit or in the Common or Limited Common Element which will increase the rate of insurance on the Common Element or Unit

without the prior written consent of the Board. No Owner and/or Purchaser shall permit anything to be done or kept in his Unit or in the Common or Limited Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common or Limited Common Elements, or which would be in violation of any laws.

11.11 Signs. The Association shall maintain in good repair and provide for evening lighting of a major sign identifying the Building. The Association shall also designate portions of the Common Elements which may be used for commercial signage benefiting their Owners or their Tenants subject to such reasonable Rules and Regulations as the Board may adopt to assure uniformity of color, size, shape and tastefulness. Any such individual signage shall be installed and maintained at the expense of the Unit Owner. No sign of any kind shall be displayed to the public view on or from any Unit or Common or Limited Common Element without the prior consent of the Board; provided, that the Board shall, by and subject to appropriate rule, permit placement of one sign, not more than 18 square feet in size, at a space designated by the Board, indicating the name and nature of the Unit occupant's business or indicating that a Unit is for sale or lease; and provided, that this section shall not apply to Declarant or Declarant's agents in exercising the rights provided under Section 11.2

11.12 Animals. The maintenance, keeping, boarding and/or raising of animals, livestock, poultry, or reptiles of any kind, regardless of number, shall be and is hereby prohibited within any Unit or upon the Common or Limited Elements, except that the keeping of seeing-eye dogs, aquarium fish, and other limited types of species of animals which do not normally leave the Unit is permitted, subject to the Rules and Regulations adopted by the Board of Directors. Any Unit Owner who keeps or maintains any animal upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Unit Owners' Association, and each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal within the Condominium. The Board may at any time require the removal of any animal which it finds is or has become an unreasonable source of annoyance, and may exercise this authority for specific animals even though other animals are permitted to remain.

11.13 Offensive or Illegal Activity. No noxious, offensive or illegal activity shall be carried on in any Unit or Common or Limited Common Element, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners.

11.14 Common Element Alterations. Nothing shall be altered or constructed in, or (except for an Owner's personal property)

removed from, the Common Element except upon the written consent of the Board and after procedures required herein or by law.

11.15 House Rules. The Board or the Association membership is empowered to pass, amend and revoke detailed administrative rules and regulations, or "House Rules," necessary or convenient from time to time to insure compliance with the general guidelines of this Article. Such House Rules shall be binding on all Unit Owners, lessees, guests and invitees upon adoption by the Board or Association.

11.16 Rental Units. The Leasing or Renting of a Unit by its Owner shall be governed by the provisions of this Section 11.16:

11.16.1 With the exception of a lender in possession of a Unit following a default in a first Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of a foreclosure, no Unit Owner shall be permitted to Lease his Unit for any purpose for any period less than thirty (30) days. The Association may by resolution of the Board of Directors prohibit the Leasing of any Unit for a period of less than six (6) months.

11.16.2 No Unit Owner may Lease less than the entire Unit; provided, however, that Unit No. 7 may be leased as one or more separate and/or individual offices.

11.16.3 All Leasing or Rental agreements shall be in writing and be subject to this Declaration and Bylaws (with a default by the tenant in complying with this Declaration and/or Bylaws constituting a default under the Lease or Rental agreement).

11.16.4 If a Unit is rented by its Owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Unit as is required to pay any amounts due the Association hereunder, plus interest and costs if the same are in default over thirty (30) days. The renter or lessee shall not have the 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 of the Unit under this Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to such rents. Other than as stated in this Section 11.16, there is no restriction on the right of any Unit Owner to lease or otherwise rent his/her Unit; provided however, that any rental shall be in full compliance of any and all city, county, state and federal regulations which may be applicable thereto, and not be in

violation of any of said rules, regulations, ordinances or laws.

11.16.5 The assignment or subleasing of a Unit shall be subject to the same limitations as are applicable to the leasing or renting thereof. An Owner or Tenant may not exempt himself or herself from any liability under this Declaration or the Bylaws or Rules and Regulations by assigning or subleasing the occupancy rights to his or her Unit.

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

ARTICLE 12

COMMON EXPENSES AND ASSESSMENTS

12.1 Estimated Expenses. Within sixty (60) days prior to the beginning of each calendar year, or such other fiscal year as the Board may adopt, the Board: shall estimate the charges including Common Expenses, and any special charges for particular Units to be paid during such year, shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as for maintenance, repair, replacement and acquisition of Common Elements; and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular monthly Assessments a reserve fund for replacement of those Common Elements which can reasonably be expected to require replacement or a major repair prior to the end of the useful life of the Building(s). The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace, or perform such major repair, to each Common Element covered by the fund at the end of the estimated useful life of each such Common Element. The initial Board, whether appointed by Declarant or elected by Unit Owners, 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 non-payment 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 according to Section 12.4. Similarly, if the sum estimated and budgeted, and being collected and/or already collected, at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in excess of current needs and required reserves) against future Assessments and/or refund such excess funds.

12.2 Payment by Owners. Each Owner shall be obligated to pay its share of Common Expenses and special charges made

pursuant to this Article to the treasurer for the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate. No Owner may exempt himself/herself from liability for payment of assessments for any reason, including waiver of use or enjoyment of any of the Common Elements or abandonment of the Owner's Unit.

12.3 Commencement of Assessments. The Declarant in the exercise of its reasonable discretion shall determine when the Association shall commence making Assessments; provided, that in all events Assessments shall commence on a date within sixty (60) days after the earlier of: (a) the date six (6) months after the date of first conveyance of a Unit to an owner (other than Declarant or an Affiliate of Declarant) or (b) the date on which seventy-one percent (71%--rounded to the nearest 10th) of the Units which may be created have been conveyed to Owners (other than Declarant or an Affiliate of Declarant). Until the Association makes an Assessment, the Declarant shall pay all Common Expenses. After any Assessment has been made by the Association, Assessments must be made against all Units, based on a budget adopted by the Association; provided, for a period not to exceed twelve (12) months following the date of first conveyance of a Unit to an Owner other than Declarant or an Affiliate of Declarant, the Board (whether appointed by Declarant or elected by Unit Owners) may elect not to collect monthly assessments calculated as provided in Section 12.1 and instead elect to collect and expend monthly assessments based on the actual costs of maintaining, repairing, operating and insuring the Common Areas.

12.4 Allocated Liability. Except for Assessments under Sections 12.5, 12.6, 12.7 and 12.8, all Common Expenses must be assessed against all the Units in accordance with the allocations set forth in Exhibit C. Any past due Common Expense Assessment or installment thereof bears interest at the rate established by the Association pursuant to Section 12.12.12.

12.5 Limited Common Element. Any Common Expense associated with the operation, maintenance, repair, or replacement of a Limited Common Element shall be paid by the Owner of or assessed against the Units to which that Limited Common Element is assigned, equally.

12.6 Only Some Units Benefitted. The Board may elect that any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefitted.

12.7 Insurance Costs. The Board may elect that the costs of insurance must be assessed in proportion to risk.

12.8 Utility Costs. The Board may elect that the costs of utilities must be assessed in proportion to usage.

12.9 Assessments for Judgment. Assessments to pay a judgment against the Association pursuant to RCW 64.34.368(1) may be made only against the Units in the Condominium at the time the judgment was entered in proportion to their Allocated Common Expense Liabilities at the time the judgment was entered.

12.10 Owner Misconduct. To the extent that any Common Expense is caused by the misconduct of any Unit Owner, the Association shall assess that expense against the Owner's Unit.

12.11 Reallocation. If Common Expense Liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

12.12 Lien for Assessments.

12.12.1 Lien. The Association has a lien on a Unit for any unpaid Assessments levied against a Unit from the time the Assessment is due.

12.12.2 Priority. A lien under Section 12.12 shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of the Declaration; (b) a Mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the Unit.

12.12.3 Mortgage Priority. Except as provided in Sections 12.12.4 and below, the lien shall also be prior to the Mortgage described in Section 12.12.2(b) to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the Association pursuant to Section 12.1, which would have become due during the six (6) months immediately preceding the date of the sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee, the date of a trustee's sale in a nonjudicial foreclosure by a Mortgage, or the date of recording of the Declaration of Forfeiture in a proceeding by the vendor under a real estate contract. If the Association forecloses its lien nonjudicially pursuant to RCW 61.24, as provided in 12.12.7 below, the Association shall not be entitled to the lien priority provided for in this Section 12.12.3.

12.12.4 Mortgagee Notice. The priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent

Assessments shall be reduced by up to three (3) months if and to the extent that the lien priority under Section 12.12.3 includes delinquencies which relate to a period after such holder becomes an eligible Mortgagee or has given such request for notice and before the Association gives the holder a written notice of the delinquency. This Section does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other Assessments made by the Association.

12.12.5 Recording as Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. While no further recording of any claim of lien for Assessment under this section shall be required to perfect the Association's lien, the Association may record a notice of claim of lien for Assessments under this Section in the real property records of any county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to in Section 12.12.3.

12.12.6 Limitation on Action. A lien for unpaid Assessments and the personal liability for payment of any Assessment is extinguished unless a proceeding to enforce the lien or collect the debt are instituted within three (3) years after the amount of the Assessments sought to be recovered becomes due.

12.12.7 Foreclosure. The lien arising under Section 12.12 may be enforced judicially by the Association or its authorized representative in the manner set forth in chapter 61.12 RCW. The lien may also be enforced nonjudicially in the manner set forth in RCW 61.24, subject to the requirements of RCW 64.34.364(9). The Association or its authorized representative shall have the power to purchase the unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight (8) months. Nothing in this Section shall prohibit an Association from taking a deed in lieu of foreclosure.

