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TITLE OF DOCUMENT:	FIFTH AMENDMENT TO DECLARATION FOR THE RIDGE AT MADDOX CREEK CONDOMINIUM
AF# OF AFFECTED DOCUMENT:	200309120223
GRANTOR:	THE RIDGE AT MADDOX CREEK CONDOMINIUM ASSOCIATION
GRANTEE:	THE RIDGE AT MADDOX CREEK CONDOMINIUM ASSOCIATION

FIFTH AMENDMENT TO DECLARATION FOR THE RIDGE AT MADDOX CREEK CONDOMINIUM

PURPOSE: TO INCORPORATE PROVISIONS OF THE BYLAWS INTO THE CONDOMINIUM DECLARATION; TO PROHIBIT SMOKING AND CERTAIN OTHER ACTIVITIES IN THE CONDOMINIUM; TO CLARIFY INSURANCE FOR UNITS; AND ADD WUCIOA BUDGET PROVISION.

THIS AMENDMENT is made this 15th day of July, 2019, by THE RIDGE AT MADDOX CREEK CONDOMINIUM ASSOCIATION (the "Association").

WITNESSETH THAT:

WHEREAS, the Condominium Declaration establishing The Ridge at Maddox Creek Condominium (the "Condominium"), was recorded by its Declarant at Skagit County Auditor's File No. 200309120223 among the land records of Skagit County, Washington, along with a Survey Map and Plans, which were contemporaneously recorded at Auditor's File No. 200309120222; and

WHEREAS, the Declaration has been previously amended by a First Supplemental Declaration The Ridge at Maddox Creek Condominium Association recorded at Skagit County Auditor's File No. 200407150082, and by a Second Supplemental Declaration The Ridge at Maddox Creek Condominium Association recorded at Skagit County Auditor's File No. 200504060078 wherein a second phase was created along with The Ridge at Maddox Creek a Condominium, Phase 2, recorded at Skagit County Auditor's File No. 200504060078 as well as a Third Amendment to Declaration for the Ridge at Maddox Creek Condominium recorded at Skagit County Auditor's File No. 200806160175 and the Fourth Amendment to Declaration for the Ridge at Maddox Creek Condominium recorded at Skagit County Auditor's File No. 201003030089; and

WHEREAS, pursuant to RCW 64.34.264 and Article 17 of the Declaration, the Declaration of this Condominium may be amended by the vote or agreement of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, along with the consent of at least fifty-one percent (51%) of Eligible Mortgage Holders; and

WHEREAS, the Association has determined that the following provisions of the Bylaws should be included in the Declaration to put potential purchasers of Condominium Units on notice: Article 5 - Budget, Expenses and Assessments; Article 7 – Maintenance and Use of Condominium Property; Article 8 – Insurance; and

WHEREAS, the above-referenced provisions of the Bylaws will be included in a new Article 20 of the Declaration; and

WHEREAS, the Bylaws (and with the incorporation of the Bylaw herein), the Declaration includes a prohibition on offensive or unlawful activities; and

WHEREAS, the Board has determined it desires to put Unit Owners on notice that the specific activity of smoking is a violation of the offensive or unlawful activities provision and to clarify that restriction; and

WHEREAS, the Association has determined that it is necessary or desirable to amend Section 7.5(c) of the Bylaws, which has been incorporated into the Declaration as Section 20.2.5(c), dealing with offensive or unlawful activities, in the manner hereinafter specified; and

WHEREAS, the Association 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 Article 17 of the Declaration and RCW 64.34.264, the Association hereby amends the Declaration as follows:

ARTICLE 20

BYLAW PROVISIONS INCORPORATED INTO DECLARATION

As described in the Recitals above, certain provisions of the Bylaws are more appropriate to be included in this Declaration and are being incorporated herein. The transfer of the Bylaw provisions is not exact. Certain provisions have been altered slightly to fit into the Declaration and make it more readable. In addition, certain provisions have been added or deleted with underlined provisions being newly added and not included in the original Bylaws and strike through showing edits to the original Bylaws. Article 9 to the original Bylaws provides for amendments to the Bylaws and is very similar to the Amendment provision for the Declaration at Article 17. In some cases, the vote required is the same but in all cases, the vote required for a Declaration Amendment is more stringent than an amendment to Bylaws. Therefore, any substantive amendment to the below provisions in the Declaration shall automatically amend the Bylaws in the same way.

