

AFTER RECORDING, RETURN TO:

Skagit County Auditor

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Alpine Fairway Villas
Condo Owners Association
1212 Alpine View Drive
Mount Vernon, WA 98274

NINTH AMENDMENT TO DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR ALPINE FAIRWAY VILLA CONDOMINIUM

GRANTOR(S):	ALPINE FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION; a Washington nonprofit corporation
GRANTEE(S):	ALPINE FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION, a Washington nonprofit corporation: ALPINE FAIRWAY VILLA CONDOMINIUM; THE GENERAL PUBLIC
LEGAL DESCRIPTION:	ALPINE FAIRWAY VILLA CONDOMINIUM, PER THAT CERTAIN CONDOMINIUM DECLARATION RECORDED AT SKAGIT COUNTY RECORDER'S NO. 9905260007
REFERENCE NOS. OF RELATED DOCUMENTS:	9905260007; 9905260006

NINTH AMENDMENT TO DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR ALPINE FAIRWAY VILLA CONDOMINIUM

WHEREAS, on May 26, 1999, a certain Condominium Declaration was recorded in the real property records of Skagit County at Skagit County Auditor's ("SCA") No. 9905260007 (the "Declaration"), and a Survey Map and Plans was recorded contemporaneously therewith at SCA No. 9905260006 (the "Survey Map"), thereby submitting the real property legally described in the Declaration and Survey Map to the Washington Condominium Act, Chapter 64.34 of the Revised Code of Washington (RCW 64.34 et seq., as amended), and creating Alpine Fairway Villa Condominium (the "Condominium"); and

WHEREAS, the Declaration was subsequently amended eight times, and the Survey Map & Plans were amended five times, which amendments are recorded at Skagit County Auditor's Nos. on the dates and under recording numbers as indicated below:

		
Declaration Amendment No.	Date of Recording	Recording No.
1	December 3, 1999	199912030105
2	July 21, 2009	200007210061
	Re-recorded December 13, 2000	Re-recorded 200012130024
3	December 26, 2000	200012260127
	Re-recorded January 12, 2001	Re-recorded 200101/20079
4	July 23, 2001	200107230105
5	February 14, 2002	200202140093
6	April 2, 2003	200304020109
7	December 20, 2005	200512200002
8	December 12, 2012	201212120046

	r	
Survey Map & Plans Amendments		
1 (Phase 2)	December 3, 1999	199912030104
2 (Phase 3)	July 21, 2000	200007210060
3 (Phase 4)	December 26, 2000	200012260126
4 (Phase 5)	July 23, 2001	200107230104
5 (Phase 6)	February 14, 2002	200202140094
6 (Phase 7)	April 2, 2003	200304020109

WHEREAS, consistent with Section 21.1 of the Declaration, not less than a majority of the members of the Board of Directors (the "Board") of Alpine Fairway Villa Condominium Owner's Association (the "Association") approved the Declaration amendments herein, and, after notice to all of the owners entitled to vote thereon duly given, not less than sixty-eight percent (68%) of the voting power in the Association consented in writing to the amendments herein; and

WHEREAS, the Association has not received any written request for copies of notices of any action taken by the Association that requires consent of Mortgagees and notice to Mortgagees is therefore not required; and

NOW THEREFORE, the President and Secretary of the Association certify the Declaration to have been amended in the following particulars:

[Double-underline indicates additions, strikethrough indicates deletions]

A. The Seventh Amendment to the Declaration entitled "Declaration of Covenants, Conditions, and Restrictions (CC&R) for Alpine Fairway Village Condominium" recorded under Skagit County Auditor's No. 200512200002 is hereby revoked in its entirety.

- B. The Eighth Amendment to the Declaration entitled "Declaration of Covenants, Conditions, and Restrictions (CC&R) for Alpine Fairway Village Condominium" recorded under Skagit County Auditor's No. 201212120046 is hereby revoked in its entirety.
- C. Section 1.1 of the Declaration is hereby deleted in its entirety and amended as follows:

1.1 Plan for the Entire Project.

The Alpine Farway Villa Condominium, hereinafer referred to as the "Condominium" consists of ten (10) buildings of similar design and construction. The buildings contain two (2) residential units each, except one building will contain three (3) units. Phase I consists of two (2) buildings, each located on a legal lot of record created by a prior subdivision of the Real Property. The number of units to be constructed in each subsequent phase shall be determined by the Declarant. The Alpine Fairway Villa Condominium, hereinafter referred to as the "Condominium", consists of ten (10) buildings of similar design and construction. The buildings contain two (2) residential units each, except one building contains three (3) units.

