

AFTER RECORDING RETURN TO:  
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360-392-2880



201111040029  
Skagit County Auditor

11/4/2011 Page 1 of 5 11:06AM

TITLE OF DOCUMENT: FIRST AMENDMENT TO DECLARATION FOR  
DIVISION STREET CONDOMINIUM  
AF# OF AFFECTED DOCUMENT: AF# 200612010120  
GRANTOR: DIVISION STREET VILLAGE CONDOMINIUM  
ASSOCIATION  
GRANTEE: THE GENERAL PUBLIC

**FIRST AMENDMENT TO DECLARATION  
FOR DIVISION STREET CONDOMINIUM**

PURPOSE: To Limit The Number of Units Which May Be Leased By Their Owners

THIS AMENDMENT is made this 4<sup>th</sup> day of November, 2011, by DIVISION STREET  
VILLAGE CONDOMINIUM ASSOCIATION, (the "Association").

WITNESSETH THAT:

WHEREAS, a certain Condominium Declaration establishing DIVISION STREET CONDOMINIUM  
("the Condominium") in Bellingham, Washington, was recorded by its Declarant at Auditor's File No.  
200612010120 among the land records of Skagit County, Washington, along with a Survey Map and Plans,  
which were contemporaneously recorded at Auditor's File No. 200612010119.

WHEREAS, pursuant to RCW 64.34.264 and Sections 21.1 and 21.7 of the Declaration, the Declaration  
of this Condominium may be amended by the vote or agreement in writing of Owners of Units to which at  
least sixty-seven percent (67%) of the votes in the Association are allocated, plus the consent of not less than  
fifty-one percent (51%) of any Eligible Mortgagees.

WHEREAS, the Association has determined that it is necessary or desirable to amend Section 11.13 of  
the Declaration, dealing with Lease Restrictions, in the manner hereinafter specified, and has obtained the  
necessary consent of the requisite percentage of Unit Owners prior to the date of this Amendment, and there  
being no Eligible Mortgagees.

NOW, THEREFORE, pursuant to and in compliance with Section 21.7 of the Declaration and RCW 64.34.264, the Association hereby amends and entirely replaces Section 11.13 of the Declaration as follows:

11.13 Rental Units.

11.13.1 General Leasing Restrictions.

With the exception of an institutional lender in possession of a Unit following a default under a mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his or her Unit for periods of less than thirty (30) days. Any lease agreement shall be required and deemed to provide that the terms of the lease shall be subject in all respects to the provisions of the Condominium Instruments, and that any failure by the Lessee to comply with such provisions shall be a default under the lease, entitling the Association to enforce such provisions as a real party in interest. All leases shall be in writing, and the Association shall be entitled to receive a copy of any lease from the Owner and/or the tenant. No Owner may lease less than the entire Unit, unless the Owner resides in the Unit as well. Any tenant shall be deemed to have assumed all the responsibilities of an Owner under this Section of the Declaration. Subleasing is not permitted. See Section 11.13.2 hereof for limitations on the numbers of Units which may be rented in this Condominium.

11.13.2 Number Of Units Which May be Leased By Investor-Owners.

Subject to the conditions and exceptions appearing below, the total number of Units in the Condominium which may be leased to third parties at any one time by Investor-Owners (i.e., persons who have never occupied their Unit or who have not occupied their Unit for a period in excess of one year) shall be three (3) Units; such Units shall be known herein as "Rental Units". Rental Units in existence as of the date of recordation of this Amendment to Declaration shall retain their status as Rental Units subject to the provisions of Section 11.13.2 hereof.

11.13.3 Circumstances Justifying Temporary Increase in Number of Leased Units.

To avoid undue hardship on an Occupant-Owner (i.e., an Owner who has occupied his/her Unit for at least one year) who experiences a need to move temporarily from his or her Unit for health-related reasons for a period not exceeding two (2) years in duration, or for military service, an extended vacation or an employment-related relocation for a period not exceeding two (2) years in duration, or for other reasons which in the opinion of the Board would pose serious economic or personal hardship to the Owner, such Owner may lease the Unit following the written approval of the Board of Directors, which approval shall not be unreasonably withheld. Upon good cause shown in writing by such an Owner, such a lease may be extended or renewed for an additional period of up to one year, provided that such Owner first demonstrates to the reasonable satisfaction of the Board that the Owner truly intends to resume use of the Unit as a personal residence following the conclusion of the lease term, as extended. PROVIDED, however, that no such leasing shall be permitted if at the time of an Owner's request for same, the total number of Units occupied by tenants (including the Unit subject to such request) shall exceed 40% of the total number of Units in the Condominium. The Board may, by resolution, establish a lottery or other system to accommodate requests by Occupant-Owners desiring to change their Units to Rental Units when the maximum number of Rental Units permitted under Section 11.13.2 hereof has been attained.



11.13.4 Recognition of Existing Rentals ("Grandfathering").

Any Rental Unit in existence as of the recordation of this Amendment shall be entitled to remain a Rental Unit until it is sold to an Occupant Owner, subject to the following proviso: If, as of the date of recordation of this Amendment, the total number of Rental Units shall exceed the number permitted in Section 11.13.2 hereof, then all such Units shall be permitted to remain as Rental Units until they are conveyed to a new Owner, at which time the limitations of Section 11.13.2 hereof shall apply.