20.1 Budget, Expenses and Assessments.

20.1.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous over assessment, and assess the common expenses to each Unit Owner in the proportion set forth in the Declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis.

20.1.1.11 WUCIOA Budget Provisions. On July 1, 2018, the Washington Uniform Common Interest Ownership Act was adopted. WUCIOA provided that RCW 64.90.525 regarding budgets-assessments-special assessments is applicable to condominiums existing prior to the adoption of WUCIOA. This Condominium is required to budget in accordance with RCW 4.90.525 and this provision is to provide proper notice to all owners of the applicability of WUCIOA and the budget requirements.

20.1.2 Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements or any other portions of the Condominium required to be maintained by the Association pursuant to the Declaration or these Bylaws.
- (c) Cost of insurance or bonds obtained in accordance with the Bylaws.
- (d) A general operating reserve, including an amount sufficient to cover the deductible under the property damage insurance policy.
- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in common expenses for any prior period.
- (g) Utilities for the common elements and other utilities with a common meter or commonly billed, such as trash collection.
- (h) Any other items properly chargeable as an expense of the Association;

20.1.3 Assessment of Common Expenses.

(a) Obligation to pay. All Unit Owners shall be obligated to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due to

limited or nonuse of the common elements, and no Unit Owner may offset amounts owing or claimed to be owing by the Association or Declarant to the Unit Owner against such Unit Owner's obligation to pay assessments. Subject to paragraph (c) below, Declarant shall be assessed as the Unit Owner of any unsold Unit, but such assessments shall be prorated to the date of sale of the Unit. The Board of Directors, on behalf of the Association shall assess the common expenses against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect from a Unit Owner any common expense due which remains unpaid for more than thirty (30) days from the due date for its payment.

(b) Initial contribution to working capital. At the time of closing of the initial sale of each Unit, the buyer shall make an initial contribution to the working capital of the Association equal to two months' regular association assessments for the Unit, plus a prorated assessment for the month of closing. At the time of the organizational and turnover meeting, the Declarant shall pay the contribution for all unsold Units, but may obtain reimbursement for such sums from the buyer upon the sale of each such Unit. Such initial contribution shall be in addition to the regular monthly common expense assessment. Such sum shall be paid to the Association and placed in a segregated account for the purpose of insuring that the Association will have cash to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. At any time following the organizational and turnover meeting described in Section 2.2 of the Bylaws, the Board of Directors may elect to pay the remaining balance of the working capital account, or any portion of that account, to any other account or accounts maintained by the Association free of any restrictions imposed by this paragraph.

(c) Commencement of regular operating expense assessments. Regular monthly assessments for common operating expenses for Units in each Phase of the Condominium shall commence upon closing of the first sale of a Unit in such Phase of the Condominium, except that Declarant may elect to defer commencement of common operating expense assessments as to all Units in such Phase until the sale of fifty percent (50%) of the Units in such Phase of the Condominium have closed. If Declarant so elects to defer commencement of assessments for operating expenses, Declarant shall pay and be responsible for all common operating expenses attributable to such Phase as they accrue, without cost or operating expense assessment to the other Unit Owners, until regular operating expense assessments commence. Declarant shall give 10 days' written notice to individual Unit Owners prior to the commencement of regular operating expense assessments.

(d) Commencement of assessment for replacement reserves. Regular monthly assessments for replacement reserves as described in Section 5.5 of the Bylaws shall commence upon the closing of the sale of the first Unit in the Condominium, except that Declarant may elect to defer payment of such assessments to the Association for each Unit owned by Declarant until the closing of the sale of such Unit.

(e) Annexation of additional phases. If additional Units are annexed to the Condominium and become subject to assessment, the Board of Directors

shall promptly prepare a new budget reflecting the addition to the Condominium and shall re-compute any previous assessment covering any period after the Units in the new Phase become subject to assessment.

20.1.4 Special or Extraordinary Assessments.

(a) Special assessments for capital improvements. In the case of any duly authorized capital improvement to the common elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the Unit Owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution. The Association shall not assess Units owned by the Declarant for additional capital improvements to the Condominium without the written consent of Declarant as long as Declarant owns more than three Units or the time specified in the Declaration for annexing additional Phases has not expired.