D. Section 5.2 of the Declaration is hereby amended as follows:

5.2 Maintenance.

The owners of the respective units to which the limited common elements are adjacent or associated shall maintain them in a neat, clean, sightly and well maintained condition at all times. Maintenance and repair of the structure and finish, including landscaping, of the limited common elements shall be a common expense. The Association shall have exclusive control of painting, decorating, repairing, reconstructing and maintaining all limited common elements. The Association may require that exterior window and door coverings present a uniform exterior appearance throughout the building or buildings within the Condominium. The respective owners of the units shall comply with the determination of the Association with respect to the foregoing. Landscaping or gardening within the limited common elements must be approved by the Association. The owners of the respective units to which the limited common elements are adjacent or associated shall keep them in a neat, clean, and well-maintained condition at all times. The Association may elect to perform certain maintenance of limited common elements. Any repair and replacement of limited common elements shall be performed by the Association. The Association shall have exclusive control of painting, decorating, repairing, reconstructing and maintaining all common and limited common elements. The Association may require that exterior window and door coverings present a uniform exterior appearance throughout the building or buildings within the Condominium. Common and limited common elements may not be altered without Association approval including any landscaping or gardening within the common or limited common elements.

Article 6 of the Declaration is hereby amended as follows:

COMMON ELEMENT INTEREST, VOTES AND EXPENSES ALLOCATION

ARTICLE 6

There is hereby allocated to each of the units a portion of the common elements, the votes and responsibility for common expenses of the Association as follows:

24	<u>4.76%</u>
<u>2D</u>	4.76%
<u>6C</u>	<u>4.76%</u>
6D	<u>4.76%</u>
3A	<u>4.76%</u>
<u>3D</u>	<u>4.76%</u>
<u>9</u> A	4.76%
<u>9D</u>	<u>4.76%</u>
<u>4B</u>	<u>4.76%</u>
<u>4C</u>	<u>4.76%</u>
<u>5B</u>	<u>4.76%</u>
4C 5B 5C	4.76%
1A 1D	4.76%
<u>ID</u>	<u>4.76%</u>
<u>10A</u>	4.76%
<u>10D</u>	4.76%
<u>8A</u>	4.76% 4.76%
<u>8D</u>	4.76%
<u>A2</u>	4.75%
<u>B1</u>	4.761/4
<u>B2</u>	4.76%

<u>Unit</u>	Percentage	—— <u>Votes</u>
3A	25%	25
3D	25%	25
94	25%	25
OD	25%	25

I. Section 7.2 of the Declaration is hereby amended as follows:

7.2 Membership Qualification.

Each owner (including Declarant) shall be a member of the Association and shall be entitled to one (1) membership for each unit owned; provided, that if a unit has been sold on contract, the contract purchaser shall exercise the rights of the unit owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting owner unless otherwise specified. Ownership of a unit shall be the sole qualification for membership in the Association. Each owner shall be a member of the Association and shall be entitled to one (1) membership for each unit owned. For the purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, said owner shall be the voting owner unless otherwise specified. Ownership of a unit shall be the sole qualification for membership in the Association.

G. Section 7.4 of the Declaration and Paragraphs 7 of the First, Second, Third, Fourth, Fifth and Sixth Amenaments are hereby amended as follows:

7.4 Voting, Number of Votes.

The total voting power of all members shall be 100 votes and the votes allocated to the owner of each unit shall be as set forth in Article 6 of this Declaration, subject to amendment if additional units in Sequent Phases are added to the Condominium. The total voting power of all members shall be 21 votes and the votes allocated to the owner of each unit shall be as set forth in Article 6 of the Declaration, as amended.

H. Section 7.4.1 of the Declaration is hereby amended as follows:

7.4.1 Voting Owner.

There shall be one (1) "voting representative" of each unit. Declarant shall be the voting representative with respect to any unit or units owned by Declarant. If a person owns more than one (1) unit, he shall have the votes for each unit owned. The voting representative shall be designated by the owner or owners of each unit by written notice to the Association. The designation shall be revocable at any time by actual notice to the Association from a party having an ownership interest in a unit, or by actual notice to the Association of the death or judicially declared incompetence of an owner. If joint owners fail to designate a voting representative and if a majority of the owners of a unit cannot agree on how to vote, then the unit owners shall not be entitled to vote.

Section 7.5 of the Declaration is hereby amended as follows:

7.5 Meetings.

Members of the Association shall hold at least one (1) meeting each year. Special meetings of the Association may be called by the President, a majority of the board of directors or by owners having twenty percent (20%) of the votes of the Association. Not less than ten (10), nor more than sixty (60) days in advance of any meeting, the Secretary or their designee other officer specified by the Bylaws shall cause a notice to be sent in a manner consistent with the Bylaws hand delivered or sent prepaid, first class United States mail to the mailing address of each unit or to any other mailing address designated in writing by the owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in assessments, and any proposal to remove a director or officer.

J. Section 8.1 of the Decigration is hereby amended as follows:

8.1 Declarant Control of Association.

The Declarant hereby reserves the right to control the Association for a period of seven (7) years after the date of this Declaration. During this period of control, the Declarant shall have the exclusive right to appoint and remove the officers and members of the board of directors of the Association.

Until such time as Declarant transfers control of the Association to the other owners, Declarant shall have the power and authority to exercise all rights, duties and functions of the Association, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance and collecting and expending all assessments and Association funds. Declarant shall have the exclusive right to contract for all goods and services. Payment for which is to be made from any common or maintenance funds. As of the time of the recording of this Amendment, the Declarant Control Period had terminated under the terms of the Original Declaration, recorded at Skagit County Auditor's No. 9905260007.