12.12.8 Receiver. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments for a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and

charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this section, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

12.12.9 Mortgagee Liability. Except as provided in Section 12.12.3, the holder of a Mortgage or other Purchaser of a Unit who obtains the right of possession of the Unit through foreclosure shall not be liable for Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Unit Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale as provided in this Section.

12.12.10 Lien Surviving Sale. Any lien or lien rights arising under Section 12.12 shall not be affected by the sale or transfer of the subject Unit except in the event of sale through foreclosure, as provided in Section 12.12.9.

12.12.11 Owner Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

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

12.12.13 Attorneys' Fees. The prevailing party shall be entitled to recover any and all reasonable costs and attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover

reasonable costs and attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

12.12.14 Assessment Certificate. The Association, upon written request, shall furnish to a Unit Owner or a Mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid Assessments against that Unit. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board and every Unit Owner, unless and to the extent known by the recipient to be false.

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

12.14 Delinquent Assessment Deposit; Working Capital.

12.14.1 Delinquent Assessment Deposit.

(a) A Unit Owner may be required by the Board or by the Manager, from time to time, to make and maintain a deposit not less than one (1) month nor in excess of three (3) months estimated monthly Assessment and charges, which may be collected as are other Assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent Assessments.

(b) 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 and charges. Said deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon said deposit as a result of a Unit Owner's delinquency in payment of any Assessments, said Owner shall continue to be responsible for the immediate and full payment of said delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of said deposit, and the Board shall continue to have all of the rights and remedies for enforcing such assessment payment and deposit restoration as provided by this Declaration and by law.

(c) Upon the sale of a Unit, the Seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, and Unit Purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the Purchaser appropriate compensation therefor.

12.14.2 Working Capital Contribution. The first Purchaser of any Unit shall pay to the Association, in addition to other amounts due, an amount equal to two (2) months of monthly Assessments as a contribution to the Association's working capital. Such working capital contributions shall not be used to defray Declarant's expenses in completing the construction of the Condominium, to pay Declarant's contributions to Association reserves or to make up any deficits in the budget of the Association. Upon the election of the first Board by Unit Owners other than Declarant, Declarant shall pay to the Association as a working capital contribution an amount equal to two (2) months of monthly Assessments for each of the Units then owned by Declarant. When a Unit owned by Declarant is sold, Declarant may apply funds collected at closing from the Purchaser to reimburse itself for funds paid to the Association for such contribution with respect to that Unit.

ARTICLE 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 of property insurance covering all of the general Common and Limited Common Elements including fixtures and Building service equipment, common personal property and supplies belonging to the Association, which shall include at a minimum:

13.1.1 Fire insurance, with extended coverage (including vandalism, malicious mischief, debris removal, windstorm and water damage) endorsement, in an amount equal to the full insurable current replacement value (without deduction for depreciation, but with exclusion of land, foundation, excavation and other items normally excluded from coverage) of the Common and Limited Common Elements and the Units, with the Board named as insured, as trustee for the use and benefit of Owners and Mortgagees as their interest 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 Mortgagees, in the percentage of common ownership as

set forth in Exhibit "C". Said policy or policies shall provide for separate protection for each Unit to the full insurable replacement value thereto (limited as above provided), and a separate loss payable endorsement, in favor of the Mortgagee or Mortgagees of each Unit, if any, and further, a separate loss payable clause in favor of the Mortgagee of the Condominium, if any.

13.1.2 General comprehensive liability insurance insuring the Board, the Association, the Owners, Declarant and Manager against any liability to the public or to the Owners of Units, and their invitees, or tenants, incident to the ownership or use of the Common and Limited Common Elements (including but not limited to owned and non-owned property of others and, if applicable, collision and garagekeeper's liability), and legal liability arising out of lawsuits related to employment contracts of the Association, the liability under which insurance shall be in 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, including death and/or property damage arising out of a single occurrence (such policy limits to 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 claims of an Owner because of the negligent acts of the Association or another Owner.

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

13.1.4 Fidelity bonds naming the members of the Board, the manager and its employees and such other persons as may be designated by the Board as principals and the Association as obligee, in at least an amount equal to one hundred fifty percent (150%) of the estimated maximum funding, including reserve funds, in the custody of the Association or Manager at any given time during the term of each bond or an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the condominium project, including reserves (whichever amount is greater); provided that in no event shall the aggregate amount of such bond be less than three (3) months' aggregate assessments for all Units plus reserves. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions 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 Such other insurance as the Board deems advisable; provided, that notwithstanding any other provisions

herein the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Unit within the project, except to the extent such coverage is not available or has been waived in writing by such agency. In addition, the Board may elect to maintain director's and officer's liability (or related) insurance, at Association expense.

13.2 Owner's Additional Insurance. Each Owner shall obtain additional insurance respecting his/her Unit as contemplated under RCW 64.34.352) at his/her own expense; no Owner shall, however, be entitled to exercise his/her right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on 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/her Unit the value of which is in excess of One Thousand Dollars (\$1,000.00). Each 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 may review its effect with the Board's insurance broker, agent or carrier.

13.3 Insurance Proceeds. Insurance proceeds for damage or destruction to any part of the Property shall be paid to the Board on behalf of the Association which shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 14. The Association acting through its Board shall have the exclusive 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 insured under the policy. Notwithstanding the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Owner's Association's authorized representative, including the Board or any other trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

Each Unit Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the

Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee is required to receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first Mortgagees, as their interests may appear.

13.4 Additional Provisions. The Board shall obtain insurance policies which:

(a) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaims, apportionment, proration, contribution or assessment by reason of, any other insurance obtained by or for any Unit Owner or any Mortgagee;

(b) Contain no provision relieving the insurer from liability for loss because of any act or neglect that is not within the control of the Association or because of any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control;

(c) Contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit and/or their respective agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

(d) Provide that, despite any provision giving the insurer the right to restore damage in lieu of a cash settlement such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provision of any insurance trust agreement to which the Association is a party, or any requirement of law;

(e) Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds;

(f) May not be cancelled or modified substantially without at least ten (10) days' prior written notice to the Association and each holder of a first Mortgage listed in the insurance policy as a scheduled holder of a first mortgage; and

(g) Contains, if available, an agreed amount and Inflation Guard Endorsement.

ARTICLE 14

DAMAGE OR DESTRUCTION; RECONSTRUCTION

14.1 Initial Board Determinations. In the event of damage or destruction to any part of the Property, the Board shall promptly, and in all events within twenty (20) 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, together with an inventory of the improvements and property directly affected thereby.

14.1.2 A reasonably reliable estimate of the costs to repair and restore the damage and destruction, 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 based on 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 therefor and the amount of assessment to each Unit if such excess was paid as a Common Expense and specially assessed against all the Units in proportion to their percentage of interest in the Common Elements.

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

14.2 Notice of Damage or Destruction. The Board shall promptly, and in all events within forty-five (45) days after the date of damage or destruction, provide each Owner, and each first Mortgagee with a written notice summarizing the initial Board determination made under Section 14.1. If the Board fails to do so within said forty-five (45) days, then any Owner or first Mortgagee may make the determination required under Section 14.1 and give the notice required under this Section 14.2.

14.3 Definitions; Restoration; Emergency Work.

14.3.1 As used in this Article 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, with each Unit and the Common and Limited Common Elements having substantially the same vertical and horizontal boundaries as 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 Article 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 subsection 14.3.2) the Owners shall have decided not to Repair and Reconstruct in accordance with the provisions of either subsection 14.5.3 or 14.6.3, the Board shall promptly Repair and Restore the damage and destruction, 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 Units in proportion to their percentages of interest in the Common Elements.

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 is reasonably necessary to effectuate the Repair and Restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with Repair and Restoration upon satisfaction of the Board 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 or licensed Attorney at Law that such firm or institution or individual 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 or individual to collect the insurance proceeds and carry out the provisions of this Article.

14.5 **Limited Damage; Assessment Under \$3,500.00.** If the amount of the estimated assessment determined under subsection 14.1.4 does not exceed Three Thousand Five Hundred Dollars (\$3,500.00) for any one Unit, then the provisions of this Section 14.5 shall apply:

14.5.1 The Board may, but shall not be required to, call a special Owners' meeting to consider such Repair and Restoration work, which notice shall be given simultaneously with the notice required to be given by the Board under Section 14.2 above. If the Board shall fail to call such meeting, then the requisite number of Owners or any first Mortgagee, within fifteen (15) days of receipt of the notice given by the Board under Section 14.2 above, or the expiration of such thirty (30)-day period, whichever is less, may call such special Owners' meeting to consider such Repair and Restoration work. Any meeting called for under this Section 14.5.1 shall be convened not less than ten (10) nor more than twenty (20) days after the date of such notice of meeting.

14.5.2 Except for Emergency Work, no Repair and Restoration work shall be commenced until after the expiration of the notice period set forth in Section 14.5.1 and until after the conclusion of said special meeting if such meeting is called within said requisite period.

14.5.3 A unanimous written decision of the Unit Owners and first Mortgagees (based upon one vote for each Mortgage owned) will be required to avoid the provisions of subsection 14.4.1 and to determine not to Repair and Restore the damage and destruction in accordance with the original plans, as amended by subsequent amendments, if any; provided, that the failure of the Board, the requisite number of Owners or a first Mortgagee to call for a special meeting at the time or in the manner set forth in Section 14.5 shall be deemed a unanimous decision to undertake such work.