(b) Other special or extraordinary assessments. In the event the Board of Directors determines that the assessments established upon adoption of the budget as provided in Section 5.1 of the Bylaws will be insufficient to pay the common expenses, or the Board of Directors determines that additional funds will be needed to meet unexpected or unbudgeted common expenses, the board may levy an additional special or extraordinary assessment. Such assessment shall be allocated to each Unit in the same proportion set forth in the Declaration, and may be payable in installments over a specified period, in a lump sum, or in a lump sum with option to pay in installments with interest, as determined by the Board of Directors.

20.1.5 Replacement Reserves. The Board of Directors shall establish a reserve account for replacement of those common elements all or a part of which will normally require replacement in more than three and less than 30 years. Such reserve account shall be funded by assessments against the individual Unit assessed for maintenance of the items for which the reserve account is being established, which sums shall be included in the regular monthly assessment for the Unit, except as otherwise provided in Section 5.3(b) of the Bylaws. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve account shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve account shall be used only for replacement of common elements and shall be kept separate from assessments for maintenance and operating expenses. After the organizational and turnover meeting described in Section 2.2 of the Bylaws, however, the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the organizational and turnover meeting, future assessments for the reserve account may be reduced, eliminated or decreased by an affirmative vote of not less than eighty percent (80%) of all voting rights in the

Condominium. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of Units.

20.1.6 Default in Payment of Assessments. In the event of default by any Unit Owner in paying any assessments to the Association, including assessed common expenses and any other charge imposed or levied by the Association pursuant to the provisions of the Declaration, these Bylaws or the Washington Condominium Act, such Unit Owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on such assessment from the due date thereof, or at such greater rate as may be established by the Board of Directors from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting Unit Owner shall pay a late charge for any assessment not paid within ten (10) days of its due date in the amount of five percent (5%) of the delinquent payment, or such other reasonable late charge as may be established by the Board of Directors from time to time, together with all expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted, and at trial or any appeal or petition for review therefrom). If the assessment is not paid within thirty (30) days of its due date, the Board of Directors may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The Board of Directors shall have the right and duty to recover for the Association such assessments, together with such charges, interest and expense of the proceeding, including attorneys' fees, by action brought against such Unit Owner or by foreclosure of the lien upon the Unit granted by the Washington Condominium Act. The Board of Directors shall notify the Eligible Mortgage Holder of a Mortgage upon a Unit and any Eligible Mortgage Insurer or Guarantor thereof of any default not cured within sixty (60) days of the date of default.

20.1.7 Foreclosure of Liens for Unpaid Assessments. In any suit brought by the Association to foreclose a lien on a Unit because of unpaid assessments, the Unit Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, Mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. A suit or action to recover a money-judgment for unpaid assessments shall be maintainable without foreclosing the liens securing the same,

20.1.8 Statement of Assessments. The Board of Directors shall advise each Unit Owner in writing of the amount of assessments payable by such Owner, and furnish copies of each budget on which such assessments are based to all Unit Owners and, if requested, to their Mortgagees. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of the Owner's unpaid assessments.

20.1.9 Priority of Lien; First Mortgages. Any lien of the Association against a Unit for assessments shall be subordinate to tax and assessment liens and any prior Mortgage of record. Where the buyer or Mortgagee of a Unit obtains title to the

Unit as a result of foreclosure of a first Mortgage, such buyer or Mortgagee, its successors and assigns, shall not be liable for any of the assessments chargeable to such Unit which became due prior to the acquisition of title to such Unit by such buyer or Mortgagee. Such unpaid share of assessments shall be a common expense and reallocated on a pro rata basis for all Units, including the Mortgaged Unit. A deed in lieu of foreclosure accepted by the holder of a first Mortgage shall extinguish a lien of the Association to secure unpaid assessments under the circumstances described in RCW 64.34.364(3) and RCW 64.34.020(19).

20.1.10 Voluntary Conveyance. In a voluntary conveyance of a Unit, the buyer shall be jointly and severally liable with the seller for all unpaid assessments against the seller of the Unit up to the time of the grant or conveyance, without prejudice to the buyer's right to recover from the seller the amounts paid by the buyer therefor. However, upon request of a prospective buyer the Board of Directors shall make, certify and deliver a statement of the unpaid assessments against the prospective seller or the Unit, and the buyer in that case shall not be liable for, nor shall the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the seller in excess of the amount set forth in the statement.