K. Section 8.2 of the Declaration is hereby amended as follows:

8.2 Transfer of Control.

Regardless of the period provided for in the preceding section Declarant's control shall terminate no later than the earlier of: (1) Sixty (60) days after conveyance of seventy five percent (75%) of the units to owners other than Declarant; (b) two (2) years after the class

conveyance or transfer of record by the Declarant of a unit, except as security for a debt; (c) two (2) years after any development right to add new units was last exercised; or (d) the date on which the Phase 1 Declarant records an amendment to the Declaration, pursuant to which Declarativoluntarily surrenders the right to further appoint and remove officers and members of the Baord.—As of the time of the recording of this Amendment, the transfer of Declarant control is completed and the Declarant Control Period had terminated under the terms of the Original Declaration, recorded at Skagit County Auditor's No. 9905260007.

L. Section 8.3 of the Declaration is hereby amended as follows:

8.3 Management by Association.

After control of the Association has been transferred from the Declarant to the Association, pursuant to RCW 64.34.312, all administrative power and authority shall vest in the Association. The Association may delegate all or any portion of such power to a manager, managing agent, or officer of the Association.

The authority to exercise the powers of the Association and any decision of the Association shall be made by a majority vote of the Board of Directors of the Association, hereinafter "the Board" unless the Act or the Declaration require a vote of the owners. Except as provided in this Declaration, the Bylaws, or the Condominium Act, the Board shall, at all times, act exclusively on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in the Condominium Act, Declaration, or the Bylaws.

M. Section 8.4 of the Declaration is hereby amended as follows:

8.4 Management Agreement.

In the event either the Declarant or the Association enters into a management agreement, such agreement shall contain provisions authorizing termination of the agreement by the Association for cause upon thirty (30) days written notice and shall not exceed a term of one (1) year, renewable by agreement of the parties for successive one year periods.

Any management agreement made by the Declarant shall be subject to termination, without cause, and without payment of termination fee, upon ninety (90) days written notice to the other party. The Board may contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium, and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Any contract with a Managing Agent shall have a term no longer than one (1) year (but may be renewable by agreement of the parties for successive periods of up to one (1) year each) and shall be terminable by the Board without payment of a termination fee, either (a) with cause, on not more than sixty (60) days' written notice, or (b) without cause, on not more than ninety (90) days' written notice.

N. Sections 8.6.6 and 8.6.7 of the Declaration are hereby amended as follows:

8.6.6. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure by law or which in its opinion shall be necessary or proper for the operation of the common elements or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for the benefit of particular units or their owners, the cost thereof shall be specifically assessed as an to the owner of such units Individually Allocated Expense pursuant to Article 10.

8.6.7 Maintenance and repair of any unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Association to protect the common elements or preserve the appearance and value of the Condominium development, and the owner or owners of such unit have 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 Association to the owner or owners; provided that the Association shall levy a special assessment against the unit of such owner or owners for the cost of such maintenance or repair cost thereof shall be assessed as an Individually Allocated Expense pursuant to Article 10.

O. Section 8.6.9 of the Declaration is hereby deleted in its entirety as follows:

[Number reserved for future use]

P. Section 8.6.11 of the Declaration is hereby amended as follows:

8.6.11 <u>Contracting</u>. The Association shall have the exclusive right to contract for all goods and services, payment of which is to be made from the maintenance fund with Association funds. The Association may delegate such powers subject to the terms hereof authorize its Managing Agent to enter into contracts on behalf of the Association.

Q. Section 8.6.12 of the Declaration is hereby amended as follows:

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

same proportion as their respective interests in the common elements, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association. The Association shall not, however, in any case acquire real property or personal property valued in excess of Five Thousand Dollars (\$5,000) by lease or purchase except upon a majority vote of the owners. The Board shall not have the authority to acquire by lease or purchase real or personal property valued in excess of fifty thousand dollars (\$50,000) without first obtaining the affirmative vote of the owners holding a majority of the voting power represented at a meeting called for such purpose, or if no such meeting is held then the written consent of the owners having a majority of the total voting power in the Association. However, the foregoing consent requirements shall not apply where, in the Board's discretion, the Association must expend funds to acquire labor, services, supplies and materials related to maintenance, repair, or replacement of certain portions of the Condominium which the Association is responsible for maintaining, repairing, or replacing under the Condominium Act or this Declaration.

R. Section 8.6.13 of the Declaration is hereby amended as follows:

8.6.13 The Association and its agents or employees, may enter any unit or limited common elements when necessary in connection with any maintenance, landscaping or construction for which the Association 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 Association out of the common expense fund if the entry was due to an emergency (unless the emergency was caused by the owner of the unit entered, in which case the cost shall be specially assessed to the unit entered) 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 Association. If the repairs or maintenance were necessitated by or for the unit entered or is owners, or requested by its owners, the costs thereof shall be specially assessed to such unit as Individually Allocated Expenses pursuant to Article 10.

