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WHEN RECORDED RETURN TO:

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**DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS, RESTRICTIONS AND RESERVATIONS
FOR
CASCADE ESTATES CONDOMINIUM**

GRANTOR/DECLARANT: QUEENS PLATE DEVELOPMENT, INC.

GRANTEE: CASCADE ESTATES CONDOMINIUM

ABBREVIATED
LEGAL
DESCRIPTION:

LOTS 5, 6 & PTN OF 4 & 9 OF BSP 2-95 IN 5-34-4 E.W.M.

Complete legal description is on Exhibit "A" of document.

ASSESSOR'S
TAX PARCEL NUMBER: P108344 P1083451

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR CASCADE ESTATES CONDOMINIUM

Pursuant to the Washington Condominium Act, RCW 64.34, for the purpose of submitting the Real Property, hereinafter described to the provisions of the Act, Queens Plate Development, Inc., a Washington corporation, makes this Declaration.

It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the Real Property or any Unit in the condominium created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, covenants, conditions, restricts and reserves a common plan for the condominium development mutually beneficial in all of the described Units, and that the covenants, conditions, restrictions, reservations and plans are binding upon the entire Real 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 Real 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
DEFINITIONS

1.1 Definitions. For the purposes of this Declaration, and any amendments hereto, the following definitions apply:

1.1.1 "Act" means the Washington Condominium Act, codified at RCW Chapter 64.34, as amended.

1.1.2 "Allocated Interests" means the undivided interest in the Common Elements, including Real Property, the Common Expense Liability, and votes in the Association allocated to each Unit more particularly provided for in Article 6 and as listed in Exhibit "C".

1.1.3 "Assessment" means all sums chargeable by the Association against a Unit and its Owner, including regular and special Assessments, without limitation: (a) For common expenses; (b) charges and fines imposed by the Association; (c) interest and late charges on any delinquent account; and (d) costs of collection including reasonable attorney's fees, incurred by the Association in connection with collection of a delinquent Owner's account.

1.1.4 "Association" means the CASCADE ESTATES CONDOMINIUM OWNERS' ASSOCIATION, a non-profit corporation organized as the Condominium Owners association pursuant to the Act, identified in Article 11.

1.1.5 "Board" or "Board of Directors" means the body with primary authority to manage the affairs of the Association, as described in Article 13.



1.1.6 "Building" means the building or buildings containing the Units and comprising a part of the Property.

1.1.7 "Bylaws" means the bylaws of the Association, as amended from time to time.

1.1.8 "Commercial Component" means Units 133 and 234 and the Commercial Limited Common Elements associated therewith

1.1.9 "Commercial Lease" means a lease of a Commercial Unit.

1.1.10 "Commercial Limited Common Elements" shall have the meaning given that term in Section 8.2.

1.1.11 "Commercial Tenant" means a person in possession of a Commercial Unit who is not an Owner.

1.1.12 "Commercial Unit" means a Unit whose use is restricted to business and commercial purposes as stated in this Declaration.

1.1.13 "Commercial Unit Owner" means the Owner of a Commercial Unit.

1.1.14 "Commercial Users" means the Owners and Commercial Tenants of a Commercial Unit and their respective Customers, employees, agents, invitees and licensees.

1.1.15 "Common Elements" means all portions of a Condominium other than the Units, including the Limited Common Elements.

1.1.16 "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.1.17 "Common Expense Liability" means the liability for Common Expenses allocated to each Unit, and its Owner, pursuant to Article 6 and Exhibit "C".

1.1.18 "Component" shall mean the Commercial Component or the Residential Component, as the context in which the term is used requires.

1.1.19 "Condominium" means CASCADE ESTATES CONDOMINIUM created by this Declaration and the Survey Map and Plans referred to in Section 26.7.

1.1.20 "Declarant" means Queens Plate Development, Inc., a Washington corporation, and its representatives, successors and assigns.

1.1.21 "Declarant Control" means the right of the Declarant, or persons designated by the Declarant, to appoint and remove officers and members of the Board of Directors, or to veto or approve a proposed action of the Board or Association.

1.1.22 "Declaration" means this instrument, as it may be amended from time to time.



1.1.23 "Development Rights" means any right reserved by the Declarant as defined by RCW 64.34.020(16), as more specifically set forth in this Declaration.

1.1.24 "Eligible Mortgagee" means the holder of a mortgage on a Unit that has filed with the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

1.1.25 "Identifying Number" means the designation of each Unit in the Condominium, as listed on Exhibit B and shown on the Survey Map & Plans.

1.1.26 "Limited Common Elements" means a portion of the Common Elements allocated by this Declaration (or by subsequent amendments thereto) or by the Act for the exclusive use of one or more but fewer than all of the Units.

1.1.27 "Manager" means a person or entity retained by the Board to perform those management and administrative functions and duties of the Association as delegated to them.

1.1.28 "Mortgage" means a mortgage, deed of trust or real estate contract.

1.1.29 "Mortgagee" means the beneficial owner, or the designee of the beneficial owner, of an 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 real estate contract for the sale of a Unit.

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

1.1.31 "Real Property" or "Property" means any fee, leasehold, or other estate or interest in, over or under the land described in Exhibit "A", including Buildings, structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance.

1.1.32 "Residential Component" means Units designated for Residential use and the Limited Common Elements associated therewith.

1.1.33 "Residential Limited Common Elements" shall have the meaning given that term in Section 8.3.

1.1.34 "Residential Unit" means a Unit whose use is restricted to residential purposes as stated in this Declaration.

1.1.35 "Residential Unit Owner" means the Owner of a Residential Unit.

1.1.36 "Residential Users" means the Owners and occupants of a Residential Unit and such occupants' respective guests.

1.1.37 "Rent" or "Lease" a Unit means the granting of a right to use or occupy a Unit for a specified 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 nor include joint



ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership and shall not include friends or acquaintances who share a Unit with an Owner, or member of an Owner's family (whether or not they share expenses).

1.1.38 "Rules and Regulations" means the rules and regulations adopted by the Association, as amended from time to time.

1.1.39 "Special Declarant Rights" means the rights reserved in this Declaration for the benefit of the Declarant as defined by RCW 64.34.020(29), as more specifically set forth in this Declaration.

1.1.40 "Survey Map and Plans" means the Survey Map and Plans made pursuant to RCW 64.34.232.

1.1.41 "Total Voting Power" means one hundred percent (100%) of all of the votes assigned to the Units, irrespective of other conditions precedent to voting and regardless of the number of votes represented at any meeting of Association members. For any decision where an Owner, including the Association, is not allowed to vote by the Act or this Declaration the Total Voting Power for that particular decision shall be reduced by the number of votes of the Owner not allowed to vote.

1.1.42 "Unit" means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described as set forth in the Act and pursuant to Article 5. and shown on the Survey Map and Plans.

1.1.43 "Unit Owner" or "Owner" means a Declarant or other person who owns a Unit, but does not include a person who has an interest in a Unit solely as security for an obligation or is merely Renting or Leasing a Unit. "Unit Owner" or "Owner" means the vendee, not the vendor, of a Unit sold under a real estate contract.

ARTICLE 2

NAME OF CONDOMINIUM AND ASSOCIATION

The name of the Condominium created by this Declaration and the Survey Map and Plans is CASCADE ESTATES CONDOMINIUM, and the name of the Association is CASCADE ESTATES CONDOMINIUM OWNERS' ASSOCIATION.

ARTICLE 3

CERTIFICATE OF SUBSTANTIAL COMPLETION

The Declarant hereby certifies pursuant to RCW 64.34.200(2) that all of the standard components and mechanical systems of all Buildings containing or comprising any Units that are to form the Condominium have been substantially completed.



ARTICLE 4
DESCRIPTION OF LAND

The Real Property included in the Condominium and submitted to the Act is legally described in Exhibit "A" attached hereto.

ARTICLE 5
UNITS

- 5.1 Number of Units. This Declaration creates ninety nine (99) Units in the Condominium.
- 5.2 Identifying Number. The Identifying Number and location of each Unit is set forth in the Survey Map and Plans.
- 5.3 Types of Units. The Condominium contains ninety seven (97) Residential Units and two (2) Commercial Units.
- 5.4 Physical Characteristics of Commercial Units. The Commercial Units are located within Building 5 as shown on the Survey Map and Plans. The Building in which the Commercial Units are located is a two-story wood framed building with a basement containing two office suites and one Residential Unit.
- 5.5 Physical Characteristics of Residential Units. Buildings 1 and 4 are three-story wood framed buildings without basements, Building 1 contains 24 Units and Building 4 contains 24 Units. Buildings 2 and 3 are three-story wood framed buildings with basements containing garages for parking/storage, Building 2 contains 24 Units and 9 parking/storage garages, and Building 3 contains 24 Units and will contain 9 parking/storage garages. Building 5 is a two-story framed building with basement containing two Commercial Units and one Residential Unit. The Residential Units are more particularly described in Exhibit "B" attached hereto as required by RCW 64.34.216(1)(e).
- 5.6 Access to Common Elements and Public Streets. Each Unit has direct access to Common Element walkways, driveways, and all such Common Elements have direct access to public streets and Unit Owners shall have unrestricted ingress to and egress from their respective Units.
- 5.7 Unit Boundaries.
- 5.7.1 Boundaries. The Unit boundaries are those boundaries described in RCW 64.34.204 of the Act in effect as of the date of recording of the Declaration, and not subject to the future amendments to the Act.
- 5.7.2 Physical Boundaries Controlling. The physical boundaries of a Unit constructed in substantial accordance with the applicable Survey Map and Plans become its boundaries rather than the metes and bounds expressed in the applicable Survey Map and Plans, regardless of settling or lateral movements of the Building, or minor variances between boundaries shown on the applicable Survey Map and Plans and those of the Building. This section does not relieve a Declarant or any other person of liability for failure to adhere to the Survey Map and Plans in all material respects.



5.8 Alterations of Units. The procedure and restrictions relating to alteration of Units is set forth at RCW 64.34.240, in effect as of the date of recording of this Declaration and not subject to future amendments to the Act.

5.9 Relocation of Unit Boundaries; Adjoining Units. Boundaries of adjoining Units may be relocated subject to the procedures and restrictions as set forth in RCW 64.34.244, in effect as of the date of recording of this Declaration, and not subject to future amendments to the Act.

ARTICLE 6
ALLOCATED INTERESTS

6.1 General. The Allocated Interest for each Unit is set forth in Exhibit "C". The Allocated Interest for each Unit cannot be changed except as provided in this Declaration. The Allocated Interest 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 Unit. Any reference to Unit in this Declaration includes the Unit's interest in the Common Elements. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an Allocated Interest made without the Unit to which that Allocated Interest is allocated is void.

6.2 Formula. The Allocated Interest of each Unit shall be the floor area of each Unit as compared to the total floor area of all of the Units expressed as a decimal or percentage.

ARTICLE 7
COMMON ELEMENTS

7.1 Description. The Common Elements consist of all portions of the Real Property which are not part of the Units including the land, all exterior landscaping not owned by a Unit Owner, all sidewalks within the Condominium, all streets, lanes and driveways, all portions of the walls, floors or ceilings which are not part of or within the Unit boundaries provided in Section 5.5

7.2 Conveyance and Encumbrance of Common Elements. The procedure and restrictions relating to conveyance and encumbrance of Common Elements shall be as set forth in RCW 64.34.348, in effect as of the date of recording of this Declaration, and not subject to future amendments to the Act.

7.3 Incorporation of Common Elements into Unit. The owners of the Units to which at sixty seven percent (67%) of the Total Voting power is allocated, including the Owner of the Unit to which the Common Element incorporated, must agree to incorporate Common Element into an existing Unit. Such incorporation shall be reflected in amendments to this Declaration and Survey Map and Plans.

7.4 Other Common Element Conveyances Without Unit Void. Except as otherwise provided in this Article, an Owners interest in the Common Elements may be conveyed, encumbered, sold or transferred, voluntarily or involuntarily, solely as a part of a conveyance, encumbrance, sale or transfer of the Unit to which is appurtenant and any attempt to do so without such a Unit transfer shall be void.