20.2 Maintenance and Use of Condominium Property.

20.2.1 Maintenance and Repair. Except as otherwise provided herein or in Section 7.3 of the Bylaws for damage or destruction caused by casualty:

(a) Units. All maintenance of and repairs to any Unit shall be made by the Owner of such Unit, who shall keep the same in good order, condition and repair and shall do all redecorating, painting and staining which at any time may be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with such Owner's Unit.

(b) Common Elements. All maintenance, repairs and replacements to the general and limited common elements shall be made by the Association and shall be charged to all the Unit Owners as a common expense. Each Unit Owner, however, shall keep the limited common elements which pertain to such Owner's Unit in a neat, clean and sanitary condition:

20.2.2 Additions, Alterations or Improvements.

(a) A Unit Owner may make any improvements or alterations to such Owner's Unit that do not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(b) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, a Unit Owner may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The Board of Directors may require the Unit Owner, at such Owner's own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

(c) A Unit Owner shall make no repair or alteration or perform any other work on such Owner's Unit which would jeopardize the soundness or safety of the property, reduce its value, impair any easement or hereditament or increase the common expenses of the Association unless the consent of all the other Unit Owners affected is first obtained.

(d) A Unit Owner may not change the appearance of the common elements or the exterior appearance of a Unit without permission of the Board of Directors.

20.2.3 Damage or Destruction by Casualty of Condominium Property. In the case of damage or destruction which affects a material portion of the project, timely written notice shall be given to the Unit Owners and their Mortgagees and any Eligible Mortgage Insurer or Guarantor and the following provisions shall apply:

(a) In the event of damage or destruction by casualty of Condominium property, the damage or destruction shall be repaired, reconstructed or rebuilt unless, within fourteen (14) days of such damage or destruction, the Board of Directors or more than ten percent (10%) of the Unit Owners shall have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless Unit Owners holding ninety percent (90%) of the voting power, whether in person, by writing or by proxy, with the approval of Mortgagees as required by the Declaration, vote not to repair, reconstruct or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. If the damage or destruction is not repaired, reconstructed or rebuilt, then the property shall be removed from Condominium ownership in the manner provided in the Washington Condominium Act.

(b) The Association shall be responsible for repairing, reconstructing or rebuilding all such damage or destruction to the common elements and, to the extent of the Association's insurance coverage and any deductible under such policies, all such damage or destruction to the Units. Each Unit Owner shall be

responsible for such repairing, reconstructing or rebuilding of his Unit as is not so covered by the Association's insurance.

(c) If, due to the act or neglect of a Unit Owner, or of a member of such Owner's family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the common elements or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a common expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not fully covered by the Association's insurance.

(d) In the event any portion of the insurance proceeds paid to the Association is not used to repair, reconstruct or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the Unit Owners and their Mortgagees (as their interests may appear) in the same proportion as common expenses are shared, unless the property is removed from Unit ownership. If the property is removed from Unit ownership, the insurance proceeds, together with the proceeds from the sale of the property, shall be distributed to the Unit Owners and their Mortgagees (as their interests may appear) in the manner described in the Washington Condominium Act.

20.2.4 Condemnation. If any portion of the Condominium is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Unit Owner and to each Mortgagee and any Eligible Mortgage Insurer or Guarantor. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the common elements, and each Unit Owner appoints the Association to act as his attorney-in-fact for such purposes. All compensation, damages or other proceeds of the taking, other than any award for moving expenses of specific Unit Owners, shall be payable to the Association and allocated and distributed as provided in this Section.

(a) Complete taking. If the entire Condominium property is taken, or if Unit Owners holding ninety percent (90%) of the voting power agree that such substantial portion of the Condominium has been taken as to make the project obsolete, then the property shall be deemed removed from Unit ownership. In such event, any proceeds of the condemnation paid to the Association, together with any other proceeds upon sale of the remaining Condominium property, shall be distributed among the Unit Owners and their Mortgagees, as their interests may appear, in accordance with the provisions of the Washington Condominium Act.

(b) Partial taking. If less than the entire Condominium property is taken and the property is not determined to be obsolete as provided in paragraph (a) above, then as soon as practicable the Board of Directors shall, reasonably and in good faith, allocate the award among the Units in accordance with the reduction in the value of each Unit and its interest in the common elements, compared to the total reduction in value

of all Units and their interest in the common elements. In the event any Unit Owner or Mortgagee objects to the allocation determined by the Board of Directors, the matter shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The cost of such determination shall be paid out of the proceeds of the condemnation. Any portion of the award allocated to a Unit Owner under this paragraph shall be paid first to all Mortgagees and holders of liens on the Unit Owner's interest in accordance with the existing priorities, and the balance to the Unit Owner. If any reconstruction or repair is undertaken as a result of the condemnation, the Board of Directors may retain and apply such portion of each Unit Owner's share of the award as is necessary to discharge the Owner's liability for any special assessment arising from such reconstruction or repair.