S. Section 9.2 of the Declaration is hereby deleted in its entirety as follows:

[Number reserved for future use]

T. Section 9.3 of the Declaration is hereby amended as follows:

9.3 <u>Vehicle Parking</u>.

No boats, trailers, motor homes, inoperative motor vehicles, or other items of equipment may be parked on the Real Property.

Guests may park in the limited common elements of driveways on a temporary basis

oppsistent with rules established by the Association and may in addition park in those parking stalls within the private road easement that are designated by Arabic numbers, consistent with tures established by the Association.

Boats, trailers, motor homes, inoperative motor vehicles or other equipment may be parked in the Condominium subject to rules adopted by the Board but not for any extended period (greater than 24 hours in any one week). Guests may park in the limited common elements of driveways on a temporary basis consistent with rules established by the Board and may in addition park in those parking stalls within the private road.

The Association may require removal of any inoperative vehicle, or any unsightly vehicle, and any other equipment or items improperly stored in common elements. If the same is not removed, the Association may cause removal at the risk and expense of the owner thereof.

U. Section 9.4 of the Declaration is hereby amended as follows:

9.4 Common Drives and Walks.

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

Common drives, roads and sidewalks shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except with express written consent of the Association.

V. Section 9.5.3 of the Declaration is hereby amended as follows:

9.5.3 With respect to limited common elements reserved for or assigned to specific units, the cost of caring for and maintaining such limited common elements shall be collected as a special assessment owed by the owner or owners to which such limited common element is associated. With respect to limited common elements reserved for or assigned to specific units, to the extent reasonably ascertainable, the cost of repair, replacement, and maintenance of such limited common elements shall be assessed as a Limited Common Expense pursuant to Article 10 below.

W. Section 9.8 of the Declaration is hereby amended as follows:

9.8 **Signs.**

No sign of any kind shall be displayed to the public view on or from any unit or common area or limited common elements without the prior consent of the Association;

provided, that this section shall not apply to Declarant.

No sign of any kind shall be displayed to the public view on common area or limited common elements without the prior consent of the Association.

X. Article 10 shall be deleted in its entirety and replaced with the following:

10.1 Fiscal Year and Budget Preparation.

The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year. Not less than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Association for the coming year. In preparing its budget, the Board shall estimate the Common Expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for the operation, maintenance, repair, and replacement of the common elements and the limited common elements, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association.

10.2 Ratification of Budget.

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 owners and shall set a date for a meeting of the 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 to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the Board. As part of the summary of the budget provided to all owners, the Board shall disclose reserve study information as required by RCW 64.34.308(4).

10.3 Supplemental Budget.

If during the year, the budget proves to be inadequate for any reason, including nonpayment of any assessments, the Board may adopt a supplemental budget, which must be ratified pursuant to Section 10.2.

10.4 Regular Assessments.

The amounts required by the Association for Common Expense as reflected by the annual budget and any supplemental budgets may be divided into monthly installments over the period of time covered by the budget or supplemental budget.

10.5 Common Expenses.

Common Expenses mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves, as set forth in this Declaration, the Articles, Bylaws or the Condominium Act. Except as provided in Section 10.6 and 10.7, Common Expenses shall be allocated to all owners equally.

16.6 Limited Common Expenses.

Limited Common Expenses are Common Expenses, or portions thereof, associated with the operation, maintenance, repair, and replacement of the limited common elements. Limited Common Expenses shall, to the extent reasonably ascertainable, be assessed against the unit(s) to which such limited common element is assigned or associated.

10.7 Individually Allocated Expense.

The following Common Expenses, or portion thereof shall, to the extent reasonably ascertainable, be assessed exclusively to the unit or units benefitted as an Individually Allocated Expense:

10.7.1 Any Common Expense or portion thereof benefitting fewer than all of the units.

10.7,2 Any Common Expense relating to the maintenance, repair or replacement of the following:

10.7.2.1 Parking spaces:

10.7.2.2 Finished surfaces of unit decks;

10.7.2.3 Window hardware, window frames, and window

assemblies;

10.7.2.4 Entry doors; and

10.7.2.5 Any plumbing, wiring, water heaters, air conditioning units, fans, and heating equipment which serve only that unit, whether or not located in the unit; and

10.7.3 Any expense remaining after the application of the Association's insurance to damage to any part of the Condominium that includes one or more units, such as costs for repair or replacement in excess of the proceeds or the cost of the deductible as further provided in Section 11.8.

10.7.4 Any expense caused by the misconduct (negligence) of unit owner, their tenants, agents, guests or invitees.

10.7.5 Any expense related to maintenance, repair or replacement of any element that is a part of a unit.

10.8 Special Assessment.

The Board may propose a special assessment for the purpose of defraying the cost of any unexpected repair or other nonrecurring contingency, or to meet any other deficiencies in operations or reserves occurring from time to time. The Special Assessment may be levied pursuant to a supplemental budget prepared in accordance with Section 10.1 and ratified in accordance with Section 10.2. Unless otherwise specified in the notice, such special assessments shall become due and payable in monthly installments no sooner than thirty (30) days after the mailing of the notice.