ARTICLE 8
LIMITED COMMON ELEMENTS

8.1 Description. Each limited Common Element forms a portion of the Real Property legally described herein and shall consist of the following, all of which, to the extent not otherwise stated, are reserved for exclusive use of the Commercial Users or Residential Users of the Unit or Units to which they are most immediately adjacent or are herein assigned:

- (a) All portions of the Property designated as Limited Common Elements by the Act;
- (b) If any chute, fireplace box, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture partially within and partially outside lies (including without limitation any individual heating, ventilating or air conditioning equipment) the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements;
- (c) Any shutters, awnings, window boxes, door-steps, stoops, and all exterior doors, windows, and skylights, or other fixtures designed to serve a single Unit, but which are located outside that Unit's boundaries; and
- (d) The Commercial Limited Common Elements and the Residential Limited Common Elements, which are allocated as stated in Sections 8.1.1 and 8.1.2

8.1.1 Commercial Limited Common Elements. Except to the extent otherwise stated in this Declaration, the following Limited Common Elements are allocated solely for the use of the Commercial Users:

- (a) The four (4) uncovered parking spaces shown on the Survey Map and Plans as 1 through 4, are reserved for the exclusive use of the Commercial Users.
- (b) The storage rooms in the basement of the Buildings as shown on the Survey Map and Plans, which is reserved for the exclusive use of the Owners of Commercial Unit 234;
- (c) The stairwells as shown on the Survey Map and Plans which are reserved for the exclusive use of Commercial Unit 234 and Residential Unit 233.
- (d) Any HVAC or duct facilities installed for the use of any Commercial Units, which is reserved for any Unit or Units that utilize the facilities;
- (e) Any security system which only serves the Commercial Component;
- (f) Any mailboxes assigned to the Commercial Units, which are reserved for the exclusive use of the Owners and Commercial Tenants of the Units by which they are identified;
- (g) Any signage facilities installed for Commercial Units;



8.1.2 Residential Limited Common Elements. Except to the extent otherwise stated in this Declaration, the following Limited Common Elements are allocated solely for the use of the Residential Units as allocated below:

- (a) The outside garages, which are shown on the Survey Map and Plans, are assigned to Residential Units by Exhibit "D" to this Declaration. As further described in Section 8.4 below. These garages are reserved to the Owners of the Residential Units to which they are respectively allocated.
- (b) The parking/storage garages under Buildings 2 and 3, which are shown on the Survey Map and Plans, are assigned to Residential Units by Exhibit "D" to this Declaration. As further described in Section 8.4 below. These garages are reserved to the Owners of the Residential Units to which they are respectively allocated.
- (c) The storage area adjacent to each Residential Unit as shown on the Survey Map and Plans, which is allocated to that adjoining Residential Unit;
- (d) Any security system which only serves the Residential Component; and
- (e) Any mailboxes assigned to the Residential Units, which are reserved for the exclusive use of the occupants and tenants of the Units by which they are identified.
- (f) The patio or deck which is adjacent to each Unit, as shown on the Survey Map and Plans.
- (g) The uncovered Parking Spaces, which are shown on the Survey Map and Plans, are assigned to Residential Units by Exhibit "D" to this Declaration ("Parking Spaces"). As further described in section 8.4. These Parking Spaces are reserved to the Owners of the Residential Units to which they are respectively allocated and otherwise are reserved for the exclusive use of all of the Residential Owner's subject to any applicable Rules.
- (h) Corridors, stairwells and other Common Areas within each Building shall be a Limited Common Element for all Units within the Building in which they are located.

8.2 Reservation of Use. The Limited Common Elements are reserved for the exclusive use of the Unit Owner(s) of the Unit(s) to which they are assigned by the Act or this Declaration and such Owner's respective, tenants, invitees and licensees.

8.3 Boundary. The boundaries of Limited Common Elements shall be defined by the interior surfaces of improvements enclosing the Limited Common Element (including without limitation, walls, floors, ceiling, doors, windows, ground, railings, fencing or striping); but if there are no such interior surfaces, then the boundaries as delineated on the Survey Map and Plans; but if no such boundaries are so delineated, then the perimeter edge of such Limited Common Element as actually constructed or expanded by Declarant or Association in accordance with this Declaration.



8.4 Parking Spaces.

8.4.1 Number and Location. The number of uncovered Parking Spaces in the Condominium is One hundred twenty six (126); the number of outside garages is forty (40); and the number of underground parking/storage garages is eighteen (18), for a total number of parking spaces of one hundred eighty four (184) all as shown on the Survey Map and Plans. There are also unnumbered handicapped Parking Spaces as shown on the Survey Map and Plans, which shall be used exclusively for that purpose.

8.4.2 Declarants Assignment. The Declarant reserves the right to make the initial assignment of the Parking Spaces and garages to each Residential Unit, such assignment being made in Exhibit D attached hereto and by amendments thereto prepared, adopted, executed and recorded solely by the Declarant. With respect to each Residential Unit, Declarant may make such assignments prior to or contemporaneously with the closing of the sale of such Residential Unit by Declarant or any time thereafter prior to the expiration of the Special Declarant Rights. Any Parking Spaces that are unassigned are Common Element Parking Spaces to be used by all Unit Owners and guests until such time as they are allocated to a Unit as Limited Common Element.

8.4.3 Rights to Use. Subject to this Declaration and applicable Rules, each Residential Unit Owner has the unqualified right to use the Residential Parking Spaces and/or garages which are assigned to its Residential Unit as a Limited Common Element, and the unassigned Parking Spaces and storage areas are reserved solely for the use of the Residential Unit Owners and Tenants and guests occupying or visiting their Units. Commercial users shall not park their vehicles in the residential Parking Spaces or use any of the storage areas without the prior written approval of the Board.

8.4.4 Garages. The garages located outside numbered 20 through 60 as shown on the Survey Map and Plans, shall be used exclusively for parking vehicles. The garages located under Buildings 2 and 3 numbered 1 through 18 as shown on the Survey Map and Plans, shall be used exclusively for storage and/or vehicle parking.

8.4.5 Expiration of Declarants Assignment Rights. The Declarants right to create Limited Common Elements in the Parking Spaces and garages shall terminate upon the earlier of (a) seven (7) years after the date this Declaration is recorded, or (b) the day after the conveyance of record of the last Residential Unit owned by the Declarant.

8.4.6 Leasing. After the Declarants initial assignment, a Residential Unit Owner may lease the Parking Spaces or garages assigned to that Residential Unit, but only to its Units tenant or to any other Residential Unit Owner or any tenant occupying its Unit; provided, the lease term shall automatically expire on the date the Unit Owner disposes of it's interest in the Residential Unit (whether such disposition is by deed, contract, foreclosure or otherwise). The Board shall be notified in writing of the existence of any such rental or Lease arrangement made by any Residential Unit Owner other than the Declarant.

8.5 Leasing and Transfer of Limited Common Elements.

8.5.1 Leasing. There shall be no leasing of Limited Common Elements except as provided elsewhere in this Declaration.



8.5.2 Reallocation of Limited Common Elements. Except as otherwise provided in this Declaration, Limited Common Elements may be reallocated based on the procedure and subject to the terms set forth in RCW 64.34.228 of the Act, in effect as of the date of recording of this Declaration, and not subject to future amendments to the Act.

8.6 Conversion of Common Elements or Limited Common Elements.

8.6.1 Conversion of Common Elements to Limited Common Elements. The Owners of the Units to which at least sixty seven percent (67%) of the Total Voting Power, including the Owner of the Unit to which the Limited Common Element will be assigned, must agree to convert a Common Element to a Limited Common Element. Such conversion shall be reflected in an amendment to this Declaration and Survey Map and Plans. This section shall not apply to any such conversion made as a result of the exercise of any right reserved by the Declarant in this Declaration to assign and create Limited Common Elements.

8.6.2 Conversion of Limited Common Elements to Common Elements. The Owners of the Units to which at least sixty seven percent (67%) of the Total Voting Power, including the Owner of the Unit to which the Limited Common Element has been assigned, must agree to convert a Limited Common Element to a Common Element. Such conversion shall be reflected in an amendment to this Declaration and Survey Map and Plans. This section shall not apply to any such conversion made as a result of the exercise of any right reserved by the Declarant in this Declaration to assign and create Limited Common Elements.

8.6.3 Incorporation of Limited Common Element into Unit. The Owners of the Units to which at least sixty seven percent (67%) of the Total Voting Power, including the Owner of the Unit to which the Limited Common Element will be incorporated, must agree to incorporate a Limited Common Element into an existing Unit. Such incorporation shall be reflected in an Amendment to this Declaration and the Survey Map and Plans. This section shall not apply to any such reallocation made as a result of the exercise of any right reserved by the Declarant in this Declaration to assign and create Limited Common Elements.

ARTICLE 9
EASEMENTS

9.1 Service Facilities. 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 the Condominium. Without limiting the generality of the foregoing, each Unit and all Common and Limited Common Elements, are specifically subject to an easement for the benefit of each of the other Units in the Condominium for all duct work for the Units, and for heating, ventilation, air conditioning and fireplaces and associated flues or chimneys, if any. In addition, each Unit and all the Common and Limited Common Elements are specifically subject to easements as required for any wiring, plumbing lines and equipment, if any, for each Unit. Each Unit as it is constructed is granted an easement to which each other Unit and all Common and Limited Common Elements are subject to the location and maintenance of all the original equipment and facilities and utilities for that 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.



9.2 Access and Utilities. The Unit Owners and their respective tenants, invitees, and licensees, shall have a non exclusive easement over and across any driveway, lanes and sidewalks in the Condominium for the sole purpose of ingress to and egress from the Units, Limited Common Elements and Common Elements. The Board, on behalf of the Association and all members, shall have authority to grant utility, road and similar easements, licenses and permits, under, through or over the Common Elements, which easements the Board determines are reasonably necessary or convenient to the ongoing development and operation of the Condominium.

9.3 Association Functions. There is hereby reserved to the Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Act, this Declaration, the Articles of Incorporation, Bylaws or Rules and Regulations.

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

9.5 Support. Each Unit and all Common and Limited Common Elements are hereby declared to have an easement in and the right to use the land beneath and the foundation and structural components of the other improvements comprising the Buildings and portions of the Buildings to which they are adjacent for subjacent and lateral support.

9.6 Easements for Declarant. The Declarant reserves an easement through the Common Elements as may be reasonably necessary for the purposes of discharging the Declarant's obligations or for exercising Special Declarant Rights.

ARTICLE 10 USE RESTRICTIONS

10.1 General Purpose. The Property shall only be used for residential and commercial purposes as provided herein and by the Declarant for the purposes reserved herein as Special Declarant Rights.

10.2 Unit and Building Uses.

10.2.1 Residential Use. Each Residential Unit shall be used as a residence and such other uses as permitted by this Declaration and for no other purpose. The foregoing residential restrictions shall not, however, be construed in such a manner as to prohibit a Unit Owner from



maintaining their personal professional library therein, keeping their personal business and professional records therein, or handling their personal business or professional telephone calls or correspondence therefrom to the extent doing so complies with all applicable laws and ordinances.

10.2.2 Commercial Use. Commercial Units shall be used exclusively as business offices, together with uses customarily incidental thereto.

10.2.3 Structural Alterations. The Unit Owners shall not, without first obtaining written consent of the Board, make, or permit to be made, any structural alteration, improvement or addition in or to their Unit or to the exterior of the Buildings or any of the Common Elements.

10.2.4 Exterior Appearance. Residential Unit Owners shall not display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles, which may be visible, in or from the Common Elements or the Building exteriors (other than draperies, curtains or shades which have a uniform exterior appearance in accordance with the Rules and Regulations adopted by the Board), or paint or decorate or adorn the outside of any Unit or Limited Common Element or install any canopy or awning, or other equipment, fixtures or items of any kind, without the prior written permission of Board.

10.2.5 Signs. 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 written approval of the Board. The Board shall, by and subject to appropriate Rules and Regulations, permit temporary placement of a sign, at a space designated by the Board, indicating that a Unit is for sale or lease. This section shall not apply to the Declarant or Declarant's agents in exercising the rights provided in this Declaration. The Owner and Commercial Tenant of the Commercial Unit shall have the right to erect signage to identify and direct persons to that Commercial Unit. All such signs shall be approved by the Association and shall be maintained in good state of repair and cleanliness by their respective Owners.

10.2.6 Smoking. Smoking is prohibited throughout the Condominium except for the interiors of the Residential Units.

10.2.7 Pets.

10.2.7.1 Domestic household pets, such as dogs and cats, may be kept by Unit Owners; provided, that the keeping of pets shall be subject to such Rules and Regulations as the Board may from time to time adopt. The Board may require the removal of any animal which the Board, in the exercise of reasonable discretion, finds unreasonably disturbing to other Unit Owners and may exercise this authority for specific animals even though other animals are permitted to remain.

10.2.7.2 No Unit Owner or tenant may keep more than one (1) dog, or one (1) cat in a Unit. The size of such pet shall be restricted to small animals, which shall mean no more than 20 pounds; provided dogs that are kept and used by persons who suffer from a disability defined in the Americans with Disability Act may be allowed to keep one (1) dog used for that purpose, regardless of size.

10.2.8 Nuisance. No unlawful, immoral, noxious or other offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon



which shall constitute a nuisance or which shall, in the judgment of the Board, cause unreasonable noise or disturbance to others.

10.3 Common Element Uses and Alterations. The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the respective Owners or lessees residing therein, and their guests and other authorized visitors, and for such other purposes which are incidental to the residential use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner. 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.

10.4 Vehicle Parking Restrictions. Parking Spaces and/or garages are restricted to use for parking of operative automobiles, pickup trucks and motorcycles; other items and equipment may only be parked or kept in Parking Spaces with the consent of the Board. This restriction shall not apply to the garages located beneath buildings 2 and 3 which are restricted to use for storage as well as vehicle parking as described above. No motor vehicle may be parked in a location or manner that blocks or impairs access to any Unit or Common Element. The Board may require removal of any inoperative or improperly licensed vehicles, or any unsightly vehicle, and any other equipment or item improperly stored in Parking Spaces or garages. If the same is not removed, the Board may cause removal at the risk and expense of the Owner thereof. Use of all Parking Spaces and garages may be regulated by the Board, including the right to exclude oversized vehicles.

10.5 Use of Equipment. No person shall overload the electric wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the electrical, heating or other systems.

10.6 Rental Units. The Leasing or Renting of a Residential Unit by its Owner shall be governed by the following provisions:

10.6.1 Commercial Lease Restrictions. The Commercial Units may be leased for any permitted purpose and the Board shall not adopt any Rule or Regulation which impairs such rights.

10.6.2 Maximum Number of Leases. Not more than twenty four (24) Residential Units may be Leased or Rented at any given time. The Board shall have the right to adopt Rules to supervise and enforce such restrictions.

10.6.3 No Transient Purposes. With the exception of a Mortgagee in possession of a Unit following a default in a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of a Foreclosure, no Residential Unit Owner shall be permitted to lease his or her Unit for any period less than ninety (90) consecutive days.