11.13.5 Rental Incident to *Bona Fide* Sale of Unit.

A Unit may be rented by its Owner in conjunction with a *bona fide* sale of such Unit for a period of not more than three months. The foregoing includes rental to a purchaser of the Unit prior to closing, and a "lease-back" of the Unit following closing.

11.13.6 Exemption for Institutional Lenders, Family Members and Association.

The restrictions of this Section 11.13 shall not apply to the Association following a foreclosure of its lien for assessments, or to an institutional lender in possession of a Unit following a default under a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure. Units leased by their Owners to immediate family members [parents, children or siblings] shall not be considered Rental Units; in such cases, it shall be the responsibility of the Owner to notify the Board of the commencement and termination of the family tenancy, and this exemption shall cease when occupancy of the Unit by a family member ceases. A Unit which is owned by a family trust, family limited partnership, or similar entity for estate planning or similar purposes shall be considered exempt as a family tenancy for so long as the family member establishing the entity, or an immediate family member of such person, continues to occupy the Unit.

11.13.7 Selling Owner Responsible for Compliance with Rental Restrictions .

Each Owner shall be responsible for advising any purchaser of the Unit of the existence of these restrictions on rental units, and may be held liable to the Association for any damages, costs and/or expenses incurred by the Association as a result of such failure.

11.13.8 Justification and Enforcement.

The restrictions in this Section are necessary to maintain the primarily owner-occupied status of the Condominium, so as to enhance the market value of the Units therein, to preserve the ability of Owner-occupants to obtain favorable, owner-occupied mortgage financing for their Units, and to maintain the sense of community which can suffer when a disproportionate percentage of Units become occupied by tenants. All leasing of Units shall be conducted in accordance with the provisions of Section 11.13.1 of this Declaration. No Owner shall enter into or permit nor shall the Board consent to, any lease, sublease or rental agreement, the effect of which would result in noncompliance with this Section. The Board may resort to any and all remedies contained in the Condominium Instruments, in addition to unlawful detainer proceedings, as may be necessary to fully implement the terms hereof.



11.13.9 Rent Payable to Association Upon Default of Owner.

If a Unit is rented or leased by its Owner, and if the Owner becomes delinquent in the payment of assessments for more than 90 days, the Association may collect the delinquent amount from the tenant, who shall pay over to the Association so much of the rent for such Unit as is required to pay such delinquency, plus interest, attorneys' fees and other costs of collection. In order to avail itself of the remedy contained in this Subsection, the Association shall first send a notice jointly to the Owner and the Tenant by First Class U.S. Mail, advising both parties [a] of the Owner's delinquency in assessments [b] of the tenant's obligations under this Subsection of the Declaration, and [c] notifying both parties that if such delinquency is not cured within ten (10) days of mailing, the tenant must commence paying rent to the Association until the delinquency has been cured. The tenant shall not have the right to question payment to the Association, and such payment shall discharge both the tenant's duty to pay rent to the Unit Owner and the Unit Owner's obligation to pay assessments, *pro tanto*. The Association shall not resort to this remedy where a receiver has been appointed and is collecting such rents.

11.13.10 Tenants Subject to Rights and Responsibilities of Owners.

Any tenant of an Owner shall be deemed to be bound by all portions of the Governing Documents that are binding upon the Owner. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents shall be available to the Association when dealing with any tenant of an Owner. In addition, the Association shall have the right (but not the obligation) to terminate the lease of a tenant who, in a due process hearing held pursuant to the Bylaws, has been found to have seriously violated the Governing Documents; the Association shall be deemed a "real party in interest" in any legal proceeding brought to enforce this right. The Association shall not resort to this remedy unless the Owner of the Unit occupied by such tenant has failed or refused to take steps designed to cure the tenant's violation(s) within sixty (60) days following notice from the Association to the Owner of the necessity for such curative action.

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EXCEPT as modified by this Amendment, all of the terms and provisions of the Declaration are hereby expressly ratified and confirmed and shall remain in full force and effect.

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IN WITNESS WHEREOF, the Association has caused this Amendment to be executed as of the date first written above, by its President.

DIVISION STREET VILLAGE CONDOMINIUM  
ASSOCIATION, a Washington Non-profit Corporation

By: Rachel A. Hu  
Agent For, its: President

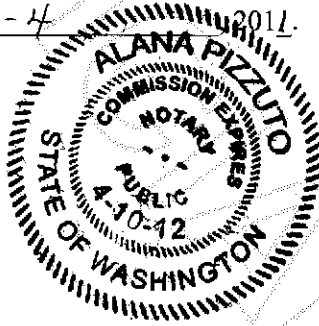


201111040029  
Skagit County Auditor

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Rachel Long is the person who appeared before me and said person acknowledged that (s)he signed this FIRST AMENDMENT TO DECLARATION FOR DIVISION STREET CONDOMINIUM, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the President of the Unit Owners Association of the Condominium, to be free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 11-4 2011.



Alana Pizzuto  
Notary Public in and for the State  
of Washington, residing at Mount Vernon  
My Commission expires: 4-10-2012