20.2.5 Restrictions and Requirements Respecting Use of Condominium Property. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and the Bylaws:

(a) Residential use. No commercial activities of any kind shall be carried on in any Unit or in any other portion of the Condominium without the consent of the Board of Directors of the Association or manager, except activities relating to the rental or sale of Units. This provision, however, shall not be construed so as to prevent or prohibit a Unit Owner from maintaining his or her professional personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates; clients or customers, in such Owner's Unit.

(b) Use of common elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the Units. The use, operation and maintenance of the common elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner.

(c) Offensive or unlawful activities.

(i) General Prohibitions. No noxious or offensive activities shall be carried on in any Unit nor shall anything be done in or placed upon any Unit which interferes with or jeopardizes the enjoyment of other Units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises which may disturb other Unit occupants, including musical instruments, radios, televisions, and amplifiers. No unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(ii) Non-Smoking Policy - Effect on Units, common elements and limited common elements. The entire Condominium, including its Units and all common elements, is declared to be a no-smoking area. No Unit Owner, tenant, occupant or guest shall smoke cigarettes, cigars, pipes or any other tobacco, marijuana or other smoking product or substance within a Unit or the common elements of the

Condominium, including the limited common elements. Nor shall any Unit Owner, tenant, occupant or guest cause or suffer the release of smoke of any other sort other than from normal indoor cooking activities, or any other noxious, toxic or harmful substance, gas or liquid, from the boundaries or confines of a Unit or within the common elements. Any failure to adhere to these requirements which unreasonably annoys, injures or endangers the comfort, repose, health or safety of any person(s) lawfully occupying any other Unit or using any of the common elements of the Condominium, shall constitute a nuisance. The Board may by written resolution provide for smoking areas within the Condominium property, which may be modified or terminated at the discretion of the Board.

(iii) Enforcement. Each Unit Owner is responsible for the actions of all other persons residing within or visiting his/her Unit and shall be subject to a fine or other disciplinary action, or a court action for an injunction, or for any other remedies available for the violation of this covenant. This covenant may be enforced in a court of competent jurisdiction by any Owner or lawful tenant or by the Association. If any Owner, lawful tenant or the Association is required to hire legal counsel to enforce this covenant, the Owner, lawful tenant or the Association shall be entitled to recover his/her or its attorneys fees' and costs incurred, whether or not litigation has been commenced. The Association may collect the attorneys' fees and costs it incurs through the use of a assessment levied against the Owner of the Unit responsible for the violation.

(iv) Remedies Include Fines. In addition to any other remedies available to the Association for the failure of an Owner or lawful tenant of the Owner's Unit to comply with this covenant, a violation shall justify the imposition of a fine or fines by the Association, in accordance with the provisions of the Bylaws or rules and regulations of the Association.

(v) Effective Date. The effective date of the covenants contained in this Amendment shall be ^{portion of the} August 15, 2019.

(d) Animals. No animals or fowls shall be raised, kept or permitted within the Condominium or any part thereof, except domestic dogs, cats, birds, or other household pets. Domestic dogs and cats are limited to a maximum of 35 pounds. No such dogs, cats or pets shall be permitted to run at large nor shall be kept, bred or raised for commercial purposes or in unreasonable numbers. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof, and Owners shall be responsible for removal of wastes of their animals. All dogs shall be carried or kept on a leash while outside a Unit. No pet shall be permitted to cause or create a nuisance or unreasonable disturbance or noise. A Unit Owner may be required to remove a pet upon receipt of the third notice in writing from the Board of Directors of violations of any rule, regulation or restriction- governing pets within the Condominium.

(e) Exterior lighting or noisemaking devices and antennas. Except with the consent of the Board of Directors of the Association or manager, no exterior lighting or noisemaking devices shall be installed or maintained on any Unit and

no antennas or transmitting towers shall be affixed to the general or limited common elements.