10.6.4 Entire Unit. No Residential Unit Owner may lease less than an entire Unit.

10.6.5 Written Leases. All leases of Residential Units shall be in writing and be subject to this Declaration, Bylaws and Association Rules and Regulations (with a default by the tenant in complying with this Declaration and/or Bylaws constituting a default under the agreement for Leasing or Renting). The Board shall be notified in advance of an Owner's intentions to rent or lease



a Residential Unit. The Board shall also be notified of the names of all occupants of the Residential Unit being rented or leased.

10.6.6 Rent to Association. If a Residential 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 Residential Unit as is required to pay any amounts due the Association hereunder. The lessee shall not have the right to question payment to the Board, and such payment will discharge the lessee's duty of payment to the Owner to the extent such rent is paid to the Association, but will not discharge the liability of any Owner. The Board shall not exercise this power where a receiver has been appointed with respect to the Residential Unit or its Owner or in derogation of any rights which a Mortgagee may have with respect to such rents.

10.6.7 Percentage of Rentals. The Board may adopt Rules and Regulations pertaining to the percentage of Residential Units to be leased or rented or to terms of any lease or rental of any Residential Unit. Any Rules and Regulations must meet all requirements for leasing for condominium projects established by the Federal National Mortgage Association.

10.6.8 Declarant Leasing. The Declarant shall have the right to Lease or Rent any Residential Units. This right shall expire four (4) years after the date of recording of this Declaration. The Leased or Rented Residential Units owned by the Declarant shall not reduce the number of Residential Units that may be Leased pursuant to Section 10.6.2

10.7 Effect on Insurance. Nothing shall be done or kept in any Residential Unit or in the Common or Limited Common Element, which will increase the rate of insurance on the Common Elements or Residential Units without the prior written consent of the Board. No Owner shall permit anything to be done or kept in their Residential 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.

10.8 Rules and Regulations. All Unit Owners and their tenants, licensees and invitees shall comply with any Rules and Regulations governing operation of the Condominium and the use of the Common Elements, as may be adopted and amended from time to time by the Board.

10.9 Television, Cable, Etc. Subject to applicable law and the enforceable provisions of contract, no television cables, no aerial, satellite dish or antennae shall be placed or erected upon any Unit, Common or Limited Common Element or affixed in any manner to the exterior or any building or structure on the Real Property unless authorized in writing by the Board.

10.10 Timeshares Not Permitted. Timesharing, as defined in the Washington Timeshare Act, is prohibited.

10.11 Storage Areas and Garage Restrictions. All storage areas and garages authorized for the use of storage are restricted to use for the storage of personal effects by the Residential Unit Owners or their Respective tenants. Such effects, however, may not include any fireworks, explosives, gasoline, highly flammable or toxic materials, animal carcasses, food or beverage items, illegal substances, garbage or trash, or any other items which may present a risk to human health or general sanitation or create any odor or other nuisance.



ARTICLE 11
OWNERS' ASSOCIATION

11.1 Form of Association. The Unit Owners shall be Members of the Association, which shall be the association created pursuant to RCW 64.34.300. The Association shall be incorporated as a nonprofit Washington corporation. The rights and duties of the Members and the Association shall be governed by the provisions of the Act and of this Declaration. Subassociations may, but are not required to be, created pursuant to RCW 64.34.278 to facilitate the administration, maintenance and operation of the Components of the Condominium. A commercial subassociation or a residential subassociation, or both, may be created at the direction of the Board. To the extent the commercial subassociation or residential subassociation does not or ceases to exist, all of the rights, duties, responsibilities and remedies referred to in this Declaration therefor shall be held by the Association. The Association may form one or more committees to perform all or a portion of certain functions that might otherwise be delegated to a subassociation, in which case the references to the relevant subassociation in this Declaration for such purposes shall be deemed to mean such committee. To the extent so delegated by the Board, persons serving on such committees shall have the same powers otherwise afforded to the Board in exercising such powers, such persons shall be afforded the same degree of limited liability and indemnification provided for Board members and the Board may elect to include such committee members in any liability insurance or fidelity bonds that are or might otherwise be obtained for members of the Commercial Board or the Residential Board.

11.1.1 Commercial Operations Committee. The Commercial Component and portions of the Common Elements supporting or serving same ["Affected Area"] shall be further subject to governance and control by the Commercial Operations Committee of the Board of Directors. The authority of the Commercial Operations Committee is exclusive with regard to the following powers to arrange for any common advertising and promotional activities affecting the Commercial Units, the power to develop signage rules for the Commercial Affected Areas, and to make or approve modifications to the external portions of the Building and to establish Rules and Regulations governing the Commercial Units.

11.2 Membership Qualification and Transfer. Each Owner (including Declarant) is a member of the Association so long as they remain a Unit Owner of record, and such membership shall automatically terminate when they cease to be a Unit Owner of record. The Association membership of each Owner (including Declarant), shall be appurtenant to the Unit giving rise to such membership, and may not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of record title to such Unit and then only to the transferee of record title to 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.

11.3 Voting.

11.3.1 Number of Votes. The total number of votes allocated to all Units is 100 votes, with votes allocated to each Unit as shown in Exhibit "C".

11.3.2 Method of Voting. Means by which votes in the Association shall be cast and recognized, including voting by proxy, written consent, multiple owners, pledged votes shall be as set forth in the Bylaws.



11.3.3 Association Owned Units. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

11.4 Meetings and Quorums. Meeting for the Association, including notice and quorums, shall be as set forth in the Bylaws.

11.5 Bylaws of Association. Bylaws for the administration of the Association and the Condominium and for other purposes not inconsistent with the Act or with the intent of this Declaration have been adopted for the Association by the Declarant ("Bylaws"). Amendments to the Bylaws may be adopted at any regular or special meeting by a vote of Owners holding more than sixty percent (60%) of the Total Voting Power. The Bylaws may contain supplementary provisions regarding the operation and administration of the Condominium that are not inconsistent with this Declaration.

ARTICLE 12
DECLARANT CONTROL

12.1 Declarant Control. Declarant has reserved as a Special Declarant Right the right to appoint or remove officers and Directors of the Association and the right to veto and approve a proposed action of the Board or Association, subject to the provisions of RCW 64.34.308, sections (4) (a) and (b), (5), (6) and (7).

12.2 Transfer of Control. Declarant shall transfer control of the Association as required by RCW 64.34.312.

12.3 Termination of Contracts and Leases. Contracts and leases entered into prior to transfer of Declarant's control of the Association to the Owners may be terminated as provided in RCW 64.34.320.

ARTICLE 13
MANAGEMENT OF CONDOMINIUM

13.1 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 Articles of Incorporation and Bylaws of the Association which are incorporated herein by reference and made a part hereof.

13.2 Election and Removal of Board and Officers.

13.2.1 Election By Owners

The Board shall be elected or appointed by the Declarant subject to Article 12 of this Declaration. Commencing with the first Association meeting at which the Unit Owners are to elect the entire Board (other than a meeting held when Declarant still owned all of the Units), and unless the Bylaws are amended at that meeting, the Board shall be composed of five (5) members, a majority of whom must be Owners of Units in the Condominium. The Board members shall take office upon election.



13.2.2 Taking Office, Officers. The Board shall elect the officers of the Association. The Board, members and officers shall take office upon election.

13.2.3 Term of Office. Each officer and Board member shall serve a one (1) year term from the date they are elected, and the remainder of the term, if such officer or Board member is filling the remainder of a vacated Board position or office.

13.2.4 Removal. The Unit Owners, by a two-thirds vote or more of the Total Voting Power may remove any member of the Board with or without cause.

13.3 Management by Board

13.3.1 On Behalf of Association. Except as otherwise provided in the Declaration, the Bylaws, or the Act, the Board shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board are required to exercise ordinary and reasonable care.

13.3.2 Not on Behalf of Association. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Section 23.1, to terminate the Condominium pursuant to RCW 64.34.268, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board pursuant to the Declaration; but the Board may fill vacancies in its membership for the unexpired portion of any term.

13.3.3 Budget Approval. The Board shall comply with all provisions of the Declaration including Section 14.4 regarding Budget preparation.

13.4 Authority of the Association

13.4.1 The Association, acting by and through the Board or Manager, may enforce the provisions of this Declaration and of the Bylaws, and shall have all powers and authority permitted to the Association under the Act (specifically RCW 64.34.304) and this Declaration, including without limitation:

(a) Maintain and repair 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 such Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such 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; and

(b) Pay any amount necessary to discharge any lien or encumbrance levied against the 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 Units responsible to the extent of their responsibility.

13.4.2 The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for, out of the Association funds, 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 Ten Thousand Dollars (\$10,000.00), without first obtaining the affirmative vote of Owners holding more than fifty percent (50%) of the Total Voting Power.

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

13.5 Borrowing by Association. In the discharge of its duties and the exercise of its powers as set forth in the Act and Section 13.4.1, but subject to the limitations set forth in this Declaration, 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 such Unit's pro rata share of borrowed funds and the obligation to pay its pro rata share shall be a lien against such Unit. Provided, that the Owner of a Unit may remove their Unit from the lien of such Assessment by payment of the Allocated Interest in Common Expense Liability attributable to such Unit. Subsequent to any such payment, discharge, or satisfaction, the Unit 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 his rights against any Unit not so paid, satisfied, or discharged.

13.6 Limitations on Board's Ability. Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board nor the Manager, nor the Declarant or Manager appointed by the Declarant 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, water, rain or sand which may leak or flow from outside or from any parts of a Building or from any of its pipes, drains, conduits, appliances, or equipment or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or order of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort. This section shall not be interpreted to impose any form of liability by implication upon the Board, the Association, the Manager, or the Declarant or Manager appointed by the Declarant exercising the powers of the Board.

13.7 No Personal Liability for Decisions. So long as a Board member, Association committee member, or Association officer has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person and such person's evaluation of such information, no such person (and no Manager acting pursuant to the directions of the Board) 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, including any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity. Without limiting the generality of the foregoing, the term "discretionary decisions" shall include evaluating and deciding whether or not to act in response to reports, investigations or recommendations received by such person, and shall include deciding whether or not to commence, defend, continue, or settle lawsuits or arbitration/mediation or other legal proceedings involving the Association or Condominium (or any part thereof). 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 17.

13.8 Indemnification of Board Members / Declarant. Each Board member, Association committee member, or Association officer, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which they may be a party, or in which 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 willful or intentional misconduct, 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 such person will personally receive a benefit in money, property or services to which such 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 Association and each Owner shall defend, indemnify and hold Declarant harmless from any claim, expense, or liability based on the failure of the Association or such Owner to comply with applicable duties and obligations under: the Declaration, Association Articles of Incorporation or Bylaws, or Association Rules and Regulations; or under applicable law.

13.9 Association Records and Funds.

13.9.1 Records and Audits. The Association shall keep financial records sufficiently detailed to enable it to provide resale certificates as required by the Act and current copies of the Declaration and the Association Articles of Incorporation, Bylaws and Rules and Regulations. All financial and other records of the Association, including, but not limited to, checks, bank records and invoices, shall be the property of the Association. All of the items referred to in this section and the Associations, books, records and financial statements shall be made available for examination and copying by the manager, a Unit Owner, a Unit Owners authorized agents and all Mortgagees during normal business hours. At least annually, the Association shall prepare, or cause to be prepared, its financial statement in accordance with generally accepted accounting principals.

13.9.2 Name of Accounts. The funds of the Association shall be kept in an account or accounts in the name of the Association as provided in the Bylaws.

13.9.3 Fund Commingling. The funds of the Association shall not be commingled with the funds of any other Association or entity, nor with the funds of any Manager or any other person responsible for the custody of such funds.

13.9.4 Reserve Funds. Any reserve funds of the Association shall be kept in a segregated account and any transaction affecting any 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.

13.10 Association as Trustee. With respect to a third person dealing with the Association in the Association's capacity as a trustee, the existence of trust powers and their proper exercise by the Association may be assumed without inquiry. A third person is not bound to inquire whether the Association has power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the Association is exceeding or improperly exercising its powers, is fully protected in dealing with the Association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the Association in its capacity as trustee.



13.11 Governmentally Required Maintenance, etc. Any insurance, maintenance, repair, replacement, alteration or other work, or the monitoring of such work, which is required by any governmental entity (including without limitation, federal, state or local government, public or private utility provider, local improvement district, or other governmental or quasi-governmental entity or agency), and regardless of whether such requirement is now or hereafter established, and whether imposed in connection with a building permit or other governmental approval or requirement, and whether involving land within public rights of way or subject to ownership or exclusive use of one Owner, shall be the sole and exclusive responsibility of the Association (not the Declarant) and any cost incurred in connection therewith shall be a Common Expense. The Association shall defend, indemnify and hold Declarant harmless from any expense or claim arising from or relating to any Association's breach of this provision; and promptly upon demand reimburse Declarant for any costs directly or indirectly incurred by Declarant as a result of the Declarant performing, or the Association's failure to perform, such work (including any work necessary to obtain a release, or avoid a forfeiture, of any cash deposit or other bond made by Declarant).

13.12 Maintenance, Repair, Inspection and Warranty Procedure. The Association shall defend, indemnify and hold Declarant harmless from any expense or claim arising from or relating to any Association's failure to promptly and properly maintain, repair or inspect the Condominium (or any part thereof), or the Association's failure to promptly and properly make a claim (or comply with dispute resolution procedures) under any implied or expressed warranty. Declarant shall not be liable under any express or implied warranty (including implied warranties under the Act) for loss or damage which the Association or Owners have not taken timely action to minimize, or which is caused or made worse by a failure to properly and promptly maintain, repair, or inspect.

13.13 Association Litigation

13.13.1 The term "Legal Proceedings" as used herein shall include litigation, administrative, mediation, arbitration or other proceedings in the name of the Association on behalf of itself or two or more Unit Owners on matter affecting the Condominium.