14.6 Major Damage; Assessment Over \$3,500.00. If the amount of the estimated assessment determined under subsection 14.1.4 exceeds Three Thousand Five Hundred Dollars (\$3,500.00) for any one Unit, then the provisions of this Section 14.6 shall apply:

14.6.1 The Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, provide written notice of a special Owners' meeting to consider Repair and Restoration of such damage or destruction, which notice shall be delivered with the notice required to be provided under Section 14.2 above. If the Board fails to do so within said thirty (30)-day period, then notwithstanding the provisions of this Declaration or the Bylaws with respect to calling special meetings, any Owner or first Mortgagee may within fifteen (15) days of the expiration of said thirty (30)-day period, or receipt of the notice required to be provided by the Board under Section 14.2 above, whichever is less, call a special meeting of the Owners to consider Repair and Restoration of such damage or destruction by providing written notice of such meeting to all Owners and first Mortgagees. Any meeting held pursuant to this

Section 14.6 shall be called by written notice and shall be convened not less than ten (10) nor more than twenty (20) days from the date of such notice of meeting.

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 subsection 14.6.1.

14.6.3 A concurrence in writing of more than seventy-one percent (71%--rounded to the nearest 10th) of the first Mortgagees (based upon one vote for each first Mortgage owned), and Owners (other than the sponsor, developer, or builder) of the individual Units will be required to avoid the provisions of Section 14.4 and to determine not to Repair and restore the damage and destruction; provided, however, that the failure to obtain said seventy-one percent (71%--rounded to the nearest 10th) concurrence in writing shall be deemed a decision to Rebuild and Restore the damage and destruction in accordance with the original plans, as amended by subsequent amendments, if any; provided, further, that the failure of the Board, or Owners or first Mortgagees to convene the special meeting required under subsection 14.6.1 within ninety (90) days after the date of damage or destruction shall be deemed a unanimous decision not to undertake such Repair and Restoration work.

14.7 Decision Not to Restore; Disposition. In the event of a decision under either subsections 14.5.3 or 14.6.3 not to Repair and Restore damage and destruction, 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 Property shall thereafter be held and distributed as follows:

14.7.1 The Property shall be owned in common by the Unit 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 appertains to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Elements;

14.7.3 Any Mortgages or liens affecting any of the Units shall be deemed transferred in accordance with the existing properties to the percentage of the undivided interest of the Unit Owner in the Property as provided herein; and

14.8 Miscellaneous. The provisions of this Article 14 shall constitute the procedure by which a determination is made

by the Unit Owners to Repair, Restore, Reconstruct or Rebuild as provided in the Act. By the act of accepting an interest in the Property, each Unit Owner and party claiming by, through or under such Owner hereby consents and agrees to the provisions hereof. In the event that any provision of the Article 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 Article 14 shall be to provide a fair and equitable method of allocating the costs of Repair and Restoration if all or a portion of the improvements are damaged or destroyed. The provisions of this Article 14 shall be liberally construed to accomplish such purpose. By unanimous vote of the Unit Owners, which vote shall be taken within ninety (90) days after the damage or destruction, the Owners may determine to do otherwise than provided in the is Article 14.

ARTICLE 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 or any part of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article 15 shall apply. The Board shall provide each Owner, and each first Mortgagee with a written notice of the commencement of any such condemnation proceeding, and of any proposed sale or disposition in lieu thereof, in advance of such proceeding or sale.

15.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

15.3 Complete Taking. In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the respective undivided interest in the Common Element; 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 principle, 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 that purpose, 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 is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder 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 taking of or injury to the Common Elements which in turn shall be apportioned among Owners in proportion to their respective undivided interests in the Common Elements.

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

15.4.4 The respective amounts allocated to the taking of or injury to a particular Unit and/or improvement an Owner had made within his own Unit shall be apportioned to the particular Unit 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 Mortgagees in the manner provided in Section 15.3.

15.5 Reductions of Condominium Upon Partial Taking. In the event that (a) a partial taking occurs which pursuant to Section 15.4 does not result in a termination of condominium ownership hereunder, and (b) at least one (1) Unit is taken or condemned and (c) the condemning authority elects not to hold, use and own said Unit as a Condominium Unit Owner subject to and in accordance with this Declaration, then the provisions of this Section 15.5 shall take effect immediately upon the condemning authority taking possession of the Unit or Units so taken or condemned:

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

15.5.2 The general Common Elements subject to this Declaration shall be reduced to that Common Element not so taken or condemned.

15.5.3 The Limited Common Elements, which were not taken or condemned, but which were appurtenant to Units that were taken or condemned, shall be deemed part of the general Common Elements remaining subject to this Declaration.

15.5.4 The percentage of undivided interest in the Common Elements appurtenant to each Unit not so taken or condemned shall be recalculated on the basis that the value of each of said Units shall remain the same as set forth in Exhibit "C" and that value of the entire Property not so taken or condemned shall be the aggregate of said values of said Units.

15.5.5 Except with respect to the share of proceeds apportioned pursuant to Section 15.4, no Owner or Mortgagee of a Unit so taken or condemned shall have, nor shall there be appurtenant to any Unit so taken or condemned, any right, title, interest, privilege, duty or obligation in, to or with respect to the Association and any Unit, Common Element or Limited Common Element which remains subject to this Declaration and which is not so taken or condemned.

15.5.6 Except as otherwise expressly provided in Section 15.5, the rights, title, interest, privileges, duties and obligations of an Owner and Mortgagee in, to or with respect to a Unit not so taken or condemned (and in, to or with respect to the Association and the Common Elements and Limited Common Elements appurtenant to said Unit) shall continue in full force and effect as provided in this Declaration.

15.5.7 The provisions of Section 15.5 shall be binding upon and inure to the benefit of all Owners and Mortgagees of (and other persons having or claiming to have any interest in) all Units which are, as well as all Units which are not, so taken or condemned. 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, Survey Map and Plans) as are reasonably necessary to effectuate the provisions of Section 15.5.

15.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 14 above, provided that the Board may retain and apply such portion of each Owner's share of the

Condemnation Award as is necessary to discharge said Owner's liability for any special assessment arising from the operation of said Article 14.

ARTICLE 16

COMPLIANCE WITH DECLARATION

16.1. Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration, the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Owners), or by the aggrieved Owner on his own against the party (including an Owner or the Association) failing to comply.

16.2 No Waiver of Strict Compliance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of 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 section also extends to the Manager and to 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.

ARTICLE 17

LIMITATION OF LIABILITY

17.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to Article 13, neither the Association nor the Board nor the Manager (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; or for injury or damage to person or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust or sand which may lead or flow from outside or from any parts of the buildings, or from any of its

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pipes, drains, conduits, appliances, or equipment, or from any other places; 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, or for such injury or damage, or for such inconvenience or discomfort.

17.2 No Personal Liability. So long as a Board member, Association committee member, Association officer, Declarant or Declarant's managing agent exercising the power 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, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; provided, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 13.

17.3 Indemnification of Board Members. Each Board member or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of the law in the performance of his duties and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property or services to which said person is not legally entitled. Provided, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The Board, in its discretion, may obtain at the Association's expense, director's and officer's liability (or comparable) insurance.

ARTICLE 18

MORTGAGE PROTECTION

18.1 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 such notice, and the agreement with such professional manager (any agreement for the providing of goods and/or services between the Association and the Declarant) shall: permit cancellation by the Association for cause upon thirty (30) days' written notice; permit termination by either party without cause and without penalty or payment of a termination fee on ninety (90) days' or less written notice; and have a term not in excess of one (1) year, renewable by agreement of the parties for successive one-year periods. The Association shall not elect to terminate professional management and assume self-management without the prior written approval of seventy-one percent (71%--rounded to the nearest 10th) of the Owners and of all first mortgagees (based upon one vote for each first Mortgage owned); provided that such prior consent shall not be required to change from one professional manager to another professional manager.

18.2 Abandonment of Condominium Status. Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not: without prior written approval of one hundred percent (100%) of all first Mortgagees (based upon one vote for each first Mortgage owned) and Owners (other than the sponsor, developer or builder) of record of the Units, seek by act or omission to abandon or terminate the condominium status of the project; or without seventy-one percent (71%--rounded to the nearest 10th) of all first Mortgagees (based upon one vote for each first mortgage owned) and Owners (other than the sponsor, developer or builder) of record of the Units, seek by act or omission to abandon, encumber, sell or transfer any of the Common Elements.

18.3 Partitions and Subdivision. The Association shall not combine nor subdivide any Unit or the appurtenant Limited Common Elements, nor abandon, partition, subdivide, encumber or sell any Common Elements, or accept any proposal so to do, without the prior written approval of seventy-one percent (71%--rounded to the nearest 10th) of all first Mortgagees (based upon one vote for each first Mortgage owned) and Owners (other than the sponsor, developer or builder) of record of the Units, and without unanimous approval of the first Mortgagee(s) and Owner(s) of the Unit(s), so affected.

18.4 Change in Percentages. The Association shall not make any Material Amendment (as defined in Section 21.1) to this Declaration or Bylaws (including changes in the percentages of interest in the Common Elements) without the prior written approval of seventy-one percent (71%--rounded to the nearest 10th) of all first Mortgagees (based upon one vote for each first Mortgage owned) and Owners (other than the sponsor, developer or builder) of record of the Units, and without unanimous approval of the Mortgagee(s) and Owner(s) of the Unit(s) for which the percentage(s) would be changed.

18.5 Copies of Notices. A Mortgagee of a Unit (and any insurer or guarantor of such Mortgage) shall be entitled to receive timely written notice: a) that the Owner/Mortgagor of the Unit has for more than sixty (60) days failed to meet any obligation under the Condominium documents; b) of all meetings of the Association and be permitted to designate a representative to attend all such meetings; c) of any condemnation loss or casualty loss affecting a material portion of the Property or the Unit on which it holds a Mortgage; d) of any lapse, cancellation or material modification of insurance policies or fidelity bonds maintained by the Association; and, e) of any proposed action that requires the consent of a specified percentage of Mortgagees. To be entitled to receive notices under this Section 18.6, the Mortgagee (or Mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guarantees) the Mortgage.