10.9 Notice of Assessments.

The Board shall notify each owner in writing of the amount of the Regular and any Special Assessments and any Individually Allocated Assessments to be paid for the owner's unit and shall furnish copies of all budgets and the allocations for the unit, on which the Assessments are based. The Board shall furnish the same information to an owner's Mortgagee if so requested.

10.10 Payment of Assessments.

Each owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments due. Regular assessments are due on or before the first day of each calendar month. Special Assessments or Individually Allocated Assessments or installments thereof are due as provided in the notice of such assessment; provided that no Special Assessment shall be due sooner than thirty (30) days after mailing of the Notice. Any Assessment or installment thereof not paid within ten (10) days of the due date shall be delinquent and subject to late charges, interest charges, and collection procedures pursuant to the governing documents, the Act, and the Laws of the State of Washington.

10.11 Proceeds Belong to Association.

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

10.12 Failure to Assess.

Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners

from the obligation to pay Assessments during that or any subsequent year. The regular Assessments established for the preceding year shall continue until new Assessments are established.

10.13 Certificate of Unpaid Assessments.

Unit owners hereby consent to the provision of information regarding delinquent assessments to the Mortgagee of its unit and any agents thereof. Upon the request of any owner or Mortgagee of a unit, the Board, agent or attorney of the Association will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and Mortgagees of the unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate, which shall also be considered a cost of collection of the delinquent account.

10.14 Reconciliation of Assessments to Actual Expenses.

The Association shall establish and maintain its accounts and records in such a manner that enables it to account for Limited Common Expenses and Individually Allocated Assessments, including contributions to reserves, so that expenditures for such expenses are allocated so that unit owners are correctly assessed for the actual expenses of the Association. The accounts of the Association shall be reconciled at least annually; and any surpluses (or deficits) in the accounts shall be considered in preparation of future budgets, credited to the benefit of or paid to (or charged to the account of or assessed against) the owners of the units who paid the surplus (or owe the deficit).

10.15 Recalculation of Assessments.

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

10.16 Reserve Study.

Unless the Board determines that doing so would impose an unreasonable hardship, the Association shall prepare a reserve study, in accordance with RCW 64.34.382. The initial study shall be based upon a visual site inspection conducted by a reserve study professional. Unless doing so would impose an unreasonable hardship in the reasonable discretion of the Board, the Association shall update the reserve study annually. At least every three (3) years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional.

10.17 Creation of Reserves.

The Board shall create a reserve account in the name of the Association to fund major maintenance, repair, and replacement of common elements, including limited common elements, which will require major maintenance, repair, or replacement within thirty (30) years. The operation of reserve accounts and Assessments for reserve accounts shall be governed by the Board in observance of the reserve study provisions of the Condominium Act.

10.18 Security Deposit.

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

10.19 Remedies Cumulative

The remedies provided are cumulative and the Association may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

10.20 Lien Indebtedness.

Each monthly assessment and each special assessment shall be joint and several personal debts and obligations of the owner or owners and contract purchasers of units for which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special assessed to any unit and the owner and/or purchaser of any unit, plus interest at the rate of twelve percent (12%) per annum, and costs, including reasonable attorney's fees, shall be a lien upon such unit, it's share of the common elements and the appurtenant limited common elements. Lien priorites and collection shall be pursuant to the Act and the Laws of the State of Washington.

Y. Article 11 of the Declaration is deleted in its entirety and replaced with the following:

ARTICLE 11

INSURANCE

11.1 General Requirements.

The Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide:

- 11.1.1 Property insurance on the Condominium, which may, but need not, include equipment, improvements, and betterments in a unit installed by the Declarant or the owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the actual cash value 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 property policies;
- amount determined by the Board but not less than that generally required by Mortgagees for projects of similar construction, location and use, the limits of which shall be at least two million dollars (\$2,000,000) combined single limit for bodily injury and property damage per occurrence and four million dollars (\$4,000,000) general aggregate. The liability insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements:
- on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or are responsible for handling funds of or administered by, the Association. All such fidelity insurance shall name the Association as an obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three (3) months' aggregate Assessments plus the total amount of reserves. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- 11.1.4 Such other insurance as the Board deems advisable and consistent with the requirements of FNMA, HUD or such other lenders or loan servicers.
- Section 11.2 Additional Policy Provisions. The insurance obtained pursuant to this Article shall contain the following provisions and limitations:
- 11.2.1 Each unit owner is an insured person under the policy with respect to liability arising out of the owner's interest in the common elements or membership in the Association.
- 11.2.2 A waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any unit, and/or their respective agents, members of the owner's household, employees, or lessees, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.
- 11.2.3 Coverage shall not be prejudiced by (a) any act, omission, or neglect of any owners of a unit when such act or neglect is not within the scope of the owner's

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authority on behalf of the Association; or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

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

against Mortgagees or become a lien on the property superior to the lien of a first Mortgage.