13.13.2 The provisions of this Section 13.13 shall not apply to Legal Proceedings, as a result of which the Association could not be held responsible for costs of suit (including all fees for attorneys, experts, witnesses, investigations and other costs of suit) in a aggregate amount of not more than Seven Thousand Five Hundred Dollars (\$7,500), which involve:

- (a) Collection of delinquent regular or special Assessments, the enforcement of any Assessment lien, and interest and penalties in connection therewith;
- (b) Collection of monies owed to the Association, or recovery of damages caused to the Association or Condominium (or any part thereof), when the principal amount to be recovered involves less than Twenty Five Thousand Dollars (\$25,000);
- (c) Enforcement of the provision of Declaration, Articles of Incorporation, Bylaws or Rules and Regulation of the Association;
- (d) Defense of a claim against the Association, when the principal amount to be recovered involves less than Twenty Five Thousand Dollars (\$25,000); or



(e) The filing of a complaint, answer or other pleading for the limited purpose satisfying a statute of limitation deadline, avoiding entry of a default order or judgment, or preventing personal injury or serious harm to the Condominium (if such purpose is certified in good faith by the Association's attorney), but except for this limited purpose the other conditions of Section 13.13.3 must be satisfied.

13.13.3 In order for the Association (or the Board acting on behalf of the Association) to institute, defend, or intervene in Legal Proceedings, and in order for the Association to become obligated in the aggregate sum in excess of Seven Thousand Five Hundred Dollars (\$7,500) in connection with Legal Proceedings, the following conditions must be satisfied:

(a) The Board has received a detailed written summary ("Litigation Summary") concerning the substance of the Legal Proceedings, including: (i) agreements with lawyers, experts and consultants; (ii) issues involved; (iii) legal and factual basis of anticipated allegations on behalf of and against the Association; (iv) remedies to be sought on behalf of and against the Association; (v) estimated amount to be sought on behalf of (and that could be sought from) the Association; (vi) Association's estimated costs of suit (including fees for attorneys, experts, witnesses, investigations and other costs of suit) and any third-party costs of suit that the Association would pay if the Association does not prevail; (vii) reports and recommendations by any professionals or consultants retained by the Association (any be any opposing party, if available); (viii) any written demands or settlement offers made by an opposing party (the Board shall request that an opposing party make such demand and settlement offer); and (ix) any negative consequences that the Association, Condominium, or Owners could suffer during such proceedings including required disclosure to prospective purchasers, impediments to Unit refinancing, or diminishment of Unit value;

(b) If the Legal Proceedings will involve a claim concerning construction defects or other condition of the Condominium, the Litigation Summary will also include: A description of the construction defects or other condition; and, any written response from the person against whom the claim is to be made concerning such defects (including any offer to settle by performing remedial work, payment of cash or a combination of both);

(c) A copy of the Litigation Summary shall be transmitted to all Owners, together with a written notice of the Owner's right of access to the books and records of the Association as provided in Section 13.9.1 and a written notice of a special Owners' meeting to be convened as provided in this Declaration;

(d) The Owners holding more than sixty-seven percent (67%) of the Total Voting Power must grant approval for the Association (or the Board acting on behalf of the Association) to institute, defend, or intervene in Legal Proceedings.

ARTICLE 14 ASSESSMENTS

14.1 Owners' Obligation. Each Owner shall be obligated to pay the amount assessed by the Association against the Owner's Unit for its share of the Common Expenses based upon the annual budget in equal monthly installments made to the treasurer of the Association, on or before the first day of each month, or in such other reasonable manner as the Board shall designate. Special assessments shall be paid as determined by the Board. No Owner may be exempt from liability for



payment of Assessments for any reason, including waiver of use or enjoyment of any of the Common Elements or abandonment of their Unit.

14.2 Common Expenses. Common Expenses shall include:

- (a) Expenses of administration;
- (b) Expenses of maintenance, repair, replacement and landscaping of Common Elements and, to the extent performed by the Association, the Limited Common Elements;
- (c) Expenses associated with the operation, maintenance, repair, and replacement of any Common Elements which the Declarant has the right to convert to Limited Common Elements and incurred prior to such conversion being effective;
- (d) Cost of insurance or bond required by the Act, this Declaration and the Bylaws or as obtained at the direction of the Board;
- (e) Bills for any utility services furnished to the Common Elements or to the Units which are not separately metered;
- (f) Trash collection;
- (g) Any general operating reserve established by the Board from time to time;
- (h) At the Boards' election, reserves for replacements and deferred maintenance established by the Board from time to time;
- (i) Reserve for Insurance;
- (j) Any deficit in Common Expenses for any prior period; and
- (k) Any other items properly chargeable as expenses of the Association.

14.3 Assessment Authority. All Assessments shall be levied by the Association.

14.4 Budget for Common Expenses. The Board shall prepare a budget for the Association at least annually, estimate the Common Expenses to be incurred, less any previous over assessment, and assess the Common Expenses to each Unit in proportion to the Unit's Allocated Interest. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners of Units to which a majority of the Total Voting Power in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. If deemed necessary by the Board, any annual budget may be revised prior to the end of its budget year, subject to this provision.



14.5 Reserve Funds. In establishing its budget, the Board may make provisions for creating, funding, and maintaining reasonable reserves for contingencies and operations and for the maintenance, repair, replacement and acquisition of Common Elements and Limited Common Elements and shall take into account any expected increase and any surplus available from the prior year's operating fund. Reserves shall be accumulated so that within a reasonable time they are sufficient to cover any deductible amounts which are included in the casualty and any flood insurance policy for the Condominium obtained by the Association. The Board shall calculate the contributions to such reserve fund so that there will be 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 nonpayment for any reason of any Owner's Assessment), the Board may at any time levy a further Assessment for that purpose. 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.

14.6 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 the date on which seventy-five percent (75%) 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 the budget adopted by the Association.

14.7 Allocation of Assessments.

14.7.1 Allocated Liability. Except as otherwise stated in this section, all Common Expenses shall be assessed against all the Units in accordance with their respective Allocated Interests.

14.7.2 Limited Common Element Expenses. Any Common Expense associated with the operation, maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Units to which that Limited Common Element is assigned. If a Limited Common Element is assessed against more than one Unit, such Units shall share such assessment equally. The Board may elect that any Common Expense associated with the Limited Common Elements be assessed against all of the Units.

14.7.3 Only Some Units Benefited. 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 benefited and may otherwise allocate Assessments among and to the degree to which the Board deems the Components or Units to be so benefited.

All expenses of maintaining the Residential Parking Spaces and garages and related striping, cleaning, lighting and signage shall be allocated to the Residential Units to whom they are assigned, but the costs of such services provided to any group of Parking Spaces, garages or Storage Areas may be averaged before such allocation is made.

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



14.7.5 Utility Costs. Utilities serving each Unit shall be placed in the name of the Owner and the Owner of the Unit shall be solely responsible for the cost of utilities provided to that Unit. The Association may, as a Common Expense, and any Unit Owner may, at such Unit Owner's expense, install meters or submeters to more accurately determine utility usage. All electrical charges that are not metered separately to a Unit shall be allocated to all of the Units as a Common Expense, payable in accordance with their respective Allocated Interest. The heat for the Commercial Component is shared by all Commercial Units and all costs will be shared by the Commercial Units according to their Allocated Interest.

HVAC. For purposes of this section, the term "HVAC Facility" shall mean any facility that provides heat, ventilation, and air conditioning and the term "HVAC Cost" means all costs of operating, maintaining, repairing and replacing any HVAC Facility, excluding the initial construction costs and the expenses of restoring any damage caused by casualty. All HVAC Costs for an HVAC Facility which serves only a single Unit shall be allocated solely to such Unit. All HVAC Costs for an HVAC Facility which serves more than one Unit shall be allocated among the Units served by such HVAC Facility based on relative HVAC load.

14.7.6 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 Interest at the time the judgment was entered.

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

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

14.8 Special Assessments. The Board may levy a special assessment for any expense incurred by the Association that is charged, assessed or allocated to specific Unit, as provided in this Declaration, and for the purpose of defraying the cost any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time ("Special Assessment"). The Board shall give notice to the Unit Owners of any Special Assessment by statement in writing giving the amount and reasons therefore, along with a date for a special meeting of the Association to be held not less than fourteen (14) days following such notice, for approval of the Special Assessment. Subject to the provisions of Section 14.4 hereof, such Special Assessment shall become due and payable, unless otherwise specified in the notice, with the next monthly assessment payment which is due more than thirty (30) days after the deliver or mailing of such notice.

14.9 Working Capital Contribution. The Bylaws of the Association shall require the establishment of a working capital fund ("Working Capital Fund"). The Working Capital Fund shall be utilized to meet unforeseen expenditures or to purchase any additional equipment for the maintenance and operation of the Property. Funding of the Working Capital Fund shall be accomplished as follows: (a) on closing of the sale of each Unit the buyer shall pay into the Working Capital Fund an amount equal to two (2) months of the Condominium's regular monthly Assessments; (b) on transfer of control of the Association pursuant to Article 12 of this Declaration, the Declarant



shall pay into the Working Capital Fund for any Unit owned by the Declarant an amount equal to two (2) months of the regular monthly Assessment.

Monies paid into the Working Capital Fund shall not be considered as advance payment of the regular monthly Assessments. The Working Capital Fund shall be a segregated fund under the control of the Association. The Association may not use monies held in the Working Capital Fund, until Declarant has turned over control of the Association to the Owners pursuant to Article 12, to defray any of the Declarant's expenses, required reserve contributions, construction costs or to make up for budget deficits.

If the Declarant has paid into the Working Capital Fund for any Unit, the Declarant may on sale of such Unit require reimbursement from the buyer for those monies paid into the Working Capital Fund for such Unit.

14.10 Assessment Certificates. 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.

ARTICLE 15 ASSOCIATION'S RIGHTS AND REMEDIES

15.1 Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, the Bylaws and 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 and the applicable Bylaws and Rules. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the aggrieved Board (acting through its officers on behalf of the Owners), or by the aggrieved Owners on their own against the party (including an Owner or the Association) failing to comply.

15.2 Access to Property. A Board and its agents or employees, may enter any Units or Limited Common Element when necessary in connection with any maintenance, repair, 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 and paid for as a Common Expense 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 specially charged to such Unit.

15.3 Acceleration of Assessments. In the event any monthly Assessment or Special Assessment attributable to a particular Owner's 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 Assessments which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.



15.4 Owner Liability. 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 Assessments shall be maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

15.5 Mortgagee Liability. 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, except as provided in Section 15.6.3. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Members of the Association to whom such Assessment is due, 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.

15.6 Lien for Assessments.

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

15.6.2 Priority. The Association's Assessment lien 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) except as herein provided, 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.

15.6.3 Mortgage Priority. The Association's Assessment lien shall be prior to Mortgages recorded before the date on which the Assessment sought to be enforced became delinquent 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 this Declaration, and 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 non judicial foreclosure by a Mortgagee, or the date of recording of the Declaration of forfeiture in a proceeding by the vendor under a real estate contract.

15.6.4 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 the Association's lien priority 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 a delinquency. This section does not affect the priority of mechanics' or materialman's liens or the priority of liens for other Assessments.

15.6.5 Recording as Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. The Association may record a claim of lien for delinquent Assessments at its sole election.



15.6.6 Enforcement of Lien. The lien arising under this section may be enforced judicially by the Association or its authorized representative in the manner set forth in Chapter 61.21 RCW, or nonjudicially in the manner set forth in Chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust. 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. The Association may elect to take a deed in lieu of foreclosure in any such proceeding. If the Association forecloses its lien nonjudicially pursuant to Chapter 61.24 RCW, the Association shall not be entitled to the lien priority provided in Section 15.6.3 hereof.

15.6.7 Receiver. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by its Unit Owner, 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.

15.6.8 Lien Survives Sale. The Association's lien for unpaid Assessments shall not be affected by the sale or transfer of a Unit except in the event of sale by foreclosure, trustee's sale, contract forfeiture or deed in lieu thereof. Such foreclosure, trustee's sale or contract forfeiture shall extinguish the Association's lien for all Assessments due and payable to that Association or its assignee prior to the date of such foreclosure, trustee's sale or forfeiture or the delivery of a deed in lieu thereof except to the extent of the priority of the Association's lien for unpaid Assessments, but in doing so shall not relieve subsequent Unit Owners of the foreclosed Unit from paying Assessments levied thereafter.

15.6.9 Late Charges. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all delinquent Assessments or installments thereof. In the absence of another established non-usurious 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.

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

15.6.11 Deed of Trust Requirements. For the purpose of a non-judicial foreclosure, prior to a non-judicial foreclosure, the Association shall designate a qualified trustee. The trustee shall have the power of sale in the event of a default by a Unit Owner. Declarant states that no Unit is used principally for agricultural purposes.



15.7 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) The Board may resort to the deposit at any time when such Owner is ten (10) days or more delinquent in paying their monthly or other Assessments and charges. The deposits shall not be considered as advance payments of regular Assessments. In the event the Board should draw upon a deposit as a result of a Unit Owner's delinquency in payment of any Assessments, the Owner shall continue to be responsible for the immediate and full payment of any delinquent Assessment (and all penalties and costs thereon) and thus the full restoration of the 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 the Unit purchaser shall succeed to the benefit thereof, and the Unit seller and not the Association is responsible for obtaining from the Unit purchaser any appropriate compensation therefore.