18.6 Effect of Declaration Amendments. No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such Mortgage. Any provision of this Declaration conferring rights upon Mortgagees which is consistent with any other provision of said Declaration or the Bylaws shall control over such other inconsistent provisions.

18.7 Insurance.

18.7.1 With respect to a first Mortgagee of a Unit, the Board shall:

(a) Furnish such Mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the Unit on which such Mortgagee has a lien;

(b) Require an insurance carrier to give the Board and any and all insureds (including such Mortgagees) at least thirty (30) days' written notice before cancelling, reducing the coverage or limits, or otherwise substantially modifying any insurance with respect to the Property on which the Mortgagee has a lien (including cancellation for a premium non-payment);

(c) Not make any settlement of any insurance claims for loss or damage to any such Unit, Common or Limited Common Element exceeding Five Thousand and No/100 Dollars (\$5,000.00) without the approval of such Mortgagee; provided, that the withholding of such approval shall not be

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unreasonable or in conflict with the provisions of Article 14;

(d) Give such Mortgagee written notice of any loss or taking affecting Common Elements, if such loss or taking exceeds Ten Thousand and No/100 Dollars (\$10,000.00);

(e) Give such Mortgagee written notice of any loss, damage or taking affecting any Unit or Limited Common Elements in which it has an interest, if such loss, damage or taking exceeds One Thousand and No/100 Dollars (\$1,000.00);

18.7.2 In addition, the insurance policy acquired shall:

(a) Provide that any reference to a Mortgagee in such policy shall mean and include any holders of Mortgages of any Unit or Unit lease, 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 or Unit Owners or any persons claiming under any of them;

(c) Waive any provision invalidating such Mortgagee's rights 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.

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18.8 Inspection of Books. The Association shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, are the property of the Association, but shall be made reasonably available for examination and copying by the Manager of the Association, any Unit Owner, or the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. An annual audit of the Roosevelt Business Center Condominium Owners Association may be required by the Owners of the Association, but may be waived annually by Unit Owners other than the Declarant of Units to which sixty percent (60%) of the votes are allocated, excluding the votes allocated to Units owned by the Declarant.

The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the

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funds of any other Association, nor with the funds of any Manager of the Association or any other person responsible for the custody of such funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two (2) persons who are officers or directors of the Association. The Owners Association shall also make available to prospective purchasers current copies of this Declaration, the Bylaws, and other rules governing the Condominium, and the most recent financial statement, if such is prepared.

18.9 Obtaining Declarant's Powers. In the event the Mortgagee of the Condominium becomes bound by this Declaration by granting one or more partial releases or otherwise, and forecloses its Mortgage or acquires a deed in lieu of foreclosure and obtains possessory rights, legal title, or certificates of sale of the unsold Unit or Units and appurtenant Common Elements covered by the respective deed of trust or mortgage liens, then the Mortgagee of the Condominium may succeed to and assume, to the exclusion of the Declarant, the powers of the Declarant as set forth in this Declaration.

18.10 Receiver Appointed by Condominium Mortgagee. The Mortgagee of the Condominium shall be entitled to appoint a receiver during the pendency of any foreclosure and said receiver shall immediately, upon appointment, succeed to and assume the rights and powers of the Declarant as set forth in this Declaration, and the receiver shall be entitled to sell unsold Condominium Units.

ARTICLE 19

EASEMENTS

19.1 General. It is intended that in addition to rights under the Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Elements for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan. Without limiting the generality of the foregoing, each Unit and all Common and Limited Common Element is specifically subject to an easement for the benefit of each of the other Units, and for heating, ventilation, air conditioning and fireplaces and associated flues or chimneys. In addition, each Unit and all the Common and Limited Common Element is specifically subject to easements as required for the intercom and electrical entry system, if any, for the electrical wiring and plumbing, for the air conditioning lines and equipment, if any, for each Unit, and

for the master antenna cable system, if any. Finally, each Unit as it is constructed is granted an easement to which each other Unit and all Common and Limited Common Element is subject to the location and maintenance of all the original equipment and facilities and utilities for such Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements reserved by law. The easements described herein may also be used by any laborers, material suppliers or repairmen hired to maintain or repair any of the supporting elements or utility, wiring, heat and service elements.

19.2 Utility, Etc., Easements. The Board, on behalf of the Association and all members thereof, shall have authority to grant utility, road and similar easements, licenses and permits under, through or over the Common Element, which easements the Board determines are reasonably necessary or beneficial to the ongoing development and operation of the Property.

19.3 Association Functions. There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary, for emergency repairs and/or to perform the duties and obligations of the Association as are set forth in this Declaration, or in the Bylaws, and the Association Rules.

19.4 Encroachments. Each Unit and all Common and Limited Common Element is hereby declared to have an easement over all adjoining Units and Limited Common Element, for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, reconstruction, repairs, settlement or shifting or movement of any portion of the Building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a Unit or Common or Limited Common Element is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Units and Common and Limited Common Elements 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, as long as they exist, shall not be construed to be encumbrances affecting the marketability of title to any Unit.

ARTICLE 20

PROCEDURES FOR SUBDIVIDING OR COMBINING

20.1 Procedure. Subdivision and/or combining of any Unit or Units, Common Elements or Limited Common Elements are authorized as follows:

20.1.1 Any Owner of any Unit or Units may propose any subdividing or combining of any Unit or Units, and appurtenant Common Elements or Limited Common Elements in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to this Declaration, the Survey Map and Plans covering such subdividing or combining, to the Board, which shall then notify all other Unit Owners of the requested subdivision or combination.

20.1.2 Upon written approval of such proposal by seventy-one percent (71%--rounded to the nearest 10th) of the Owners, and upon approval of seventy-one percent (71%--rounded to the nearest 10th) of the first Mortgagees and unanimous prior written approval of the first Mortgagee(s) and Owner(s) of the Unit(s) to be combined or subdivided, the Owner(s) making the proposal may proceed according to such plans and specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that provisions for the protection of other Units or Common Elements or reasonable deadlines for completion of the work be inserted in the contracts for the work.

20.1.3 The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of Section 21.1. Any expense incurred in connection with this Article 20 shall be, in the discretion of the Board, born entirely by the Unit's Owner or Owners who are proposing said subdivision or combination.

ARTICLE 21

AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

21.1 Declaration Amendment. Amendments to this Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if seventy-one percent (71%--rounded to the nearest 10th) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and

seventy-one percent (71%--rounded to the nearest 10th) of the Owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who 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 in the appropriate governmental offices. Any amendment to a provision of this Declaration establishing, providing for, governing or regulating the following (all of which shall be deemed "Material Amendments") shall require the consent of seventy-one percent (71%--rounded to the nearest 10th) of the Owners and seventy-one percent (71%--rounded to the nearest 10th) of the first Mortgagees: voting rights; assessments, assessment liens, or the priority of assessment liens; reserves for maintenance, repair, and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Limited Common Elements, or rights to their use; redefinition of any Unit boundaries; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project (excluding Phase 2 referred to herein, which may be constructed by Declarant at a later date and include up to five (5) Units); insurance or fidelity bond; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Association to establish self-management when professional management had been required previously by the Project's documents or by an eligible mortgage holder; restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration; any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers, or guarantors. A Mortgagee who fails to respond within thirty (30) days of a written request to approve an amendment shall be deemed to have approved the request if such request was delivered by certified or registered mail with a return receipt requested. Any amendment altering the value of the Property and of each Unit and the Percentage of undivided interest in the Common Elements shall require unanimous consent of the Unit Owners. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the section being amended or the amendment itself.

21.2 Map and Plans Amendment. Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions or revised portions thereof referred to and described as

to affect in an amendment to this Declaration adopted as provided for herein. Copies of any such proposed amendment to the Survey Map and Plans shall be made available for the examination of every Owner. Such amendment to the Survey Map and Plans shall also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

21.3 Amendments Regarding Parking Assignments, Etc. The Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Unit Owners with an irrevocable power coupled with an interest, may at any time, until all Units have been sold by Declarant, record an amendment to this Declaration and/or Survey Map and Plans: showing, correcting or revising the assignment of parking spaces to unsold Units; and, during the period of Declarant's management authority provided under Section 10.1, changing the person who is to receive service of process. Any such amendment need be acknowledged only by the Declarant and need not otherwise comply with the requirements of this Article 21.

21.4 Amendment to Conform to Construction. In addition, Declarant, upon Declarant's sole signature, and as an attorney-in-fact for all Unit Owners with an irrevocable power coupled with an interest, may at any time, until all Units have been sold by Declarant, file an amendment to this Declaration and to the Survey Map and Plans to conform data depicted therein to improvements as actually constructed and to establish, vacate and relocate utility easements, access road easements and parking areas.

21.5 Amendments to Conform to Lending Guidelines. So long as Declarant continues to own one or more Units, the Declarant, on his sole signature alone, and as an attorney-in-fact for all Unit Owners with an irrevocable power coupled with an interest, may file such amendment to this Declaration and to the Survey Map and Plans as necessary to meet the then requirements of the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, Federal Housing Administration, or similar agencies, institutions, or lenders financing, or title insurance companies insuring, the purchase of a Unit from the Declarant.

21.6 Discontinuance of Condominium. It is further specifically covenanted that any decision or failure to act by the Owners under this Declaration or any applicable provision of law which intends or requires discontinuance of this Condominium or removal of the Property from the provisions of the Act, shall, if such decision or failure to act is sufficient under the Act, also terminate and discontinue the effect of any and all of the covenants, conditions, and restrictions set forth herein, and all provisions of the Survey Map and Plans, unless other specific

provision is made by recorded amendments to this Declaration, and, if required, to the Survey Map and Plans.