11.4 Insurance Not Reasonably Available.

If the insurance described in Section 11.1 is not reasonably available, or is modified, cancelled or not renewed, the Association promptly shall cause notice of that fact to be sent to all unit owners, to each Eligible Mortgagee and to each mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

11.5 Insurance Trustee; Power of Attorney.

The named insured under the policies referred to in this Article shall be the Association, as trustee for each of the owners in accordance with their respective interests in the common elements, except as otherwise provided in Article 12. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 11.8, the proceeds must be disbursed first for the repair or restoration of the damaged property; unit owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each owner appoints the Association, any insurance trustee, or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.

11.6 Owners' Individual Insurance.

It is recommended that each unit owner obtain, at such owner's expense, a "Condominium Unit Owner's Policy," or equivalent, to insure against loss or damage to any upgrades, improvements or betterments to the unit not covered by the Association's master policy, or to personal property used in or incidental to the occupancy of the unit, additional living expenses, loss of rent, vandalism, or malicious mischief, theft, personal liability, loss assessment coverage to help the owner pay a special assessment due to casualty losses which exceed the amount of coverage under the master policy, any loss arising from the application

of Section 11.2.4 hereof, and the like. No unit owner shall maintain insurance coverage which will tend to decrease the amount which the Association may realize under any insurance policy which it may have in force at any particular time. In the event that the Association elects to obtain insurance covering upgrades, improvements or betterments supplied or installed by owners within their units, the Board of Directors may also require that all the owners notify the Board of Directors of all improvements made to their respective units having a value in excess of five thousand dollars (\$5,000).

11.7 Use of Insurance Proceeds.

Any destruction of or damage to a portion of the Condominium that is intended to be covered by the Association's insurance shall be repaired or replaced promptly by the Association pursuant to Article 12 unless (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) owners holding at least eighty percent (80%) of the votes in the Association, including every owner whose assigned limited common element will not be rebuilt, vote not to rebuild. The cost of repair or replacement after insurance proceeds have been applied (including uncovered amounts and the deductible) is a Common Expense all or portions of which may be assessed Limited Common Expenses or Individually Allocated Expenses, pursuant to Section 10.6 and 10.7.

11.8 Damage Not Repaired.

If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (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 to units and limited common elements which are not rebuilt 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 lienholders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the unit owners or lienholders, as their interests may appear, in proportion to the Interest in common elements of each unit. If the unit owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under Article 12, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section, Section 21.3 governs the distribution of insurance proceeds iff the Condominium is terminated.

11.9 Liability for Insurance Deductible and Uninsured Amounts.

Notwithstanding any other provision of this Declaration, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board or damage is the result of the sole negligence of the Association, the Association and unit owners are responsible for the cost to repair the damage within the limits of any applicable insurance deductible, or any otherwise uninsured amount as follows:

- 11.9.1 Where damage results from a negligent or intentional act or omission of a unit owner or that unit owner's tenants, occupants, agents or guests (including the failure to maintain, repair or replace any item for which the unit owner has the maintenance obligation), the unit owner is responsible for such costs.
- 11.9.2 Where the damage involved is limited solely to an owner's unit or the limited common elements assigned to that unit, that unit owner is responsible for such costs, unless another unit owner is responsible for such costs in accordance with Section 11.9.1.
- the common elements, responsibility for such costs shall be pro-rated between the Association and any involved unit owners in proportion to the relative damage to the common elements and to the affected unit(s) (including the limited common elements assigned to such unit(s)), unless another unit owner or owners are responsible for all of the costs in accordance with Section 1.9.1. Determination as to the relative damage may be made by the Board based on a reasonable estimate obtained by the Board concerning the damage suffered by the affected parties.
- 11.9.4 Costs for which a unit owner is responsible under this Section are considered "loss assessments" and shall be assessed against the unit or units involved as an Individually Allocated Assessments or, to the extent limited common elements are affected, Limited Common Assessments.
- Z. Article 12 of the Declaration is hereby deleted in its entirety and replaced with the following:

ARTICLE 12 DAMAGE AND REPAIR OR DAMAGE TO PROPERTY

12.1. Application.

This section applies only to damage or destruction of part of the Condominium or Condominium property that is intended to be covered by the Association's property insurance. It does not apply to wear and deterioration of building elements over time, life-cycle replacements of building components, or damage or destruction relating to original defects in the construction of the Condominium.

12.2 Initial Board Determinations.

In the event of damage to any part of the Condominium, including a unit, or equipment or appliances covered by the Association's insurance policy, the Board shall promptly, and in all events within sixty (60) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

- 12.2.1 The nature and extent of the damage, together with an inventory of the improvements and property directly affected thereby;
- 12.2.2 A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two (2) or more firm bids obtained from responsible contractors;
- insurance covering the loss based on the amount paid or initially offered by the insurer;
- 12.2.4 The amount of the deductible to be paid by any unit owners with respect to damage or loss within the owner's unit or damage for which the owner is responsible under Section 14.9;
- 12.2.5 The amount of available reserves or other Association funds, although the Board is not required to use any reserves or other Association funds; and
- 12.2.6 The amount, if any, by which the estimated cost of repair exceeds any amounts to be paid by unit owners, expected insurance proceeds and available reserves or other Association funds, and the amount of the Assessments that would have to be made against each unit if the excess cost were to be paid as a Common Expense and assessed against all the units in proportion to their Common Expense Liabilities.