ARTICLE 16
ORDINARY MAINTENANCE AND REPAIR

16.1 Units. Each Unit Owner shall, at their expense, keep their Unit in good order, condition and repair and in a clean and sanitary condition, and shall do all decorating, painting, and varnishing which may at any time be necessary to maintain the good appearance and condition of their Unit. Each Unit Owner shall be responsible for the maintenance, repair or replacement of plumbing fixtures, water heaters, fans, heating equipment, lighting fixtures, fireplaces, refrigerators, dishwashers, ranges, or other appliances that comprise a part of their Unit.

16.2 Common Elements. The Association shall cause the Common Elements to be maintained in a good, clean, sanitary and operating condition.

16.2.1 The Association is responsible for maintenance, repair and replacement of the Common Elements, including the Limited Common Elements, except as may be provided elsewhere in this Declaration. In order to preserve a uniform exterior appearance to the Buildings, the Board shall require and provide for the painting and other decorative finish of the Buildings and all Common Elements, and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any painting, modification or decoration of the Buildings and Common and 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 of the Buildings.



16.2.2 The Board, with the assistance of the Manager or other competent professionals, shall develop a schedule of routine maintenance for all components of the Common Elements which require maintenance, establishing appropriate times during each year when such maintenance should occur. The Board should also periodically undertake an analysis of the adequacy of the Association's reserve fund; such analysis should (1) ascertain the probable remaining useful life of each component of the Common Elements which will require replacement or major repairs, (2) estimate the probable cost of replacement or repair for each such component, (3) establish an annual reserve budget which would, when funded, minimize the necessity for the imposition of a Special Assessment upon the Owners within the foreseeable future.

16.3 Limited Common Elements. Limited Common Elements are for the sole and exclusive use of the Units to which they are reserved or assigned, provided, that the use, maintenance, condition and appearance thereof may be regulated by the Board as follows:

16.3.1 Decisions by Board. 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 decorating Limited Common Elements shall be made by the Board.

16.3.2 Performance of Work. The Unit Owner shall maintain and repair the Limited Common Element that is allocated to a specific Unit. Limited Common Elements assigned to more than one Unit shall be maintained and repaired by the Association and the cost charged as a Special Assessment. The covered parking structures within the Condominium shall all be maintained and repaired by the Association, and the cost of maintenance and repair shall be assessed equally to all Units allocated Limited Common Element covered Parking Spaces.

16.3.3 Board Approval. Owners may not modify, paint, or otherwise decorate or in any way alter their respective Limited Common Elements without prior written approval of the Board.

16.4 Damage Caused by Negligence and Misconduct. If, due to the act or neglect of a Unit Owner or such Owner's family members, pets, tenant, licensee or invitee, damage shall be caused to the Common Elements or to any Unit or Units owned by others, such Unit Owner shall pay for repair and replacement of such damage as may be determined by the Association to the extent not covered by the Association's insurance.

ARTICLE 17 INSURANCE

17.1 Required Policies. Commencing not later than the time of the first conveyance of a Unit to any person other than a Declarant, the Association shall maintain, to the extent reasonably available:

(a) Property insurance on the entire Condominium, which may, but need not, include equipment, improvements, and betterments in a Unit installed by the Declarant or the standard fire and extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by a standard "all risk" endorsement. The total amount of insurance



after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from casualty policies and subject to deductibles which do not exceed the lesser of one percent (1%) of the policy face amount or Ten Thousand Dollars (\$10,000). The policy shall contain a construction code endorsement to the extent the applicable building codes require changes to undamaged portions of the Condominium when only part of the Condominium is destroyed by an uninsured hazard, and, when deemed appropriate by the Board or any Mortgagee, a steam boiler and machinery coverage endorsement which provides for the insurer's minimum liability per accident of at least the lesser of (a) Two Million Dollars (\$2,000,000) or (b) the insurance value of the Building;

(b) Comprehensive general liability insurance for the Condominium which provides coverage for medical payments insurance, bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements in an amount of at least One Million Dollars (\$1,000,000) for any single occurrence and which contains a specific endorsement to preclude the insurer's denial of a Unit Owner's claim because of the negligent act of the Association or other Unit Owners;

(c) Workers' Compensation Insurance to the extent required by applicable laws;

(d) If required by the Board or any Mortgagee, a fidelity bond 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 an amount at least equal to three (3) months' aggregate Assessments for all Units plus reserves. The bond shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression. The bond shall cover all persons who handle or are responsible for funds that the Association holds or administers, whether or not such person receives compensation for services and shall name the Association as the obligee. The bond shall cover the maximum funds that will be in the custody of the Association at any given time during the period in which the bond is enforced. Additionally, the Board shall ensure that any Manager is covered by its fidelity bond;

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

(f) If any portion of the Condominium is in a special flood hazard area, a master or blanket policy of flood insurance equal to the lesser of (a) one hundred percent (100%) of the insurable value of the condominium, or (b) the maximum coverage available under the appropriate National Flood Insurance Administration program, and subject to a maximum deductible amount of the lesser of (i) Five Thousand Dollars (\$5,000), or (ii) one percent (1%) of the policy fact amount; and

(g) 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, rent loss, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association, Governmental National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, or other governmental agencies involved within the project, except to the extent such coverage is not available or has been waived in writing by such agency.



17.2 Coverage Not Available. If the casualty insurance described in this section is not reasonably available, or it is modified, canceled, or not renewed, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by first class United States mail to all Unit Owners, to such Eligible Mortgagee, and to each Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known address.

17.3 Required Provisions. Insurance policies carried pursuant to this Article shall:

(a) Provide that the Association is the named insured, and that each Unit Owner is insured under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) Provide that the insurer waives its right to subrogation under the policy as to any and all claims against the Association, the Owners of any Unit and/or their respective agents, employees, or tenants, and members of their household, and of any defense based upon coinsurance or upon invalidity arising from the acts of the insured;

(c) Provide that no act or omission by any Unit Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no direct control, will void the policy or be a condition to recovery under the policy;

(d) Provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and that the liability of the insurer hereunder shall not be affected by, and the insurer shall not claim any right to set off, counterclaims, apportionment, proration, contribution or assessment by reason of, any other insurance obtained by or for any Unit Owner or any Mortgagee;

(e) Provided 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 provisions of any insurance trust agreement to which the Association is a party, or any requirement of law, and that insurance trust agreements will be recognized;

(f) Contain standard Mortgagee clauses which name Mortgagees and their successors and assigns. Provide at least ten (10) days' prior written notice to the insured before the policy may be canceled or substantially modified. Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds; and

(g) Contain, if available, an inflation guard endorsement.

17.4 Claims Adjustment. Any loss covered by the property insurance under this Article must be adjusted with the Association, and each Unit Owner, by acquiring their Unit subject to this Declaration, appoints the Association as their attorney-in-fact for such purposes. The insurance proceeds are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interests may appear. Subject to provisions of the Act, the proceeds must be disbursed first for the repair and restoration of the damaged Property, and Unit Owners and lien holders are not entitled to receive payment of any



portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or the Condominium is terminated.

17.5 Owner's Additional Insurance. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for the Owner's own benefit.

17.6 Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of Chapter 48.18 RCW pertaining to the cancellation or non-renewal of contracts of insurance. The insurer shall not modify the amount or the extent of coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of Washington law.

17.7 Notification on Sale of Unit. Promptly upon conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owner of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

ARTICLE 18 DAMAGE OR DESTRUCTION; RECONSTRUCTION

18.1 Definitions; Significant Damage; Repair; Emergency Work. As used in this Article, the term "Significant Damage" means damage or destruction, whether or not caused by casualty, to any part of the Property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs; and (b) which has a significant adverse impact on the occupancy of any Unit or the ability of an Owner or Owners to use the Property or any significant portion of the Property for its intended purpose. As used in this Article, the term "Repair" means to repair, reconstruct, rebuild or restore the Building or Buildings or improvements which suffered Significant Damage 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. As used in this Article, the term "Emergency Work" means the work 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 arising out of the condition of the Property.

18.2 Initial Board Determinations. In the event of Significant Damage to any part of the Condominium, the Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations, employing any advice the Board deems advisable.

18.2.1 The nature and extent of the Significant Damage, together with an inventory of the improvements and the Property directly affected thereby.



18.2.2 A reasonably reliable estimate of the cost to Repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

18.2.3 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.

18.2.4 The amount, if any, that the estimated cost of Repair exceeds the anticipated insurance proceeds available for that Repair and the amount of Assessment to each Unit if the excess was paid as a Common Expense and specially assessed against all the Units in proportion to their Allocated Interest in the Common Elements.

18.2.5 Whether the Significant Damage should be Repaired.

18.3 Notice of Significant Damage. The Board shall promptly, and in all events within thirty (30) days after the date of Significant Damage, provide each Owner, and each first Mortgagee with a written notice summarizing the initial Board determination. If the Board fails to do so within the thirty (30) day period, then any Owner or Mortgagee may make the determinations required under this section and give the notice required under this section.

18.4 Duty to Restore. Any portion of the Condominium for which insurance is required under this Article which is Significantly Damaged shall be Repaired promptly by the Association unless: (a) the Condominium is terminated; (b) Repair would be illegal under any state or local health or safety statute or ordinance; or (c) Unit Owners with eighty percent (80%) of the Total Voting Power, including every Owner of a Unit or assigned Limited Common Element which will not be Repaired, vote not to Repair. Even if the Significant Damage is not to be Repaired, the Board shall still have authority to perform Emergency Work. The cost of Repairs in excess of insurance proceeds and reserves is a Common Expense.

18.5 Board's Authority. Without limiting the rights and powers of the Board generally, if any damage to the Property is to be Repaired by the Board, 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. The Board may authorize the insurance carrier to proceed with Repair upon satisfaction of the Board that such work will be appropriately carried out. The Board may enter into a written agreement with any reputable financial institution or trust or escrow company to engage such firm or institution to act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000.00), or for such firm or institution to collect the insurance proceeds and carry out the provisions of the Article. In the event of a decision to terminate the Condominium and not to Repair, the Board may expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work and the remaining funds, if any, and the Property shall thereafter be held and distributed as provided in the Act.

18.6 Damage not Restored. If all or any portion of the damaged portions of the Condominium are not Repaired (regardless of whether such damage is Significant Damage): (a) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (b) the insurance proceeds attributable Units and Limited Common Elements which are not Repaired shall be



distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lien holders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the Unit Owners or lien holders, as their interests may appear, in proportion to the Common Element Allocated Interests of all the Units.

18.7 Reallocation. If the Unit Owners vote not to Repair any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

ARTICLE 19
CONDEMNATION

Condemnation of Units and Common Elements shall be governed by RCW 64.34.060 in effect as of the date of recording of this Declaration, and not subject to future amendments to the Act.

ARTICLE 20
COMPLIANCE WITH DECLARATION

20.1 Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, the Bylaws and 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 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.

20.2 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, the Bylaws, Rules and Regulations, 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 of the right to enforce such term, covenant, condition or restriction, and 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.

ARTICLE 21
PROTECTION OF COMMERCIAL OWNERS AND TENANTS

21.1 Tenant Protection Provisions. Unless and to the extent otherwise provided in its lease of a Commercial Unit, the following provisions are intended to benefit the Commercial Tenants so long as their respective leases exist and a copy thereof (less any economic terms the Commercial Unit Owner or Commercial Tenant elects to redact) has been provided to the Board:



(a) A Commercial Tenant's landlord's default under this Declaration or any other Condominium documents shall not enable the Association to impair such Tenant's access to or use of its Unit, the Limited Common Elements appurtenant to such Unit, or any of the access, parking, storage or Common Elements to which such Tenant would otherwise have access, inhibit the operational availability of any services to such Tenant, impair such Tenant's use of or operations in its Unit, or impose upon it any fine or penalty;

(b) No Commercial Tenant shall have direct liability of any Assessment levied by the Association; provided, however, this provision shall not be construed as prohibiting the Tenant from agreeing to pay any assessment to reimburse its landlord therefor under its lease;

(c) To the extent provided in its lease, a Commercial Tenant shall have the right, at its sole option and discretion in each instance, to cure any monetary default of its landlord under this Declaration or under any other Condominium documents or any agreement entered into or restriction granted by any other Unit Owner or the Board with or for the benefit of such Tenant and such cures shall be accepted by the person to whom such obligation is owed if effected within the applicable cure period therefore or, in the absence of a stated cure period, within ten (10) days after such Tenant is given written notice of such default;

(d) To the extent so provided in its lease and upon notifying the Association, a Commercial Tenant shall be entitled to receive copies of any notices given to its landlord by the Association, including, without limitation, any notice claiming that the Unit Owner is in default under of this Declaration or any other Condominium documents;

(e) To the extent so provided in its lease, a Commercial Tenant shall have the same right to examine and audit of the records of the Association, at the Commercial Tenant's sole expense, that are granted to Unit Owners under this Declaration or applicable Washington law;

(f) To the extent provided in its lease, and so long as doing so does not violate any governmental requirements or any other covenants, conditions or restrictions applicable to such lease or the Condominium at the time its lease is entered into, the Board shall not adopt any Rules, grant or withhold any required approvals, or take any other action that would interfere with a Commercial Tenant's rights to (a) operate its business permitted by its lease, provided such business is not prohibited by this Declaration, (b) provide its Customers vehicular and pedestrian access to the Property and its Unit or vehicular parking, (c) erect, maintain or modify such Commercial Tenant's standard signage in the Condominium that identifies its business in its Unit or its standard directional signage in the Common Elements;

(g) The Board shall recognize any voting proxy given by a Unit Owner to its Commercial Tenant pursuant to RCW 64.34.340; and

(h) Any Commercial Tenant or its lender may request an agreement of a non-disturbance from the Association that confirms the foregoing and the priority of its lease over the lien for any Assessments, for which the Association may charge a reasonable fee to reimburse it for its actual expenses and attorneys' fees incurred to prepare the same.