21.7 Amendments Requiring Veteran's Administration Approval. If the United States Veteran's Administration is involved in the financing of the purchase of a Unit, then so long as Declarant is exercising management control pursuant to Section 10.2, amendments to this Declaration and the Bylaws must be approved by the Veteran's Administration.

ARTICLE 22

DEVELOPMENT IN PHASES

22.1 Right to Phase. This Condominium may be developed and established in more than one (1) phase. This Declaration provides a description of: the land within all phases; the general Common and Limited Common Elements for all phases; and the Units and Buildings in Phase 1. The Survey Map and Plans, filed simultaneously herewith, depict (certified as-built with respect to Phase 1), the following: a survey of the surface of the Phase 1 land; the location of the Phase 1 Buildings; and the plans of the Phase 1 Buildings showing as to each Unit in Phase 1 the vertical and horizontal boundaries, the location of all such Units, and the number and dimensions of all such Units. The provisions regarding Phase 1 shall be effective immediately to establish Phase 1 (including the Phase 1 land and all Units, Buildings and other improvements constructed thereon) as a Condominium under the Act. The provisions regarding subsequent phases shall not be effective to establish subsequent phases (including the land and all Units, Buildings and other improvements constructed thereon) as a Condominium under the Act until Declarant records an amendment to the Declaration (and an amendment to the Survey Map and Plans, if necessary) pursuant to Article 21.

22.2 Declaration, Survey Map and Plans Amendments. For each subsequent phase following Phase 1, the Declarant shall execute and record an amendment to this Declaration stating that said subsequent phase (including the subsequent phase land, and all Units, Buildings and other improvements thereon) is established as a Condominium under the Act. From and after the recording of said amendment, all of the land within Phase 1 and within subsequent phases for which such an amendment has been recorded, together with all Units, Buildings and other improvements constructed thereon, shall constitute a single Condominium pursuant to the Act and the provisions of this Declaration. In conjunction with said amendment to the Declaration, an updated or revised Survey Map, or Plans, or both, shall be filed if the previous map and Plan filed affecting or describing said subsequent phase lack required detail,

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certification or other matters required under the Act. The Declarant is the Unit Owner of any Unit thereby created. The amendment to the Declaration shall assign an Identifying Number to each new Unit created, and reallocate the Allocated Interests among all Units. The amendment must describe any Common Elements and any Limited Common Elements thereby created and, in the case of Limited Common Elements, designate the Unit to which each is allocated to the extent required by RCW 64.34.216 or 64.34.228. Development Rights may be reserved within any real property added to the Condominium if the amendment adding that real property includes all matters required by RCW 64.34.216 or 64.34.220, as the case may be, and the Survey Map and Plans include all matters required by RCW 64.34.232. This provision does not extend the time limit on the exercise of Development Rights imposed by this Declaration.

22.3 Common Elements. All Common Elements for each phase will be utilized by Unit Owners of the next succeeding phase as it is established, and the additional Owners will, after the effective date of the subsequent phase, also share in the expenses of such Common Elements. Owners in a prior phase will utilize the Common Elements for the subsequent phases and also share in the expense thereof.

22.4 Completion. Declarant shall complete subsequent phases, if any, in accordance with the plans and specifications prepared from time to time by or for Declarant and as approved from time to time by governmental authorities having jurisdiction thereof and by the lender or lenders financing the construction of subsequent phases. Improvements within subsequent phases will be consistent with improvements in prior phases in terms of quality of construction. Completion of subsequent phases will be pursued by Declarant as expeditiously as reasonably possible, subject to delays for reasons (including, but not limited to, financing availability, labor disputes, material shortages, and acts of God) reasonably beyond the control of Declarant. All improvements for subsequent phases shall be substantially completed before such phase is incorporated into the Condominium by amendment as provided in subsection 22.2 above.

22.5 Allocated Interests. It is specifically covenanted that the Allocated Interests for Phase 1 are calculated with respect to the Units within Phase 1. At such time as additional phases are made effective by the filing of the above-described Declaration Amendment by Declarant, the Allocated Interests thereafter effective for all Units in Phase 1 and those added in each subsequent phase shall be reallocated as provided in Exhibit C attached hereto.

22.6 Assessments Based on Allocated Interests for Phases. All Assessments for the various phases shall utilize and be based on the Allocated Interests stated for that phase until the

succeeding phase is activated and commenced. The Declarant or Board may upon the activation of any phase, based on the reallocation of Allocation Interests, recompute the budget and the Assessments, and impose the revised Assessments.

22.7 Easements for Phased Development.

22.7.1 In addition to the general easements reserved by statute and by reference in other sections of this Declaration, there is reserved a non-exclusive easement in favor of Declarant (and Declarant's heirs, successors, assigns and purchasers) over and across the Phase 1 land (and across the land hereafter described in Exhibit A, as hereafter amended, for any subsequently completed phase) for ingress and egress and over and across easements, roadways, and utility lines specified or established in and for completed phases, and the right to connect thereto is reserved. Such reservations are for the purpose either of completing subsequent phases, or otherwise developing portions of the land for other purposes if not completed as a Condominium phase.

22.7.2 The easements reserved under this Section shall entitle the Declarant (and Declarant's heirs, successors, assigns), for development of each successive phase of the Condominium, or for development and utilization of the lands to have been included in any phase if such lands are utilized for other purposes under the powers reserved to Declarant: to tie into water, sewer, storm sewer, electrical, gas, telephone or other utility lines of all varieties; to connect with roadways or utility systems developed and emplaced in the completed phases of the Condominium; and, to the extent provided for in Exhibit B attached hereto, utilize any additional facilities, if any, developed in completed phases of the Condominium.

22.7.3 Declarant shall bear the cost of tie-ins to said utilities and roads and will not connect with said utilities in a manner that impairs or significantly reduces the quality of the utility service to the land described in Exhibit A as Phase 1 and for the land in a subsequently completed phase; provided, that if said tie-ins cause an increase in the cost of delivering affected utility services to Phase 1 and for land in any subsequently completed phase, that cost shall be borne by the Declarant.

22.7.4 Any land which is not developed as a subsequent phase of the Condominium but which utilizes and benefits from the utility, roadway easements, benefits or facilities, if any, reserved to Declarant hereunder, shall, pursuant to an irrevocable covenant running with the land, be obligated to pay a pro rata share (based on relative number of constructed units - or, if vacant land, relative number of square feet of land so benefited) of the costs of subsequent repairs, maintenance and

operation of said utilities, roadways, benefits and facilities, if any. In the event that said facilities and/or property conferring a benefit are destroyed and not repaired, or that said facilities and/or property conferring a benefit are taken by condemnation, or that the Condominium is terminated under the Act, then the owner of any land which is not then developed as a subsequent phase of the Condominium shall, pursuant to an irrevocable covenant running with the land, be entitled to receive a pro rata share (based on relative number of Units or if the subsequent Phase is not constructed, either in full or part, said Phase shall be allocated five (5) Units) and the pro rata share of said Phase shall receive an allocation of any monies payable as a result of such events based on that percentage.

22.7.5 Declarant (and Declarant's heirs, successors and assigns) shall have a non-exclusive easement to construct and maintain (at any time and at Declarant's sole cost and expense and in the exercise of Declarant's sole discretion and at such locations within Phase 1 and within any subsequently completed phases of the condominium as Declarant may determine) such signs as Declarant may deem necessary for the identification of the name, location and direction, and for the sale or renting, of Buildings and Units, regardless of whether such Buildings and Units are located on land which is within a subsequent phase of the Condominium or on land which the Declarant under powers reserved hereunder has elected not to develop as a phase of the Condominium.

22.8 Liens Arising in Connection with Phases. At the time the amendment incorporating a subsequent phase into the Condominium is made, no lien arising in connection with the Declarant's ownership of, and construction of improvements upon, the subsequent phase land will adversely affect the rights of existing Unit Owners or the priority of first Mortgages on Units in the existing Condominium Property. All taxes, assessments, mechanics liens, and other charges affecting a subsequent phase land will be paid or otherwise satisfactorily provided for by the Declarant.

22.9 Withdrawal of Subsequent Phases. If, despite the good faith efforts of Declarant, and for reasons (including, but not limited to, financing availability, labor disputes, material mortgages and acts of God) beyond the reasonable control of Declarant, all or any of the subsequent phases are not completed and the amendment(s) provided for in this Section is not recorded, then Declarant at any time may elect not to incorporate all or some of such subsequent phases into the subject Condominium project and elect not to record the amendments provided for in this Section. To effectuate the foregoing, Declarant, upon its sole signature and without further consent of any of the other Owners being required, may file such amendment to this Declaration and to the Survey Map and Plans as is

necessary to withdraw the land within uncompleted phases (and improvements constructed thereon) from the provisions of this Declaration and to relinquish Declarant's rights under this Section. In the event Declarant should exercise its rights under this Section to withdraw the land within uncompleted phases (and improvements thereon), from the provisions of this Declaration, then the phases in fact completed shall thereafter continue to constitute a complete, fully operational Condominium; land within uncompleted phases (and improvements thereon) may be used for any other lawful purpose in Declarant's discretion; and the easements provided for in this Section shall continue for the benefit of land within uncompleted phases and Declarant (and its heirs, successors and assigns) for the development and utilization of land within uncompleted phases.

22.10 Limitation of Declarant's Rights.

22.10.1 It is understood that the total project (if all phases are completed) shall include Condominium commercial Units not exceeding twelve (12) in number.

22.10.2 Notwithstanding any other provision of this Declaration, Declarant's right to add phases by amendments under this Section shall expire seven (7) years after initial Declaration recording.