(f) Windows, decks, and outside walls. In order to preserve the attractive appearance of the Condominium the Board of Directors of the Association or the manager may regulate the nature of items which may be placed in or on windows, decks, patios, and the outside walls so as to be visible from other Units, the common elements, or outside the Condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades, decks or patios.

(g) Trailers, campers and boats. Except with the consent of the Board of Directors of the Association or manager, no trailer, truck camper, motorcycle, boat or boat trailer, or other recreational vehicle shall be parked on any portion of the Condominium, except in areas designated for such purpose by the Board of Directors.

(h) Leasing and Rental of Units and Limitation on Number of Units that may be Owned. Unit Owners may lease or rent less their Unit. The initial term of any lease must be at least 30 days. The Unit renters will be subject to the same conditions of use as Resident Owner's including senior housing requirements. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease or rent such Owner's Unit.

(i) Signs. Unless written approval is first obtained from the Board of Directors, no sign of any kind shall be displayed to the public view on or from any Unit or the common elements except signs used by the Declarant to advertise Units for sale or lease. Provided that any unit offered for sale may post one sign in a window and one sign near the entry to the condominium property. No such sign shall be greater than 600 square inches.

(j) Trash. Trash shall be disposed of by way of the trash chute located adjacent to the elevator on each of the three living space floors. All trash entering these chutes must be securely encased by a plastic bag. No part of any Unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

(k) Insurance. Nothing shall be done or kept in any Unit or in the common elements which will increase the cost of insurance on the common elements. No Owner shall permit anything to be done or kept in his or her Unit or in the common elements which will result in cancellation of insurance on any Unit or any part of the common elements.

(l) Elevator. The elevator will be maintained by the Association. Wall covering mats are available during moving of heavy objects. Individual property Owners will be held responsible for any damage to the elevator.

(m) Association rules and regulations. In addition, the Board of Directors from time to time may adopt, modify, or revoke such rules and regulations

governing the conduct of persons and the operation and use of the Units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Condominium property. Such action may be modified by vote of not less than sixty-seven percent (67%) of the voting rights present, in person or by proxy, at any Association meeting, the notice of which shall have stated that such modification or revocation or rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Secretary promptly to each Unit Owner and shall be binding upon all Unit Owners and occupants of all Units from the date of delivery.

20.2.6 Abatement and Enjoining of Violations. The violation of any provision of the Declaration or these Bylaws, of any rule or regulation adopted pursuant to these Bylaws, or of any decision of the Association made pursuant to such documents, shall give the Board of Directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these Bylaws, to do any or all of the following after giving notice and an opportunity to be heard:

(a) To enter the Unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass, provided, however, that judicial proceedings shall be instituted before any items of construction may be altered or demolished; or

(b) To enjoin, abate or remedy such thing or condition by appropriate legal proceedings;

(c) To levy reasonable fines; or

(d) To terminate the right to receive utility services paid for out of assessments or the right of access to and use of recreational and service facilities of the Condominium until the correction of the violation has occurred.

The offending Unit Owner shall be liable to the Association for all costs and attorneys' fees incurred by the Association, whether or not legal proceedings are instituted and including attorneys' fees on appeal or petition for review, together with any expense incurred by the Association in remedying the default, damage incurred by the Association or Unit Owners, or fines so levied. Such sums shall be assessed against the offending Unit as an assessment and enforced as provided in Article V or the Bylaws. In addition, any aggrieved Unit Owner may bring an action against such other Unit Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

20.3 Insurance.

20.3.1 Types of Insurance. For the benefit of the Association and the Unit Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

20.3.1.1 Property Damage Insurance.

(a) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and, such other coverage as the Association may deem desirable.

(b) The amount of the coverage shall be for not less than one hundred percent (100%) of the current replacement cost of the Units and common elements (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a maxim deductible of the lesser of \$10,000 or one percent (1%) of the policy amount.

(c) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the common elements and all personal property and supplies belonging to the Association; ~~together with all fixtures, improvements and alterations comprising a part of each Unit and refrigerators, air conditioners, cooking ranges, dishwashers and clothes washers and dryers contained within Units and owned by the Unit Owners.~~

(d) Such policy or policies shall name the Association as insured, and shall provide for loss payable in favor of the Association, as a trustee for each Unit Owner and each such Unit Owner's Mortgagee, as their interests may appear. The policies shall contain the standard Mortgage clause, or equivalent endorsement (without contribution) which is commonly accepted by institutional Mortgage investors in Washington.