21.2 Owner Protection Provisions. No Board shall adopt any Rules, grant or withhold any required approvals, or take any other action that would interfere with a Commercial Unit Owner's rights to (a) operate its business in its Unit, (b) provide its Customers vehicular and pedestrian access



to the Property and its Unit or vehicular parking, (c) erect, maintain or modify such Owner's standard signage in the Condominium that identifies its business in its Unit or its usual standard directional signage in the Common Elements, so long as the same comply with this Declaration and all applicable laws and ordinances.

21.3 Amendments. No amendment of this Declaration which would adversely affect or impair any rights granted to Commercial Tenants or Commercial Unit Owners under this section, impose additional monetary obligations upon a Commercial Tenant that are not required by its lease, or impair any Commercial Tenant's or Commercial Unit Owner's rights of access to its Unit or to the parking spaces on the Property shall be effective without the consent of the Tenants and Owners that would be directly affected thereby.

ARTICLE 22 PROTECTION OF MORTGAGEES

22.1 Change in Manager. In the event that a Manager is employed by the Association, at least thirty (30) days' notice of any contemplated change in the Manager shall be given to any Eligible Mortgagee. The Association shall not elect to terminate the Manager and assume self-management without the prior written approval of Owners holding sixty-seven percent (67%) or more of the Total Voting Power and Eligible Mortgagees of Units with more than fifty percent (50%) of the Total Voting Power; provided that such prior consent shall not be required to change from one Manager to another Manager.

22.2 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 Owners holding sixty-seven percent (67%) or more of the Total Voting Power and Eligible Mortgagees of Units with more than fifty percent (50%) of the Total Voting Power seek by act or omission to: abandon or terminate the condominium status of the Property; or abandon, encumber, sell or transfer any of the Common Elements.

22.3 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 to do so, without the prior written approval of Owners holding sixty-seven percent (67%) or more of the Total Voting Power and Eligible Mortgagees of Units with more than fifty percent (50%) of the Total Voting Power of Owners of Units, and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s), so affected.

22.4 Amendment in Declaration or Bylaws. The Association shall not make any Material Amendment (as defined in Section 23.7) to this Declaration or Bylaws (including changes in the percentages of interest in the Common Elements) without the prior written approval of Owners holding sixty-seven percent (67%) or more of the Total Voting Power and Eligible Mortgagees of Units with more than fifty percent (50%) of the Total Voting Power and without unanimous approval of the Eligible Mortgagee(s) and Owner(s) of the Unit(s) for which the percentage(s) would be changed.

22.5 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 21.5, 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 guaranties) the Mortgage.

22.6 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 consent to in writing by the holder of such Mortgage. Any provision of this Declaration conferring rights upon Mortgagees, which is inconsistent with any other provision of this Declaration, or the Bylaws shall control over such other inconsistent provisions.

22.7 Insurance.

22.7.1 Board Duties. With respect to a first Mortgagee of a Unit, the Board shall:

(a) Cause any insurance carrier to include in the insurance policy a standard mortgage clause, naming any mortgagee who makes written request to the Board to be so named;

(b) Furnish any 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;

(c) Require any insurance carrier to give the Board and any and all insured (including such Mortgagees) at least thirty (30) days' written notice before canceling, 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);

(d) Not make any settlement of any insurance claims for loss or damage to any such Unit, Common or Limited Common Element exceeding Five Thousand Dollars (\$5,000) without the approval of such Mortgagee; provided, that the withholding of such approval shall not be unreasonable or in conflict with the provisions of this Declaration;

(e) Give such Mortgagee written notice of any loss or taking affecting Common Elements, if such loss or taking exceeds Ten Thousand Dollars (\$10,000); and

(f) 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 Dollars (\$1,000);

22.7.2 Additional Policy Provisions. 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; and

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

22.8 Inspection of Books and Records. Declarant (and Declarant's agents), Owners, Mortgagees, insurers and guarantors of any Mortgage on any Unit shall be entitled: (a) to inspect and copy at all reasonable hours of weekdays (or under other reasonable circumstances) all of the books and records of the Association for which they or their borrowers are members including current copies of this Declaration, the Association's Articles of Incorporation, Bylaws, Rules and Regulations governing the Condominium and other books, records and financial statements of the Association (with a reasonable time following request); (b) Upon written request of any holder, insurer or guarantor of a first Mortgage at no cost to the party so requesting (or if this project contains fewer than fifty (50) Units, upon the written request of any Mortgagee at its expense if an audited statement is not otherwise available), to receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year.

ARTICLE 23 SUBDIVISIONS AND COMBINATIONS OF UNITS

The subdivision of Units is prohibited, except where two (2) or more Units have previously been combined, they may be subdivided as permitted by the Act.

ARTICLE 24 AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

24.1 In General. Except in cases of amendments that may be executed solely by the Declarant, the Association or certain Unit Owners as otherwise stated herein, and except as otherwise limited herein, this Declaration, including the Survey Map and Plans, may be amended only by vote or agreement of Owners of Units to which sixty-seven (67%) or more of the Total Voting Power is assigned; provided, however, any action requiring a greater number of votes under this Declaration may be amended only upon the affirmative vote by the holders of such greater number.

24.2 Challenge to Validity. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.

24.3 Recording. Every amendment to the Declaration must be recorded in every county in which any portion of the Condominium is located, and is effective only upon recording. An amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. All amendments adding Units shall contain a cross-reference by recording number to the Survey Map and Plans relating to the added Units and set forth all information required by RCW 64.34.216(1).



24.4 General Limitations. Except to the extent expressly permitted or required by other provisions of the Act, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted, in the absence of the vote or agreement of the Owner of each Unit particularly affected and the Owners of Units to which at least ninety percent (90%) of the Total Voting Power are allocated other than the Declarant.

24.5 Commercial Unit Owners' Vote. The provisions of Article 21 shall not be terminated or amended in any manner without the consent of the Owners of the Commercial Units.

24.6 Execution. Amendments to the Declaration required by the Act to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

24.7 Special Declarant/Development Rights. No amendment may restrict, eliminate, or otherwise modify any Special Declarant or Development Right, or any other right, power, benefit provided in the Declaration to Declarant (nor otherwise hinder the business activities or expectations of, or benefits provided hereunder to, the Declarant) without the consent of the Declarant and any Mortgagee of record (excluding Mortgagees of Units owned by persons other than the Declarant) with a security interest in the Special Declarant or Development Right or in any Property subject thereto.

24.8 Material Amendments. 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 Owners holding sixty-seven percent (67%) or more of the Total Voting Power and Eligible Mortgagees of Units with more than fifty percent (50%) of the Total Voting Power: 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 Common 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 Condominium, or the addition, annexation, or withdrawal of Property to or from the Condominium; insurance or fidelity bond; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer their Unit; a decision by the Association to establish self-management when professional management had been required previously by the Condominium's documents or by an Eligible Mortgage holder; restoration or repair of the Condominium (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 Condominium 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.

24.9 Survey 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 effect 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 Auditor's office in conjunction with the Declaration amendment.



24.10 Mortgagee Requirements. All Unit Owners covenant and agree, for themselves and their heirs, successors and assigns, to vote in favor of and implement any amendments hereto which may be necessary to satisfy the requirements of the Federal National Mortgage Association, Veteran's Administration and Federal Housing Administration or any of them as the Board may determine.

ARTICLE 25
TERMINATION

25.1 General. Except in the case of a taking of all of the Units by condemnation, this Condominium may be terminated only by agreement of the Unit Owners of Units to which eighty percent (80%) or more of the Total Voting Power is assigned. Such vote must be evidenced by the execution of a termination agreement in the same manner as a deed by the requisite number of Unit Owners, and termination agreement shall specify a date after which it will be void unless it is recorded before that date and shall contain a description of the manner in which the creditors of the Association will be paid or provided for. No termination shall be effective until the termination agreement is recorded. The termination agreement may provide that the Property shall be sold following termination in the manner and with the consequences prescribed by the Act. If the Property is not sold following termination, title therein shall vest in the Unit Owners upon termination as tenants in common with the Owner's respective undivided interests to be allocated as provided in the Act.

25.2 Mortgagee Approval. Eligible Mortgagees that represent Units to which eighty percent (80%) or more of the Total Voting Power is assigned must consent to any decision to terminate the legal status of this Condominium for reasons other than substantial destruction or condemnation of the Property.

ARTICLE 26
CONSTRUCTION AND INTERPRETATION

26.1 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 Condominium 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.

26.2 Immaterial Defects. The creation of this Condominium shall not be impaired and title to the Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration or Survey Map and Plans, or any amendment thereto to comply with the Act.

26.3 Partial Invalidity. If any term, covenant, condition or restriction contained in this Declaration should be held to be unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate this Declaration as creating a condominium and shall be limited to the extent practicable to the provision so invalidated.

26.4 Consistent with Act. The terms 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.



26.5 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 in and attached hereto shall be deemed incorporated herein by reference as though fully set forth where the reference is made.

26.6 Covenant Running with Land. It is intended that the 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.

26.7 Percentage of Owners or Mortgagees. For purposes of determining the percentage of Owners or Mortgagees, or a percentage of the Total Voting Power for, approving a proposed decision or course of action in cases where an Owner owns, or a Mortgagee holds Mortgages on, more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned and such Mortgagee shall be deemed a separate Mortgagee for each such first Mortgage so held.

26.8 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 the ownership of specifically described Units have been or are filed of record.

26.9 Inflationary Increase in Dollar Limits. Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association 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 to adjust for any changes in the value of the dollar after the effective date of this Declaration.

26.10 Conflicts Among Act, Declaration and Bylaws. In the event of an express conflict between the provisions of the Declaration and the Bylaws, this Declaration shall be controlling. In the event of an express conflict between this Declaration and the Act, the Act shall be controlling.

26.11 Natural Persons. If this Declaration or the Bylaws now or hereafter provides that any officers or directors of the Association must be Unit Owners, the term "Unit Owner" in such context shall, unless this Declaration or Bylaws otherwise provide, be deemed to include any director, officer, partner in or trustee of any person, who is, either alone or in conjunction with another person or persons, a Unit Owner. Any officer or director of the Association who would not be eligible to serve as such if he or she were not a director, officer, partner in or trustee of such a person shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that person, or if that person would have been disqualified from continuing in such office as a natural person.

ARTICLE 27 MISCELLANEOUS

27.1 Notice for All Purposes

27.1.1 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 notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States mail, first class postage prepaid, addressed to the person entitled to the notice at the most recent address given by that person to the Board, in writing, for the purpose of service of notice, or to the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit of the person or Persons if no other mailing address has been given to the Board by any of the persons so entitled. Notice to a tenant shall be directed to the Unit address. 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.

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

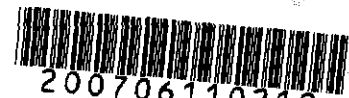
27.2 Mortgagee's Acceptance

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

27.2.2 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 the Mortgagee referred to in Section 27.2.1 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 Allocated Interest in Common Elements from the lien of such Mortgage. The issuance and recording of the first such partial release by such 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 acknowledgment that such appropriate arrangements for partial release of Units have been made; provided, that, except as to the Units (and their Allocated Interests in Common Elements) so released, such Mortgage shall remain in full effect as to the entire Property.

27.3 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion of a provision shall not affect the validity or enforceability of any other provision of the Declaration if the remainder complies with the Act or as covenants effect the common plan.

27.4 Conveyances; Notice 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.



27.5 Transfer of Declarant's Powers. It is understood and agreed 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 under the Declaration 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 and include Development Rights and Special Declarant Rights).

27.6 Effective Date. The Declaration and any amendment to the Declaration shall take effect upon recording.

27.7 Reference to Survey Map and Plans. The Survey Map and Plans of the Condominium was filed with the Auditor of Skagit County, Washington, simultaneously with the recording of this Declaration under Skagit County Auditor's File No. 200706110218.

ARTICLE 28
DISPUTE RESOLUTION

28.1 Policy- Mediation. The parties hope there will be no disputes arising out of their relationship. To that end, each commits to cooperate in good faith and to deal fairly in performing its duties under this Declaration in order to accomplish their mutual objectives and avoid disputes. But if a dispute arises, the parties agree to resolve all disputes by the following alternate dispute resolution process: (a) the parties will seek a fair and prompt negotiated resolution, but if this is not successful; (b) all disputes shall be resolved by binding arbitration, provided that during this process; and (c) at the request of either party made not later than forty-five (45) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date). The parties confirm that by agreeing to this alternate dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

28.2 Binding Arbitration. Any claim between or among any party subject to this Declaration (including without limitation, the Declarant, Association Board or officers, Unit Owners, or their employees or agents) arising out of or relating to this Declaration, a Unit or Units, the Condominium or the Association shall be determined by Arbitration in the county in which the Condominium is located commenced in accordance with RCW 7.04.060; provided, that the total award by a single arbitrator (as opposed to a majority of the arbitrators) shall not exceed Fifty Thousand Dollars (\$50,000), including interest, attorneys' fees and costs. If any party demands a total award greater than Fifty Thousand Dollars (\$50,000) there shall be three (3) neutral arbitrators. If the parties cannot agree on the identity of the arbitrator(s) within ten (10) days of the arbitration demand, the arbitrator(s) shall be selected by the administrator of the American Arbitration Association (AAA) office in Seattle from its Large, Complex Case Panel (or have similar professional credentials). Each arbitrator shall be an attorney with at least fifteen (15) years' experience in commercial or real estate law and shall reside in the county in which the Condominium is located. Whether a claim is covered by the Article shall be determined by the arbitrator(s). All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding hereunder.