22.11 Parking Spaces.

22.11.1 Some parking spaces, which may be assigned for the exclusive use of a Unit within this Condominium, may be physically located within a phase which has not been made part of this Condominium. The owner of such Unit shall have a perpetual and exclusive easement to use such parking space for its intended purpose. Said parking space shall for all purposes be treated as a Limited Common Element subject to the provisions of this Declaration. At such time as the phase in which said parking space is located is recorded and made a part of this Condominium, said parking space shall be a Limited Common Element of the Unit to which it has been assigned.

22.11.2 Some parking spaces which are intended for the exclusive use of a Unit located in a phase which has not yet been made a part of this Condominium, may be physically located within this Condominium. The owner of such Unit (whether or not then constituting a condominium unit under the Act) shall have a perpetual and exclusive easement to use such parking space for its intended purposes. Such parking space shall for all purposes be subject to the provisions of this Declaration to the same extent as if such parking space was a Limited Common Element assigned to a Unit within the Condominium. At such time as the phase in which said Unit is located is recorded and made a part

of this Condominium, said parking space shall be a Limited Common Element of the Unit to which it has been assigned.

ARTICLE 23

MISCELLANEOUS

23.1 Service of Process. The person upon whom process may be served and his address is Colonel F. Betz, 904 South Third, Mount Vernon, Skagit County, Washington 98273 (General Partner in Bescal Properties, a Washington partnership, Declarant herein.) After termination of Declarant's management authority under Section 10.1, service of process for the purposes provided in the Act may also be made upon the 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 such change, and such amendment need only be signed and acknowledged by the then president of the Association. The Declarant may, at any time before the Board is organized, and as provided in Section 21.3, change such designation by amendment to this Declaration signed and acknowledged only by Declarant.

23.2 Notices for All Purposes.

23.2.1 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 Unit shall be sufficient if mailed to the Unit of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Board has been constituted and thereafter shall be given to the President or Secretary of the Board.

23.2.2 Mortgagee Notice. Upon written request therefor, and for a period specified in such notice, the Mortgagee of any Unit shall be entitled to be sent a copy of any notice respecting the Unit covered by this security instrument until the request is withdrawn or the security instrument discharged. Such written request may be renewed an unlimited number of times.

23.3 Mortgagee's Acceptance.

23.3.1 Priority of Mortgage. This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of said Declaration but rather shall be subject and subordinate to said Mortgage.

23.3.2 Acceptance Upon First Conveyance. Unless otherwise expressly approved by the purchaser of a Unit, Declarant shall not consummate the conveyance of title of such Unit until said Mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements, in accordance with the Act, for partial release of Units with their appurtenant Limited Common Elements and percentages of interest in Common Elements from the lien of said Mortgage. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and the Condominium status of the Units remaining subject to its Mortgage as well as its acknowledgement that such appropriate arrangements for partial release of Units have been made; provided, that, except as to the Units so released, said Mortgage shall remain in full effect as to the entire Property.

23.4 Severability. The provisions hereof shall be deemed independent and severable, and the validity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof if the remainder complies with the Act and furthers the common plan of this Condominium.

23.5 Conveyances: Notices Required. The right of a Unit Owner to sell, transfer, or otherwise convey the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An owner intending to sell a Unit shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: the Unit to be sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. It is understood, however, that a violation of this section shall not invalidate a sale, transfer or other conveyance of a Unit which is otherwise valid under applicable law.

23.6 Transfer of Declarant's Powers. It is understood that Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges and

authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges and authority are in addition to those arising from Declarant's ownership of one or more Units).

23.7 Effective Date. This Declaration shall take effect upon recording.

23.8 Reference to Survey Map and Plans. The Survey Map and Plans of the Building referred to herein consist of sheets as prepared by LISSE & SEMRAU and were filed with the Auditor of Skagit County, Washington, under File No. 95 01170107 in Volume 16 of Condominiums, pages 15+16.

ARTICLE 24

CERTIFICATE OF COMPLETION

24.1 Declarant hereby certifies, pursuant to RCW 64.34.200(2), that all structural components and mechanical systems of all buildings containing or comprising any Units of the Condominium are substantially completed.

DATED this 12th day of January, 1995.

DECLARANT:

BESCAL PROPERTIES, a Washington Partnership

By: [Signature]
COLONEL F. BEYZ,
General Partner

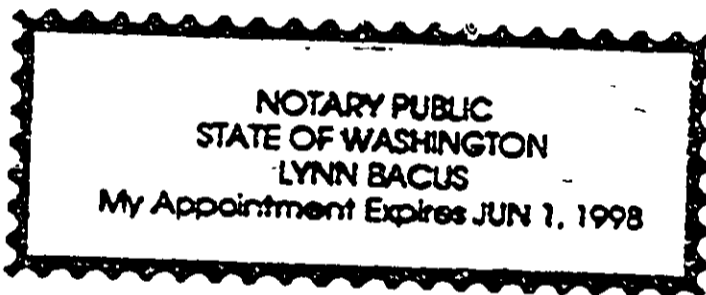
By: [Signature]
JAMES N. SCOTT,
General Partner

By: [Signature]
THOMAS L. ALLEN,
General Partner

STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that COLONEL F. BETZ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a General Partner of BESCAL PROPERTIES, a Washington partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 12th day of January, 1995.

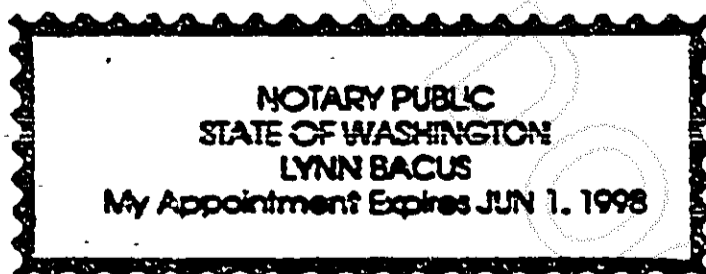


Lynn Bacus
Lynn Bacus, (Print Name)
Notary Public in and for the State
of Washington, residing at Sedro Woolley
My Appointment Expires: 6-1-98

STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that JAMES N. SCOTT is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a General Partner of BESCAL PROPERTIES, a Washington partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 12th day of January, 1995.



Lynn Bacus
Lynn Bacus, (Print Name)
Notary Public in and for the State
of Washington, residing at Sedro Woolley
My Appointment Expires: 6-1-98

DECLARATION OF CONDOMINIUM - 58

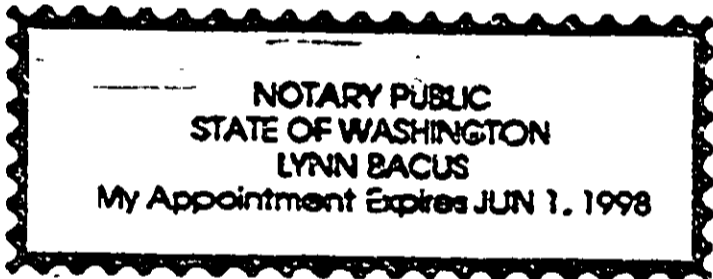
9501170108

BK 1406 PG 0603

STATE OF WASHINGTON)
) SS.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that THOMAS L. ALLEN is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a General Partner of BESCAL PROPERTIES, a Washington partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 12th day of January, 1995.



Lynn Bacus
Lynn Bacus, (Print Name)
Notary Public in and for the State
of Washington, residing at Sedro Woolley
My Appointment Expires: 6-1-98

LEGAL DESCRIPTION

PEASE I (Units 1 through 7)

Parcel A:

Lot 47 and the East 30.00 feet of Lot 48, PARKER BUSINESS CENTER, according to the plat thereof recorded in Volume 11 of Plats, Pages 91 through 96, records of Skagit County, Washington.

Parcel B:

Lot 48 except the East 30.00 feet thereof, TOGETHER WITH the East 30.00 feet of Lot 49, PARKER BUSINESS CENTER, according to the plat thereof recorded in Volume 11 of Plats, Pages 91 through 96, records of Skagit County, Washington.

ALL BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants and other instruments of record.

Situate in the County of Skagit, State of Washington.

PEASE II (If constructed)

Lot 49, EXCEPT the East 30.00 feet thereof, PARKER BUSINESS CENTER, according to the Plat thereof recorded in Volume 11 of Plats, Pages 91 through 96, records of Skagit County, Washington.

ALL BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants and other instruments of record.