12.3 Notice of Damage.

The Board shall promptly, and in all events within sixty (60) days after the date of damage intended to be covered by the Association's insurance, submit or file a claim with the insurance company and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the Association to do so. The Board shall then provide each owner and each Eligible Mortgagee with a written notice describing the damage and summarizing the initial Board determinations made under Section 12.2. If the Board fails to do so within the sixty (60) day period, any owner or Eligible Mortgagee may make the determinations required under Section 12.2 and give the notice required under this Section.

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

As used in this Article:

- 12.4.1 Damage shall mean all kinds of damage, whether of slight degree or total destruction.
- 12.4.2 Substantial Damage shall mean that in the judgment of the Board the estimated Assessment determined under Section 12.2.6 for any one unit exceeds ten percent

(10%) of the full, fair market value of the unit before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

- 12.4.3 Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each unit and the common elements having substantially the same boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made and shall not constitute additions or improvements.
- 12.4.4 Emergency Work shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the owners from liability from the condition of the site.

12.5 Execution of Repairs.

- 12.5.1 The Board shall use the available insurance proceeds to promptly repair the damage as provided in Section 11.7. If the cost of repair exceeds all amounts to be paid by unit owners, expected insurance proceeds and Association funds that the Board elects to apply, including reserves, the excess expenses shall be a common expense which may, to the extent applicable, be assessed to fewer than all units pursuant to Sections 10.6 and 10.7.
- 12.5.2 The Board shall have the authority to employ consultants, architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds, loans, and/or sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to direct the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.
- 12.5.3 The Board may enter into a written agreement with a reputable financial institution, trust, or escrow company that shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of fifty thousand dollars (\$50,000), or shall collect the insurance proceeds and carry out the provisions of this Article.

12.6 Damage Not Substantial.

If the damage as determined under Section 12.2 is not substantial the provisions of this Section shall apply.

12.6,1 Either the Board or the requisite number of owners, within tifteen (15) days after the notice required under Section 12.2 has been given, may but shall not be required to call a special owners meeting in accordance with Section 12.4 and the Bylaws to decide whether to repair the damage.

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

Section 12.8. A decision to not repair or rebuild may be made in accordance with

12.7 Substantial Damage.

If the damage determined under Subsection 12.2 is substantial, the provisions of this Section shall apply.

- 12.7.1 The Board shall promptly, and in all events within sixty (60) days after the date of damage, call a special owners' meeting to consider repairing the damage. If the Board fails to do so within the sixty (60) day period, then notwithstanding the provisions of the Bylaws, any owner or first Mortgagee of a unit may call and conduct the meeting.
- 12.7.2 Except for emergency work, no repairs shall be commenced until the conclusion of the special owners' meeting.
- 12.7.3 At the special meeting, the following consent requirements will apply:
- 12.7.3.1 The owners shall be deemed to have elected to repair the damage in accordance with the original plan unless the owners of at least eighty (80%) of the total voting power of the Condominium other than that held by the Declarant, including every owner of a unit which will not be rebuilt and every owner of a unit to which a limited common element that will not be rebuilt is allocated, have given their written consent not to repair the damage.
- 12.7.3,2 The unanimous consent of all owners will be required to elect to rebuild in accordance with a plan that is different from the original plan.
- 12.7.3.3 In addition to the consent by the owners specified above, any election not to repair the damage or not to rebuild substantially in accordance with the original plan will require the approval of Eligible Mortgagees of first Mortgages on units that have at least fifty-one percent (51%) of the votes subject to mortgages held by Eligible Mortgagees.
- Subsection 12.7.1 within ninety (90) days after the date of damage shall be deemed a unanimous decision to repair the damage in accordance with the original plan.

12.8 Effect of Decision Not to Repair.

In the event of a decision under either Subsection 12.6.3 or 12.7.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as provided in Section 11.8.

AA. Section 20.1.1 of the Declaration is hereby amended as follows:

20.1.1 Any owner of any unit or units may propose any subdividing or combining of a unit or units, and appartenant common elements or limited common elements in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration and Survey Map and Plans cover such subdividing or combining, to the Association, which shall then notify all other unit owners of the requested subdivision or combination. The proposed amendment shall be presented with a statement from the City of Mount Vernon or other applicable jurisdiction the City of Mountlake Terrace stating that such combination or subdivision of unit is consistent with the zoning and building codes for the City jurisdiction.