28.3 Hearing - Law - Appeal Limited. The arbitrator(s) shall take such steps as may be necessary to hold a private hearing within ninety (90) days of the initial demand for arbitration and to



conclude the hearing within three (3) days; and the arbitrator(s) written decision shall be made not later than fourteen (14) calendar days after the hearing. The parties have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator(s) may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator(s) shall apply applicable substantive law. Absent fraud, collusion or willful misconduct by an arbitrator, the award and decision shall be final, and the judgment may be entered in any court having jurisdiction thereof. The arbitrator(s) may award injunctive relief or any other remedy available from a judge, including without limitation joinder of parties or consolidation of this arbitration with any other involving common issues of law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages; or to award attorneys' fees and costs to the prevailing party. The decision and award of the arbitrator(s) need not be unanimous; rather, the decision and award of two arbitrators shall be final.

28.4 Governing Law. To the extent that anything in this Article 27 conflicts with Chapter 64.35 RCW then Chapter 64.35 RCW shall govern.

28.5 Assessments. This Article does not apply to collection of Assessments, which is governed by other provisions of this Declaration.

ARTICLE 29

DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

29.1 Development Rights. The Declarant reserves the following Development Rights:

29.1.1 The right to add improvements to the Condominium, including the garages as shown on the Survey Map and Plans

29.1.2 To make any repairs to the Common Elements Limited Common Elements or

29.1.3 The right to create Units, Common Elements and Limited Common Elements.

29.1.4 The right to convert Units into Common Elements.

29.1.5 The right to reallocate Limited Common Elements with respect to Units that have not been conveyed by the Declarant.

29.1.6 All of the foregoing Development Rights apply to all of the Condominium and must be exercised within seven (7) years of the date of recording of this Declaration. The Development Rights may be exercised with respect to different portions of the Condominium, at different times. The Declarant makes no assurance with regard to the timing and order of the reallocation of the Limited Common Elements. If the Declarant exercises the Development Rights as to any portion of the Condominium, the Declarant is not required to exercise the Development Rights as to the remainder of the Condominium.

29.2 Special Declarant Rights. Declarant Reserves for the Benefit of the Declarant the following Special Declarant Rights:



29.2.1 The right to complete improvements to the Project shown on the Survey Map and Plans, including but not limited to the access road, utilities, and garages. Declarant also reserves the right to make other improvements to the Common Elements, including landscaping, landscaping structures, signage, lighting and the construction of other amenities.

29.2.2 The right to exercise those Development Rights described in Section 29.1 above, consistent with the requirements of RCW 64.34.236.

29.2.3 The right to maintain sales offices, management offices, signs, advertising the Condominium and model Units. Units used as a sales office, management office or model unit may be relocated from time to time at the discretion of the Declarant.

29.2.4 The right to use easements through the Common Elements for the purpose of making improvements and/or repairs within the Condominium.

29.2.5 The right to appoint or remove any officer of the Association, or any member of the Board of Directors, or to veto or approve proposed action of the Board of Directors or the Association, during the period of Declarant Control.

29.2.6 The right to allocate additional Real Property as Common Elements for parking or other uses as determined by Declarant.

29.2.7 At any time the Declarant may maintain three (3) model Units. A sales office will be located in the Common Element of the Building. The Declarant in addition reserves the right to maintain signs in the Common Elements for the purpose of advertising the Condominium.

29.2.8 All of the foregoing Special Declarant Rights apply to all of the Condominium and must be exercised within seven (7) years of the date of recording of this Declaration. The Special Declarant Rights may be exercised with respect to different portions of the Condominium, at different times. The Declarant makes no assurance with regard to the timing and order of the reallocation of the Limited Common Elements. If the Declarant exercises the Special Declarant Rights as to any portion of the Condominium, the Declarant is not required to exercise the Special Declarant Rights as to the remainder of the Condominium.

ARTICLE 30 INSPECTION

The Association shall have the duty to inspect the Property at least once a year to ascertain its physical condition as follows: A general Building inspection by a qualified engineer, architect, or inspector shall be performed. The general Building inspection shall cover at a minimum a structural inspection, a roof inspection, an exterior inspection and an interior inspection. The structural inspection shall include at least a visual inspection of the foundation, the crawl space and the attic space. The roof inspection shall include a visual inspection of the roof covering, roof drainage, flashing skylights, chimney, roof terraces and vents. The exterior inspection shall include at least a visual inspection of the siding, the trim, surface drainage around the structure, windows, doors and the caulking around all




with regard to its structural integrity and its weatherproofing. The inspector shall prepare an inspection report including a recommendation for repairs to the Property including the building enclosure that, in the professional judgment of the inspector, are necessary. A copy of such written inspection report shall be provided to Declarant upon written request. The cost of the inspection shall be a Common Expense.

DATED this 8th day of June, 2007.

DECLARANT:

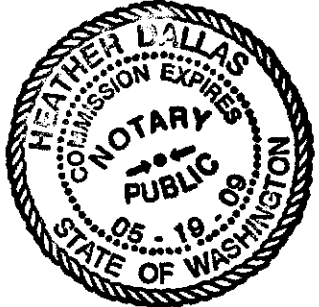
QUEENS PLATE DEVELOPMENT, INC.

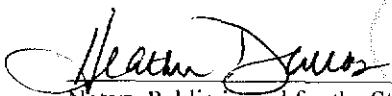
By: 
JOHN RUSIN, President

STATE OF WASHINGTON)
 : ss.
COUNTY OF WHATCOM)

On this 8th day of June, 2007, before me personally appeared JOHN RUSIN, to me known to be the Authorized Representative of the corporation that executed the within and foregoing instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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




Notary Public in and for the State of Washington,
residing at Bellingham.
My Commission Expires: 05/19/09

N:\WP\SSS\Clients\Rusin, John\Docs\Declaration final.doc



200706110219
Skagit County Auditor

EXHIBIT "A"
LEGAL DESCRIPTION

THE REAL PROPERTY IN THE CONDOMINIUM

PARCEL "A":

Lot 5, of Binding Site Plan No. 2-95, of Cascade Place/Cascade Estates, approved January 18, 1996, recorded January 18, 1996, in Volume 12 of Short Plats, pages 66, 67 and 68, under Auditor's File No. 9601180033, records of Skagit County, Washington, being a portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 5, Township 34 North, Range 4 East, W.M.

TOGETHER WITH that portion of Parcel 4, located in the Binding Site Plan of Cascade Place/Cascade Estates, as approved October 26, 1995, and recorded January 18, 1996, in Volume 12 of Plats, on pages 66 to 68, under Auditor's File No. 9601180033, records of Skagit County, Washington, being a portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 5, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the most Northwesterly corner of said Parcel 4;
thence South 89'26'22" East along the South line of Parcel 9 of said Binding Site Plan, a distance of 24.80 feet to the true point of beginning;
thence continue South 89'28'22" East, a distance of 26.64 feet to the West line of Parcel 5, of said Binding Site Plan;
Thence South 0'37'19" East along the West line thereof, a distance of 9.02 feet to an angle point in the Northerly line of said Parcel 4;
thence North 70'53'23" West, a distance of 28.29 feet to the true point of beginning.

ALSO TOGETHER WITH that portion of Parcel 9, located in the Binding Site Plan of Cascade Place/Cascade Estates, as approved October 26, 1995, and recorded January 18, 1996, in Volume 12 of Plats, on pages 66 to 68, under Auditor's File No. 9601180033, records of Skagit County, Washington, being a portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 5, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the most Northwesterly corner of Parcel 4, of said Binding Site Plan;
thence South 89'28'22" East along the South line of Parcel 9, in said Binding Site Plan, a distance of 24.80 feet to the true point of beginning;
thence Northerly and Northeasterly along a non-tangent curve concave to the Northwest whose radius point bears North 62'25'53" West, a distance of 55.00 feet through a central angle of 27'02'29", an arc distance of 25.96 feet to the North line of said Parcel 9;
Thence North 89'28'22" West, a distance of 26.64 feet to the true point of beginning.



200706110219
Skagit County Auditor

EXCEPT THEREFORM any portion conveyed to the City of Burlington by instrument recorded April 2, 1998 under Auditors File No. 9804020069 or 9804020070, records of Skagit County.

Situate in the City of Burlington, county of Skagit, State of Washington.

PARCEL "B":

Lot 6 of Binding Site Plan No. 2-95, of Cascade Place/Cascade Estates, approved January 18, 1996, recorded January 18, 1996, in Volume 12 of Short Plats, pages 66,67 and 68, under Auditor's File No. 9601180033, records of Skagit County, Washington, being a portion of the Southwest ¼ of the Southwest ¼ of Section 5, Township 34 North, Range 4 East, W.M.

EXCEPT the East 30 Feet as conveyed to the City of Burlington by deed recorded June 13, 2001, under Auditor's File No. 200106130048.

Situate in the City of Burlington, County of Skagit, State of Washington..



200706110219
Skagit County Auditor

EXHIBIT "B"

TO DECLARATION FOR CASCADE ESTATES CONDOMINIUM
UNIT DATA

| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 101 | 1017 | 2 | 3 | 1 | 1 |
| 102 | 1017 | 2 | 3 | 1 | 1 |
| 103 | 858 | 1 | 2 | 1 | 1 |
| 104 | 858 | 1 | 2 | 1 | 1 |
| 105 | 858 | 1 | 2 | 1 | 1 |
| 106 | 858 | 1 | 2 | 1 | 1 |
| 107 | 1017 | 2 | 3 | 1 | 1 |
| 108 | 1017 | 2 | 3 | 1 | 1 |
| 201 | 1041 | 2 | 3 | 1 | 2 |
| 202 | 1041 | 2 | 3 | 1 | 2 |
| 203 | 870 | 1 | 2 | 1 | 2 |
| 204 | 870 | 1 | 2 | 1 | 2 |
| 205 | 870 | 1 | 2 | 1 | 2 |
| 206 | 870 | 1 | 2 | 1 | 2 |



200706110219

Skagit County Auditor

| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 207 | 1041 | 2 | 3 | 1 | 2 |
| 208 | 1041 | 2 | 3 | 1 | 2 |
| 301 | 880 | 1 | 2 | 1 | 3 |
| 302 | 880 | 1 | 2 | 1 | 3 |
| 303 | 870 | 1 | 2 | 1 | 3 |
| 304 | 870 | 1 | 2 | 1 | 3 |
| 305 | 870 | 1 | 2 | 1 | 3 |
| 306 | 870 | 1 | 2 | 1 | 3 |
| 307 | 880 | 1 | 2 | 1 | 3 |
| 308 | 880 | 1 | 2 | 1 | 3 |
| 109 | 870 | 1 | 2 | 1 | 1 |
| 110 | 870 | 1 | 2 | 1 | 1 |
| 111 | 652 | 1 | 1 | 1 | 1 |
| 112 | 665 | 1 | 1 | 1 | 1 |
| 113 | 652 | 1 | 1 | 1 | 1 |
| 114 | 665 | 1 | 1 | 1 | 1 |



| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 115 | 870 | 1 | 2 | 1 | 1 |
| 116 | 870 | 1 | 2 | 1 | 1 |
| 209 | 870 | 1 | 2 | 1 | 2 |
| 210 | 870 | 1 | 2 | 1 | 2 |
| 211 | 665 | 1 | 1 | 1 | 2 |
| 212 | 665 | 1 | 1 | 1 | 2 |
| 213 | 665 | 1 | 1 | 1 | 2 |
| 214 | 665 | 1 | 1 | 1 | 2 |
| 215 | 870 | 2 | 2 | 1 | 2 |
| 216 | 870 | 2 | 2 | 1 | 2 |
| 309 | 653 | 1 | 1 | 1 | 3 |
| 310 | 653 | 1 | 1 | 0 | 3 |
| 311 | 665 | 1 | 1 | 1 | 3 |
| 312 | 665 | 1 | 1 | 1 | 3 |
| | | | | | |



| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 313 | 665 | 1 | 1 | 1 | 3 |
| 314 | 665 | 1 | 1 | 1 | 3 |
| 315 | 653 | 1 | 1 | 1 | 3 |
| 316 | 653 | 1 | 1 | 1 | 3 |
| 117 | 858 | 2 | 2 | 1 | 1 |
| 118 | 870 | 2 | 2 | 1 | 1 |
| 119 | 858 | 2 | 2 | 1 | 1 |
| 120 | 870 | 2 | 2 | 1 | 1 |
| 121 | 652 | 1 | 1 | 1 | 1 |
| 122 | 664 | 1 | 1 | 1 | 1 |
| 123 | 858 | 2 | 2 | 1 | 1 |
| 124 | 870 | 2 | 2 | 1 | 1 |
| 217 | 870 | 2 | 2 | 1 | 2 |
| 218 | 870 | 2 | 2 | 1 | 2 |



| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 219 | 870 | 2 | 2 | 1 | 2 |
| 220 | 870 | 2 | 2 | 1 | 2 |
| 221 | 665 | 1 | 1 | 1 | 2 |
| 222 | 665 | 1 | 1 | 1 | 2 |
| 223 | 870 | 2 | 2 | 1 | 2 |
| 224 | 870 | 2 | 2 | 1 | 2 |
| 317 | 665 | 1 | 1 | 1 | 3 |
| 318 | 665 | 1 | 1 | 1 | 3 |
| 319 | 870 | 2 | 2 | 1 | 3 |
| 320 | 870 | 2 | 2 | 1 | 3 |
| 321 | 665 | 1 | 1 | 1 | 3 |
| 322 | 665 | 1 | 1 | 1 | 3 |
| 323 | 665 | 1 | 1 | 1 | 3 |
| 324 | 665 | 1 | 1 | 1 | 3 |
| 125 | 859 | 2 | 2 | 1 | 1 |



| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 126 | 870 | 2 | 2 | 1 | 1 |
| 127 | 665 | 1 | 1 | 1 | 1 |
| 128 | 665 | 1 | 1 | 1 | 1 |
| 129 | 665 | 1 | 1 | 1 | 1 |
| 130 | 665 | 1 | 1 | 1 | 1 |
| 131 | 870 | 2 | 2 | 1 | 1 |
| 132 | 870 | 2 | 2 | 1 | 1 |
| 225 | 870 | 2 | 2 | 1 | 2 |
| 226 | 870 | 2 | 2 | 1 | 2 |
| 227 | 665 | 1 | 1 | 1 | 2 |
| 228 | 665 | 1 | 1 | 1 | 2 |
| 229 | 665 | 1 | 1 | 1 | 2 |
| 230 | 665 | 1 | 1 | 1 | 2 |
| 231 | 870 | 2 | 2 | 1 | 2 |



| Unit Identifying number | Approx. sq Footage | # of whole or partial bathrooms | # of Bedrooms | # Fireplaces | Located on Level # |
|-------------------------|--------------------|---------------------------------|---------------|--------------|--------------------|
| 232 | 870 | 2 | 2 | 1 | 2 |
| 325 | 665 | 1 | 1 | 1 | 3 |
| 326 | 665 | 1 | 1 | 1 | 3 |
| 327 | 665 | 1 | 1 | 1 | 3 |
| 328 | 665 | 1 | 1 | 1 | 3 |
| 329 | 665 | 1 | 1 | 1 | 3 |
| 330 | 665 | 1 | 1 | 1 | 3 |
| 331 | 665 | 1 | 1 | 1 | 3 |
| 332 | 665 | 1 | 1 | 1 | 3 |
| 133 | 915* | N/A | N/A | N/A | 1 |
| 233 | 825 | 1 | 2 | 0 | 2 |
| 234 | 617* | N/A | N/A | N/A | 2 |
| TOTAL | 78,396 | | | | |



UNIT SQUARE FOOTAGE AREA NOTES

Square footages are (a) determined by surveyors "as-built"; (b) based on interior surface dimensions; and (c) exclude wall thickness.

* These Units are Commercial Units as defined in the Declaration.

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EXHIBIT "C"
TO DECLARATION FOR UNIT ALLOCATED INTEREST AND VOTES
CASCADE ESTATES CONDOMINIUM

| Unit Identifying number | Allocated Interest* | Votes |
|-------------------------------|------------------------|-------|
| 101 | 1.31% | 1.31 |
| 102 | 1.31% | 1.31 |
| 103 | 1.11% | 1.11 |
| 104 | 1.11% | 1.11 |
| 105 | 1.11% | 1.11 |
| 106 | 1.11% | 1.11 |
| 107 | 1.31% | 1.31 |
| 108 | 1.31% | 1.31 |
| 201 | 1.34% | 1.34 |
| 202 | 1.34% | 1.34 |
| 203 | 1.11% | 1.11 |
| 204 | 1.11% | 1.11 |
| 205 | 1.11% | 1.11 |
| 206 | 1.11% | 1.11 |



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| | | |
|-----|-------|------|
| 207 | 1.34% | 1.34 |
| 208 | 1.34% | 1.34 |
| 301 | 1.12% | 1.12 |
| 302 | 1.12% | 1.12 |
| 303 | 1.11% | 1.11 |
| 304 | 1.11% | 1.11 |
| 305 | 1.11% | 1.11 |
| 306 | 1.11% | 1.11 |
| 307 | 1.12% | 1.12 |
| 308 | 1.12% | 1.12 |
| 109 | 1.11% | 1.11 |
| 110 | 1.11% | 1.11 |
| 111 | 0.83% | 0.83 |
| 112 | 0.85% | 0.85 |
| 113 | 0.83% | 0.83 |
| 114 | 0.85% | 0.85 |
| 115 | 1.11% | 1.1 |



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| | | |
|-----|-------|------|
| 116 | 1.11% | 1.11 |
| 209 | 1.11% | 1.11 |
| 210 | 1.11% | 1.11 |
| 211 | 0.85% | 0.85 |
| 212 | 0.85% | 0.85 |
| 213 | 0.85% | 0.85 |
| 214 | 0.85% | 0.85 |
| 215 | 1.11% | 1.11 |
| 216 | 1.11% | 1.11 |
| 309 | 0.83% | 0.83 |
| 310 | 0.83% | 0.83 |
| 311 | 0.85% | 0.85 |
| 312 | 0.85% | 0.85 |
| 313 | 0.85% | 0.85 |
| 314 | 0.85% | 0.85 |
| 315 | 0.85% | 0.85 |



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| | | |
|-----|-------|------|
| 316 | 0.85% | 0.85 |
| 117 | 1.11% | 1.11 |
| 118 | 1.11% | 1.11 |
| 119 | 1.11% | 1.11 |
| 120 | 1.11% | 1.11 |
| 121 | 0.83% | 0.83 |
| 122 | 0.83% | 0.83 |
| 123 | 1.11% | 1.11 |
| 124 | 1.11% | 1.11 |
| 217 | 1.11% | 1.11 |
| 218 | 1.11% | 1.11 |
| 219 | 1.11% | 1.11 |
| 220 | 1.11% | 1.11 |
| 221 | 0.85% | 0.85 |
| 222 | 0.85% | 0.85 |
| 223 | 1.11% | 1.11 |
| 224 | 1.11% | 1.11 |



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| | | |
|-----|-------|-------|
| 317 | 0.85% | 0.85 |
| 318 | 0.85% | 0.85 |
| 319 | 1.11% | 1.11 |
| 320 | 1.11% | 1.11 |
| 321 | 0.85% | 0.85 |
| 322 | 0.85% | 0.85 |
| 323 | 0.85% | 0.85 |
| 324 | 0.85% | 0.85 |
| 125 | 1.11% | 1.11 |
| 126 | 1.11% | 1.11 |
| 127 | 0.85% | 0.85 |
| 128 | 0.85% | 0.85% |
| 129 | 0.85% | 0.85% |
| 130 | 0.85% | 0.85% |
| 131 | 1.11% | 1.11 |
| 132 | 1.11% | 1.11 |



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| | | |
|-----|-------|------|
| 225 | 1.11% | 1.11 |
| 226 | 1.11% | 1.11 |
| 227 | 0.85% | 0.85 |
| 228 | 0.85% | 0.85 |
| 229 | 0.85% | 0.85 |
| 230 | 0.85% | 0.85 |
| 231 | 1.11% | 1.11 |
| 232 | 1.11% | 1.11 |
| 325 | 0.85% | 0.85 |
| 326 | 0.85% | 0.85 |
| 327 | 0.85% | 0.85 |
| 328 | 0.85% | 0.85 |
| 329 | 0.85% | 0.85 |
| 330 | 0.85% | 0.85 |
| 331 | 0.85% | 0.85 |
| 332 | 0.85% | 0.85 |



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| | | |
|-------|-------|------|
| 133 | 1.12% | 1.12 |
| 233 | 1.1% | 1.1% |
| 234 | 0.5% | 0.5 |
| TOTAL | 100% | 100 |

* Allocated Interest is the percentage of the Common Expense Liability and interest in the Common Elements allocated to each Unit.

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EXHIBIT "D"
 TO DECLARATION
 FOR CASCADE ESTATES CONDOMINIUM
 PARKING SPACE AND GARAGE ASSIGNMENT, IDENTIFICATION AND
 DESCRIPTION LISTS

| Parking Space Number* | Description ** | Unit Assignment *** |
|-----------------------|----------------|---------------------|
| 1 | U | SA |
| 2 | U | SA |
| 3 | U | SA |
| 4 | U | SA |
| 5 | U | SA |
| 6 | U | SA |
| 7 | U | SA |
| 8 | U | SA |
| 9 | U | SA |
| 10 | U | SA |
| 11 | U | SA |
| 12 | U | SA |
| 13 | U | SA |
| 14 | U | SA |
| 15 | U | SA |
| 16 | U | SA |
| 17 | U | SA |
| 18 | U | SA |
| 19 | U | SA |
| 20 | U | SA |
| 21 | U | SA |
| 22 | U | SA |
| 23 | U | SA |
| 24 | U | SA |
| 25 | U | SA |



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| | | |
|----|---|----|
| 26 | U | SA |
| 27 | U | SA |
| 28 | U | SA |
| 29 | U | SA |
| 30 | U | SA |
| 31 | U | SA |
| 32 | U | SA |
| 33 | U | SA |
| 34 | U | SA |
| 35 | U | SA |
| 36 | U | SA |
| 37 | U | SA |
| 38 | U | SA |
| 39 | U | SA |
| 40 | U | SA |
| 41 | U | SA |
| 42 | U | SA |
| 43 | U | SA |
| 44 | U | SA |
| 45 | U | SA |
| 46 | U | SA |
| 47 | U | SA |
| 48 | U | SA |
| 49 | U | SA |
| 50 | U | SA |
| 51 | U | SA |
| 52 | U | SA |
| 53 | U | SA |
| 54 | U | SA |
| 55 | U | SA |



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| | | |
|----|---|----|
| 56 | U | SA |
| 57 | U | SA |
| 58 | U | SA |
| 59 | U | SA |
| 60 | U | SA |
| 61 | U | SA |
| 62 | U | SA |
| 63 | U | SA |
| 64 | U | SA |
| 65 | U | SA |
| 66 | U | SA |
| 67 | U | SA |
| 68 | U | SA |
| 69 | U | SA |
| 70 | U | SA |
| 71 | U | SA |
| 72 | U | SA |
| 73 | U | SA |
| 74 | U | SA |
| 75 | U | SA |
| 76 | U | SA |
| 77 | U | SA |
| 78 | U | SA |
| 79 | U | SA |
| 80 | U | SA |
| 81 | U | SA |
| 82 | U | SA |
| 83 | U | SA |
| 84 | U | SA |
| 85 | U | SA |



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| | | |
|-----|---|----|
| 86 | U | SA |
| 87 | U | SA |
| 88 | U | SA |
| 89 | U | SA |
| 90 | U | SA |
| 91 | U | SA |
| 92 | U | SA |
| 93 | U | SA |
| 94 | U | SA |
| 95 | U | SA |
| 96 | U | SA |
| 97 | U | SA |
| 98 | U | SA |
| 99 | U | SA |
| 100 | U | SA |
| 101 | U | SA |
| 102 | U | SA |
| 103 | U | SA |
| 104 | U | SA |
| 105 | U | SA |
| 106 | U | SA |
| 107 | U | SA |
| 108 | U | SA |
| 109 | U | SA |
| 110 | U | SA |
| 111 | U | SA |
| 112 | U | SA |
| 113 | U | SA |
| 114 | U | SA |
| 115 | U | SA |



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| | | |
|-----|---|----|
| 116 | U | SA |
| 117 | U | SA |
| 118 | U | SA |
| 119 | U | SA |
| 120 | U | SA |
| 121 | U | SA |
| 122 | U | SA |
| 123 | U | SA |
| 124 | U | SA |
| 125 | U | SA |
| 126 | U | SA |
| G1 | E | SA |
| G2 | E | SA |
| G3 | E | SA |
| G4 | E | SA |
| G5 | E | SA |
| G6 | E | SA |
| G7 | E | SA |
| G8 | E | SA |
| G9 | E | SA |
| G10 | E | SA |
| G11 | E | SA |
| G12 | E | SA |
| G13 | E | SA |
| G14 | E | SA |
| G15 | E | SA |
| G16 | E | SA |
| G17 | E | SA |
| G18 | E | SA |
| G20 | E | SA |



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| | | |
|-----|---|----|
| G21 | E | SA |
| G22 | E | SA |
| G23 | E | SA |
| G24 | E | SA |
| G25 | E | SA |
| G26 | E | SA |
| G27 | E | SA |
| G28 | E | SA |
| G29 | E | SA |
| G30 | E | SA |
| G31 | E | SA |
| G32 | E | SA |
| G33 | E | SA |
| G34 | E | SA |
| G35 | E | SA |
| G36 | E | SA |
| G37 | E | SA |
| G38 | E | SA |
| G39 | E | SA |
| G40 | E | SA |
| G41 | E | SA |
| G42 | E | SA |
| G43 | E | SA |
| G44 | E | SA |
| G45 | E | SA |
| G46 | E | SA |
| G47 | E | SA |
| G48 | E | SA |
| G49 | E | SA |
| G50 | E | SA |



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| | | |
|-----|---|----|
| G51 | E | SA |
| G52 | E | SA |
| G53 | E | SA |
| G54 | E | SA |
| G55 | E | SA |
| G56 | E | SA |
| G57 | E | SA |
| G58 | E | SA |
| G59 | E | SA |
| G60 | E | SA |

* Although not labeled on the Survey Map and Plans a G has been placed before the number of all garages to avoid confusion of duplicate numbers.

** U = uncovered (open); E = Enclosed (garage); UA = unassigned; SA = subject to assignment; i.e., Common Elements which may be assigned by the Declarant to particular Units as Limited Common Elements.

*** Numbered Parking Spaces and/or garages depicted on the Survey Map and Plans are either already assigned as Limited Common Elements to Units as indicated above on this Exhibit, or are Common Elements which are subject to assignment ("SA") by the Declarant to particular Units as Limited Common Elements pursuant to this Declaration and RCW 64.34.216 (1)(i), or are unassigned visitor parking spaces ("UA") described in this Declaration.



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