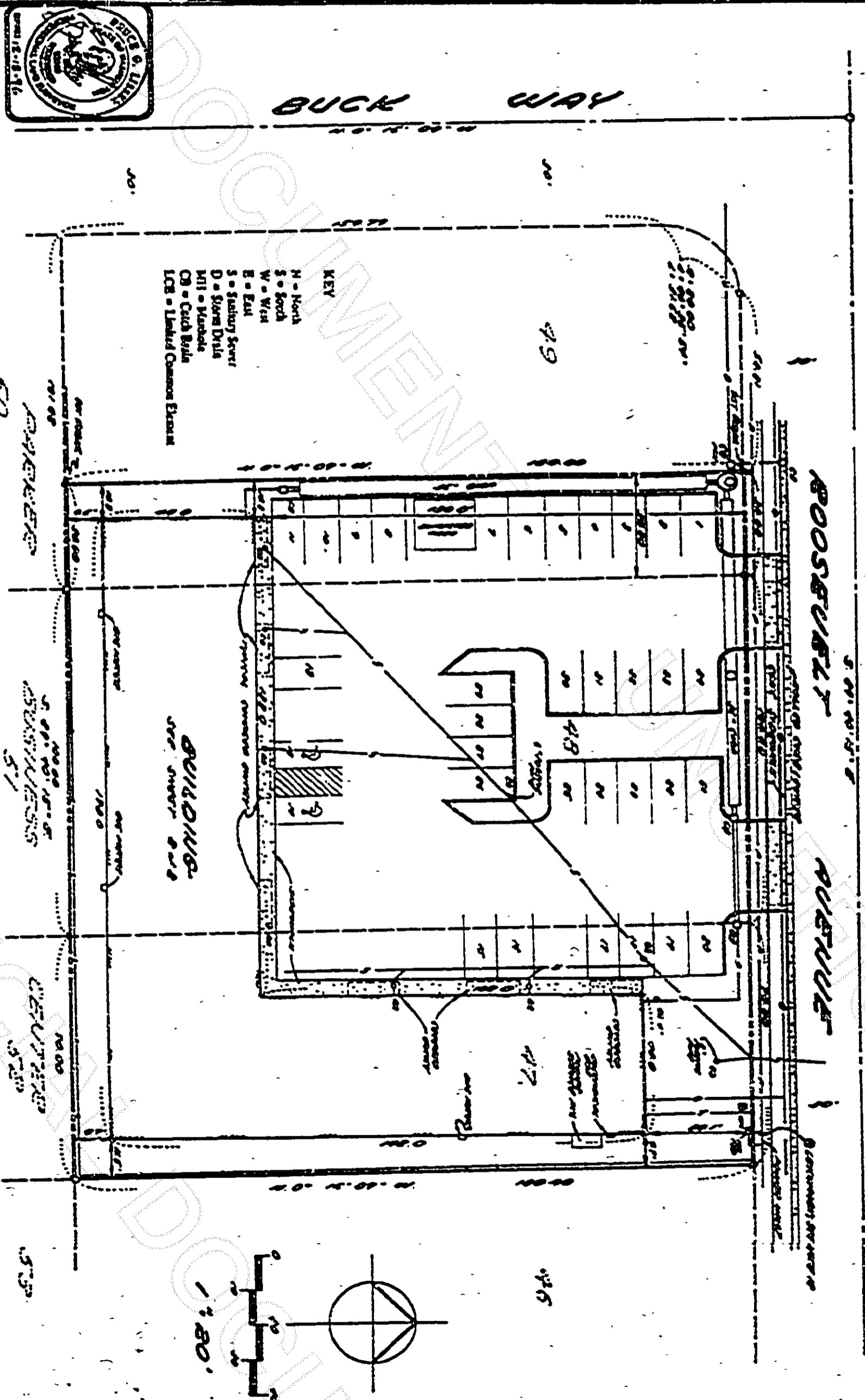
Situate in the County of Skagit, State of Washington.

Exhibit "A"

9501170108

BK 1406 PG 0605

ROOSEVELT BUSINESS CENTER CADAMILLUM
SECTION 12, T. 34 N., R. 6 E., W. 4 N
 ASHLEY BUSINESS CENTER
 SECTION 12, T. 34 N.



KEY
 N - North
 S - South
 W - West
 E - East
 S - Siding Street
 D - Storm Drain
 MII - Manhole
 CB - Catch Basin
 LCB - Limited Capacity Encount

SURVEYOR'S CERTIFICATE
 I hereby declare that this survey map and plan are based on an actual survey of the described property, that the corners and fixtures shown are correct, and that information reported by RCW 64.24.232 is shown, filed, or supplied herein. I **FURTHER DECLARE** that the horizontal and vertical boundaries of the sites in this subdivision are substantially completed in accordance with the plans described herein.

Done: 1st 3, 1975

 Surveyor

ELMER Q. LUSSEN, T.S., Certificate No. 23560
 SEYRAU & LUSSEN
 3111 RIVERSIDE DRIVE SUITE 101
 MOUNT VERNON, WA 98271
 Phone (206) 473-6444

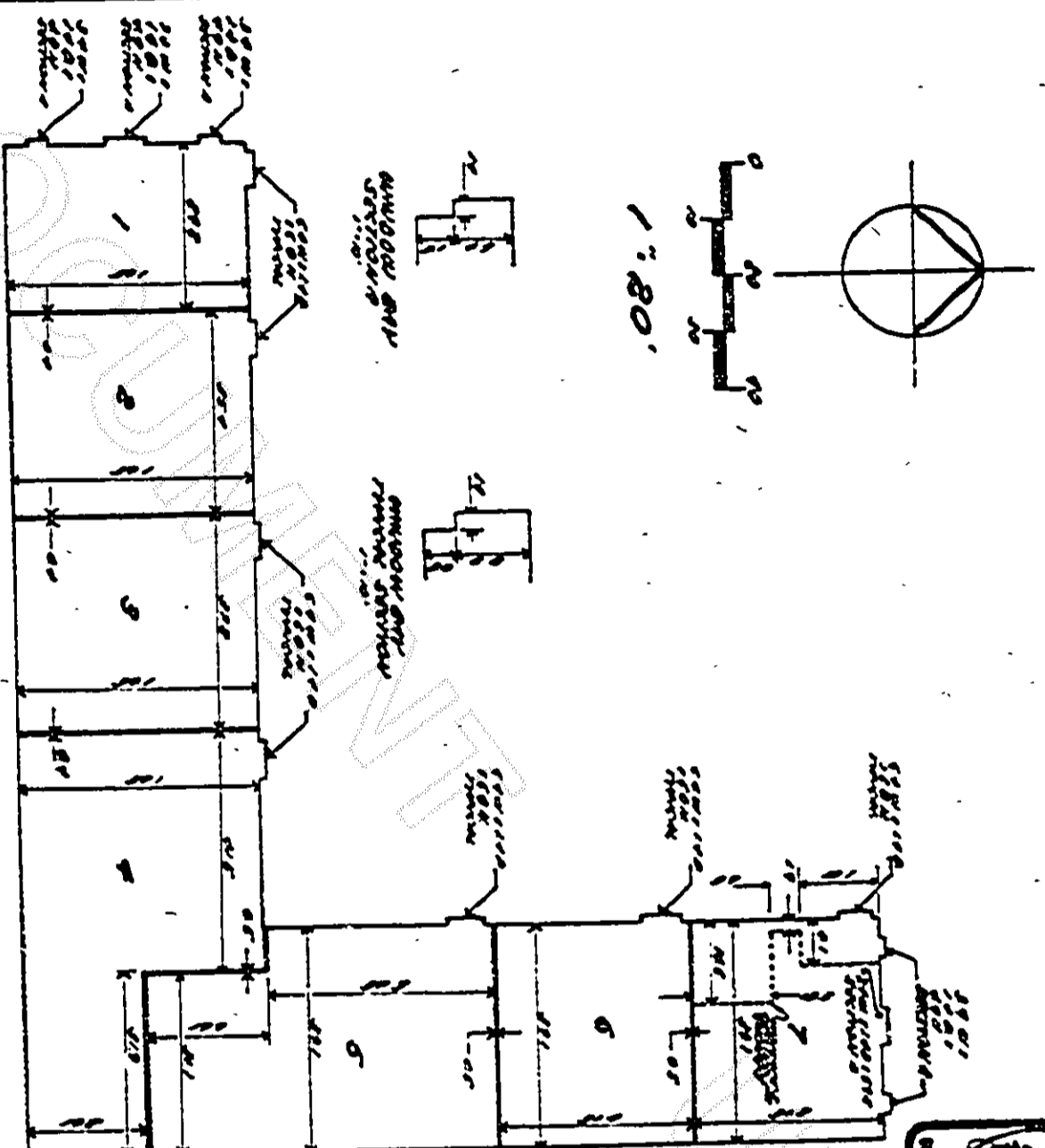
DESCRIPTION
 Parcel A:
 Lot 49 and the East 30.00 feet of Lot 44, PARKER BUSINESS CENTER according to the plat No. 47-2-0000 recorded in Volume 11 of Plats, Page 91 through 94, records of Stagh County, Washington.

Parcel B:
 Lot 48 EXCEPT the East 30.00 feet thereof, TOGETHER WITH the East 30.00 feet of Lot 49, PARKER BUSINESS CENTER, according to the plat described recorded in Volume 11 of Plats, Pages 91 through 94, records of Stagh County, Washington.

ALL BEING SUBJECT TO AND TOGETHER WITH said herein referenced restrictions, covenants and other instruments of record.
 Situate in the County of Stagh, State of Washington.

AUDITOR'S CERTIFICATE
 Filed for record this _____ day of _____, 1975, at the request of SEYRAU & LUSSEN, in Book _____ of Plats on page _____ of this volume.
 Auditor's File No. _____
 County Auditor _____
 Deputy _____

BOOSEVELT BUSINESS CENTER CONDOMINIUM
 SECTION 12, T. 36 N., R. 6 E., W. 41 P.
 DISTRICT OF COLUMBIA



- NOTES**
1. C-Indicates existing rebar or iron pipe found.
 2. Description for this survey is from Island Title Company, Order No. SB-6115, dated August 16, 1994.
 3. Instrumentation: L&L S&I 4A Theodolite Distance Meter
 4. Survey Procedure: Standard Field Methods
 5. Survey Procedure: As noted
 6. Method: Existing marked North property line for Record of Survey recorded under Auditor's File Number 9201000006
 7. Building - South of 47 1/2 East. For additional Metes and Bounds information see Plan of "Gutter Buildings Center", recorded in Volume 11 of Plans, Page 91-96 and Record of Survey map recorded under Auditor's File No. 920100006, records of Stajki County, Washington.
 8. Datum: NAD 83, Mean Sea Level
 9. Building borders and dimensions refer to exterior walls and are shown in feet and inches of feet.
 10. Floor and ceiling elevations are shown in feet and inches of feet. Interior to top of proposed finished ceiling and top of constructed sub floor.
 11. Interior floor markers are shown in feet and inches of feet and represent interior measurements prior to sheet rock.