20.3.1.2 Liability Insurance.

(a) The Association shall maintain comprehensive general liability insurance coverage insuring the Declarant, the Association, the Board of Directors, the Unit Owners and the managing agent, against liability to the public or to the Owners of Units and of common elements, and their invitees or tenants, incident to the operation, maintenance, ownership or use of the property, including legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of a Unit Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omission of such Unit Owner and liability incident to the ownership and/or use of the part of the property as to which such Unit Owner has the exclusive use or occupancy.

(b) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

(c) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

20.3.1.3 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

20.3.1.4 Fidelity Bonds.

(a) The Association may maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association has retained a management agent, such agent shall maintain fidelity bonds for its officers, employees and agents handling or responsible for funds of or administered on behalf of, the Association.

(b) The total amount of fidelity bond coverage required shall be based upon the best business judgment of the Board of Directors. In no event, however, may the aggregate amount of such bonds be less than the sum equal to three months' aggregate assessments on all Units plus reserve funds.

(c) Such fidelity bond shall name the Association as obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and each servicer on behalf of the Federal National Mortgage Association ("FNMA").

20.3.1.5 Directors' and Officers' Liability Insurance. The Association shall maintain a policy of directors' and officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible. Provided however, the Board of Directors may elect not to acquire such insurance.

20.3.1.6 Insurance by Unit Owners. Each Unit Owner shall be responsible for obtaining, at such Owner's own expense, insurance covering his or her property not insured under Section 8.1.1 of the Bylaws above and against his or her liability not covered under Section 8.1.2 of the Bylaws above, unless the Association agrees otherwise.

20.3.2 Other Insurance Requirements. Insurance obtained by the Association shall be governed by the following requirements:

(a) All policies shall be written with the State of Washington or a company licensed to do business in the State of Washington acceptable to FNMA which falls into a B or A general policyholder's rating and a Class III or better financial size category, as designated in Best's Key Rating Guide.

(b) Notwithstanding the provisions of 8.1 above, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each Unit Owner appoints the Association, or any insurance trustee or substitute 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 purchase. The Association or insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their Mortgagees, as their interests may appear.

(c) All property insurance policies shall contain a "Special Condominium Endorsement" or Its equivalent providing for the following: recognition of any Insurance Trust Agreement, a waiver of the right of subrogation against Unit Owners individually, that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively, and that the policy is primary in the event the Unit Owner has other insurance covering the same loss.

(d) For purposes of this article, insurance policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against FNMA, the designee of FNMA, or the Association or Unit Owners, or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (iii) policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA or the Owners from collecting insurance proceeds.

(e) All policies required by this article shall provide that they may not be cancelled or substantially modified without at least 10 days' prior written notice to the Association and to each holder of a first Mortgage which is listed as a scheduled holder of a first Mortgage in the insurance policy. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

(f) Each Unit Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his or her Unit, the value of which is in excess of One thousand dollars (\$1,000). Nothing in this paragraph shall permit an Owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Section 7.2 of the Bylaws.

(g) Any Unit Owner who obtains individual insurance policies covering any portion of the property other than such Owners personal property and fixtures shall file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

20.3.3 Optional Provisions. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

(a) To the extent appropriate and available at reasonable cost, the Association shall maintain additional coverage against such other risks as are customarily covered with respect to projects similar in construction, location and use, including but not limited to, host liquor liability, contractual and all written contract insurance, employer's liability insurance, comprehensive automobile liability insurance, and an endorsement patterned after use and occupancy insurance providing relief from monthly assessments while a Unit is uninhabitable due to a covered loss.

(b) If reasonably available, the insurance policies shall include Inflation Guard Endorsement, and Construction Code Endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement, and an Increased Cost of Construction Endorsement).

(c) Elevator Coverage Endorsement per accident shall equal Two Million Dollars (\$2,000,000).

20.3.4 FNMA and GNMA Requirements. Notwithstanding any other provisions of this article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity requirements for Condominium projects established by FNMA and Government National Mortgage Association (GNMA), so long as either is a Mortgagee or Owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by FNMA or GNMA. FNMA or FNMA's servicer, its successors and assigns, shall be named as a Mortgagee in the Association's policies.

EXCEPT as modified by this Amendment, all of the terms and provisions of the ~~the~~ ^{* governing} documents are hereby expressly ratified and confirmed and shall remain in full force and effect.