BB. Section 20.1.2 of the Declaration is hereby deleted in its entirety and replaced with the following:

20.1.2.1 Subdividing Units Units may not be subdivided except upon and written approval of such proposal by the Board and sixty-eight percent (68%) of the owners. The unit owner proposing to subdivide a unit must submit an application to the Board. The application must state the boundaries to be changed, complete plans and specifications for the work, an estimated timeframe for completion of the work, the proposed licensed, bonded, and insured contractor that will perform the work, the proposed reallocation of allocated interests in the common elements, common expenses and votes in the association, confirmation of compliance with any applicable building, zoning, or other regulations, consent of any Eligible Mortgagees holding mortgages in the affected units, and a statement that the involved unit owner or owners consent to payment of the costs and expenses in Section 10.7.1. The application must also demonstrate that the proposed subdivision does not affect the structural integrity of or any mechanical or electrical systems or lessen the support of any portion of the Condominium, the Board shall approve the application, but may condition its approval on completion of the work in substantial conformance with the plans and specifications, within stated timeframes, during normal daytime hours, and in a quiet and orderly manner so as to not unreasonably disturb other occupants. Even if these criteria are met, it is within the Board's discretion to reject an application to subdivide units based on the anticipated impact of the community. All costs incurred in considering requests and preparing and recording the amendments set forth in this Article including, but not limited to.

administrative costs, expenses, and attorneys' fees, shall be assessed to the owner(s) of the involved unit(s) as an Individually Allocated Assessment. These costs shall be assessed to the requesting unit owners equally unless otherwise stated in the application.

20.1.2.2 Combining Units The unit owner or owners requesting relocation of boundaries, or combination of units shall submit an application to the Board stating the boundaries to be changed, the units combined, complete plans and specifications for the work, an estimated timeframe for completion of the work, the proposed licensed, bonded, and insured contractor that will perform the work, the proposed reallocation of allocated interests in the common elements, common expenses and votes in the association, confirmation of compliance with any applicable building, zoning, or other regulations, consent of any Eligible Mortgagees holding mortgages in the affected units, and a statement that the involved unit owner or owners consent to payment of the costs and expenses in Section 10.7.1. If the application conforms with this requirement and does not affect the structural integrity of or any mechanical or electrical systems or lessen the support of any portion of the Condominium, the Board shall approve the application, but may condition its approval on completion of the work in substantial conformance with the plans and specifications, within stated timeframes, during normal daytime hours, and in a quiet and orderly manner so as to not unreasonably disturb other occupants. All costs incurred in considering requests and preparing and recording the amendments set forth in this Article including, but not limited to, administrative costs, expenses, and attorneys' fees, shall be assessed to the owner(s) of the involved unit(s) as an Individually Alfocated Assessment. These costs shall be assessed to the requesting unit owners equally unless otherwise stated in the application.

20.1.2.3 All costs incurred related to a request to subdivide or combine units and in preparing and recording the amendments set forth in this Article including, but not limited to, administrative costs, expenses, and attorneys' fees, shall be assessed to the owner(s) of the involved unit(s) as an Individually Allocated Assessment. These costs shall be assessed to the requesting unit owners equally unless otherwise stated in the application.

CC. Section 20.1.3 of the Declaration is hereby deleted in its entirety and replaced with the following:

20.1.3 When any combination, subdivision, or relocation of unit boundaries is complete, the Association shall prepare an amendment to the Declaration and Survey Map and Plans. The Amendment to the Declaration shall identify the unit(s) involved, state the reallocations, be executed by the owner(s) of the altered unit(s), for a relocation of boundaries, contain words of conveyance between them, and be executed by the Association. The amendment shall be recorded in the name of the Association and the grantor and the grantee. The Association shall also obtain and record Survey Maps or Plans complying with the requirements of RCW 64.34.232(4) necessary to show the altered boundaries between adjoining units and their dimensions and identifying numbers.

22.2 Delivery of Notice.

Except as otherwise specifically provided for in this Declaration or the Bylaws. Aany notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such a person to the Association, in writing, for the purpose of service of such notice, or to the most recent address known to the Association. Notice to the owner or owners of any unit shall be sufficient if mailed to the unit of such person or persons if no other mailing address has been given to the Association by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Association. Notice to be given to the Association may be given to Declarant until the Association has assumed control and thereafter shall be given to the President or Secretary of the Association.

EE. This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration shall control over and implicitly amend any inconsistent provision of the Declaration, including the "Table of Contents," or the Bylaws of the Association. The Declaration shall remain in full force and effect and shall include the changes herein.

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[Remainder of page is intentionally blank. Signature(s) appear on following page(s).]

AMENDMENT TO DECLARATION - PAGE 25

ALPINE FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION By: STATE OF WASHINGTON COUNTY OF _ Skapil On this 2nd day of October , 2015, personally appeared before me known to me to be the President of ALPINE FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the instrument. DATED this 2/1 day of _ , 2015. (Signed) (Print Name) Notary Public, State of Washington

My commission expires: _

ALPINE FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION

ATTEST: The above amendment was properly adopted

Du Hunder
By: LUA GARCET - HUNTER Lits Secretary
STATE OF WASHINGTON)
COUNTY OF Skagir
On this 2nd day of October, 2015, personally appeared before me Elva Faucett-Hunter known to me to be the Secretary of ALPINE
FAIRWAY VILLA CONDOMINIUM OWNER'S ASSOCIATION, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and
purposes therein mentioned, and on oath stated that she was authorized to execute the
instrument.

DATED this 2nd day of October, 2015.

NOTARY PUBLIC DE WASHINI

Danya R. Wolf (Print Name)

Notary Public, State of Washington My commission expires: 3-15-2017

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