12. Bench Mark - Northwest corner of concrete base for power trail at the Northeast Property corner. Elevation = 26.88 Mean Sea Level
13. Unit floor and ceiling elevations

Unit 1	Floor = 31.1	Ceiling = 46.5
Unit 2	Floor = 31.1	Ceiling = 46.5
Unit 3	Floor = 31.1	Ceiling = 46.5
Unit 4	Floor = 31.1	Ceiling = 46.5
Unit 5	Floor = 31.1	Ceiling = 46.5
Unit 6	Floor = 31.1	Ceiling = 46.5
Unit 7	Floor = 31.1	Ceiling = 46.5
14. Unit area:

Unit 1	1,111 sq. ft.
Unit 2	1,394 sq. ft.
Unit 3	1,228 sq. ft.
Unit 4	1,228 sq. ft.
Unit 5	1,228 sq. ft.
Unit 6	1,228 sq. ft.
Unit 7	1,228 sq. ft.
15. All parking spaces are Limited Common Elements disposed to units as indicated on Exhibit C to the declaration, filed under Auditor's File Number as indicated on sheet 2 of 2 under Declaration.

DEDICATION
 Know all men by these presents that we, the undersigned owners of the above land/ or mortgages of the property herein described, hereby declare the survey map and plan and declare the same for condominium purposes. This plan shall be returned to the office of the Auditor General under Stajki County Auditor's File No. _____

By James A. Kelly
 BECAL Properties, a Washington General Partnership

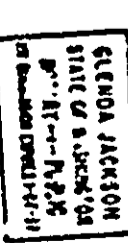
By James A. Kelly
 Internal Service Bank, a Washington Corporation

State of Washington
 County of Island
 I certify that I know or have satisfactory evidence that James A. Kelly
 is the true and lawful owner of the above described premises and is authorized to execute the instrument and acknowledge it in the presence of me.

By James A. Kelly
 Signature
 Title
 Notary Public
 State of Washington
 My commission expires _____

State of Washington
 County of Island
 I certify that I know or have satisfactory evidence that James A. Kelly
 is the true and lawful owner of the above described premises and is authorized to execute the instrument and acknowledge it in the presence of me.

By James A. Kelly
 Signature
 Title
 My appointment expires _____



TREASURER'S CERTIFICATE
 I, James A. Kelly, Treasurer of Stajki County, Washington hereby certify that all taxes due and/or deposits required to carry out the provisions of the property plan set in this plan have been paid, up to and including the year 19____.

Stajki County Treasurer

James A. Kelly
 Stajki County Treasurer

PRINCIPAL MATERIALS OF WHICH BUILDING IS CONSTRUCTED

Concrete slab floors; 2x6 wood frame construction with plywood sheathing and T1-11 siding, board and bat, and stucco.

**CONDOMINIUM OFFICE/WAREHOUSE SUITES
1420 ROOSEVELT**

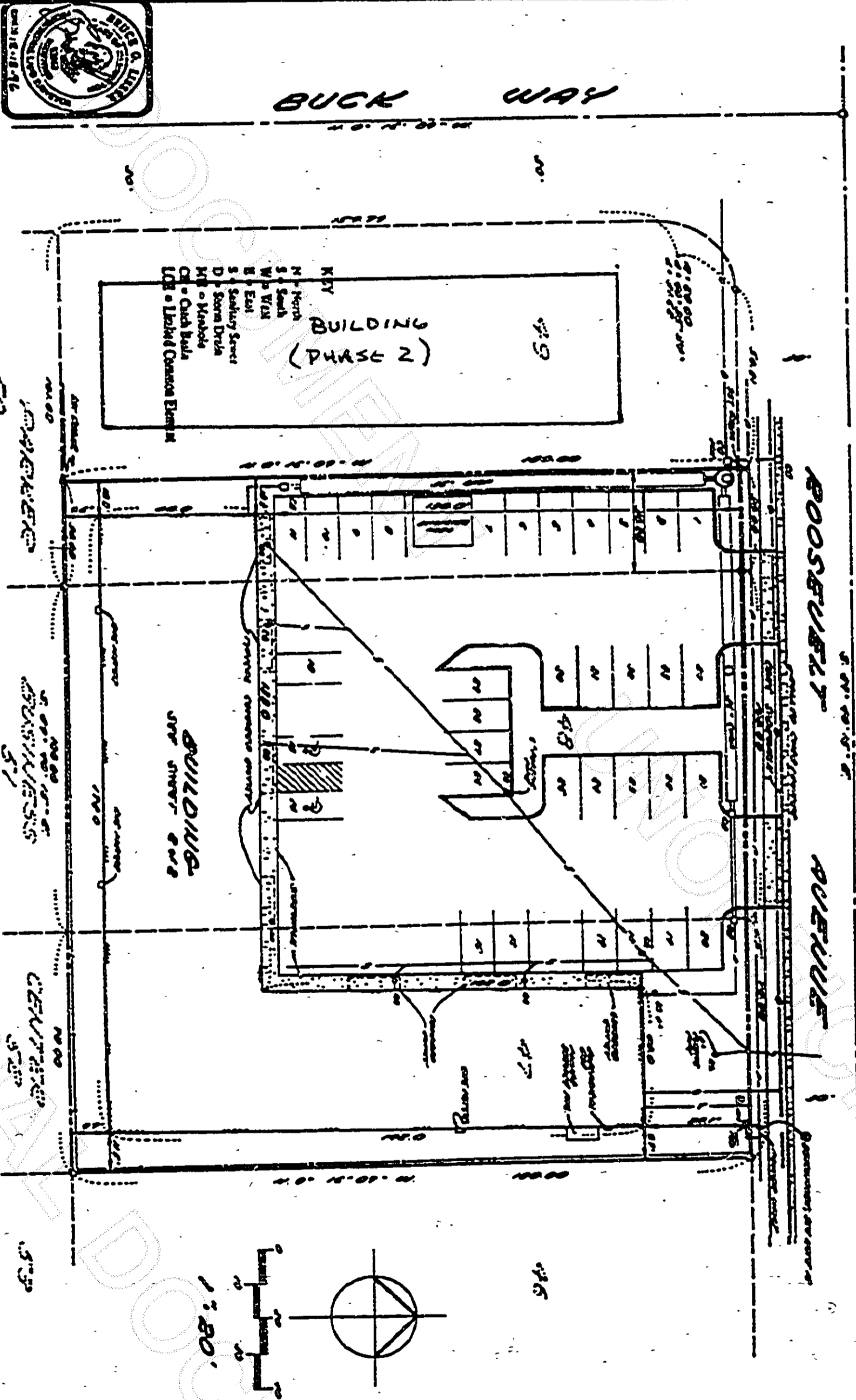
<u>Suites</u>	<u>Square Footage</u>	<u>Declared Value</u>	<u>Percentage Interest & Share of Common Expenses</u>	<u>Assigned Parking Space Numbers*</u>
Suite 1	1,200	\$ 96,500.00	11.2	8 & 9
Suite 2	1,440	115,000.00	13.3	6 & 7
Suite 3	1,520	121,500.00	14.0	4 & 5
Suite 4	2,320	152,500.00	17.6	2 & 3
Suite 5	2,160	145,500.00	16.8	1 & 34
Suite 6	1,280	97,750.00	11.3	32 & 33
Suite 7	1,280	136,500.00	15.8	21, 22, 23, 30, & 31
		<u>\$865,250.00</u>	<u>100.00</u>	

NOTE 1: The "declared value" of each Unit is not necessarily the price for which a Unit may be sold.

NOTE 2: The percentage interests shown in Column 4 sets forth each Unit's percentage ownership interest in the Common Elements and share of Common Expenses. Each Unit's percentage interest was determined by dividing the value declared for such Unit in this Exhibit by the value declared for the entire property. As subsequent phases are added, if at all, the percentage interests and share in Common Expenses of Units shown in Column 4 will be recalculated using the same formula.

*Parking spaces not assigned in column 5 will be for visitors, invitees, patrons and the like of one or more of the Units; with the exception of parking spaces 13 and 14 which shall be used for said parking purposes but only by handicapped persons.

ROOSEVELT BUSINESS CENTER CADAMILLUM
 SECTION 19, T.34N., R.6E., 41W
 COUNTY OF WAUKESHA, WISCONSIN



SURVYOR'S CERTIFICATE
 I hereby declare that the survey map and plans are based on an actual survey of the described property, that the corners and distances shown are correct, and that the information required by R.C.W. 62.31(2) is shown, saved, or supplied hereto. I **FURTHER DECLARE** that the horizontal and vertical measurements of the work in this subdivision are substantially completed in accordance with the plans and conditions hereon.

Date: July 3, 1975

SENRAU & LUSSEN
 2118 RIVERSIDE DRIVE SUITE 104
 MOUNT VERNON, WA 98273
 Phone: (206) 834-5544

DESCRIPTION

Parcel 2A
 Lot 47 and the East 20.00 feet of Lot 44, PARKER BUSINESS CENTER, according to the plat of Parcel 2A described in Volume 11 of Plans, Pages 91 through 94, records of Clark County, Washington.

Parcel 1B
 Lot 44, EXCEPT the East 20.00 feet thereof, TOGETHER WITH the East 20.00 feet of Lot 49, PARKER BUSINESS CENTER, according to the plat thereof recorded in Volume 11 of Plans, Pages 91 through 94, records of Clark County, Washington.

ALL BEING SUBJECT TO and TOGETHER WITH all easements, restrictions, conditions, covenants and other limitations of record.
 Situate in the County of Clark, State of Washington.

AUDITOR'S CERTIFICATE

Filed for record this _____ day of _____, 19____ at the request of SENRAU & LUSSEN.
 Auditor's File No. _____
 County Auditor _____ Deputy

SHEET 1 of 2
 W.C. 07