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Skagit County Auditor

AFTER RECORDING RETURN TO:
Law Offices of Gregory E. Thulin, PS
3130 Howe Pl., Suite 101
Bellingham, WA 98226-5641

TITLE OF DOCUMENT: Fourth Amendment To Declaration For Skagit Airport Hangar
Condominium
AF# OF AFFECTED DOCUMENT: AF# 200209300320
GRANTOR: Skagit Hangar Association
GRANTEE: The General Public

**FOURTH AMENDMENT TO DECLARATION CONTAINING COVENANTS,
CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR SKAGIT AIRPORT HANGAR CONDOMINIUM**

PURPOSE: To Address Leasing, Insurance Oversight and Compliance

THIS AMENDMENT is made this 22ND day of JUNE, 2024, by Skagit Hangar Association, (the "Association").

WITNESSETH THAT:

A. A certain Condominium Declaration establishing Skagit Airport Hangar Condominium ("the Condominium") in Skagit County, Washington, was recorded by its Declarant at Auditor's File No. 200209300320 among the land records of Skagit County, Washington, along with a Survey Map and Plans, which were contemporaneously recorded at Auditor's File No. 200209300319. The Declaration was previously amended by the First Amendment to Declaration, recorded at Skagit County Auditors File No. 200210250127; the Second Amendment to Declaration, recorded at Skagit County Auditor's File No. 200301290053; and the Third Amendment to Declaration, recorded at Skagit County Auditor's File No. 200303260108 (collectively the "Declaration").

B. Pursuant to RCW 64.34.264 and Section 17.1 of the Declaration, the Declaration of this Condominium may be amended by the vote or agreement in writing of Owners holding sixty-seven percent (67%) of the votes in the Association,

C. The Association has determined that it is necessary or desirable to amend Section 9.1.17(a) of the Declaration, to remove the restriction of leasing less than the entire Unit, Section 11.5 regarding insurance, and Section 13 to further define compliance requirements in the manner hereinafter specified,

and has obtain the necessary consent of the requisite percentage of Unit Owners prior to the date of this Amendment.

NOW, THEREFORE, pursuant to and in compliance with Section 17.1 of the Declaration and RCW 64.34.264, the Association hereby amends Section 9.1.17(a), Section 11.5 and Section 13 of the Declaration as follows:

9.1.17 Lease Restrictions. *[Modified]*

(a) **General Restrictions.** With the exception of an institutional lender in possession of a Unit following a default under a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease her or her Unit for periods of less than thirty (30) days. All leases shall be in writing and each lease agreement shall be required and deemed to provide that the terms of such lease shall be subject in all respects to the provisions of the Ground Lease and the Condominium Instruments, and that any failure by the tenant to comply with such provisions shall be a default under the lease, entitling the Association to enforce such provisions as a real party in interest. A lease, as defined herein, shall include month-to-month rentals. Any tenant or subtenant of a Unit shall be deemed to have assumed all the responsibilities of an Owner under Article 9 of this Declaration. An Owner shall notify the Association and the Ground Lessor within five (5) business days following the execution of any lease or rental agreement affecting such Owner's Unit. Such notice shall include (i) the name, address, telephone number and email address of each tenant, (ii) the type and FAA registration number of any aircraft which will be maintained within the Unit, and (iii) the commencement date and termination date of the lease. Each tenant must maintain liability insurance in such form and in such amounts as are described in Section 11.5 hereof. Each tenant that leases less than the entire Unit, shall, along with the Owner of the Unit, execute an agreement created by the Association that holds the Association and the Ground Lessor harmless in the event of damage or loss of property, or injury to persons.

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11.3.2 Owner Responsible for Underinsured Amounts. *[Modified]* In the event of loss or damage to a Unit that would be covered by the Association's property insurance policy (excluding policies for earthquake, flood or similar losses that have higher than standard deductibles) but that is within the deductible under that policy, the Owner of the Unit shall be held responsible on a no-fault basis for the amount of the loss up to the amount of the Association's deductible; this provision is designed to capture proceeds of insurance acquired by Unit Owners described in Section 11.5 hereof. In cases where loss or damage affects more than one Unit, or a Unit and the Common Elements, responsibility for the uninsured amount shall be pro-rated among the affected parties, including the Association, in proportion to the relative costs of repairing the quantum of damage suffered by each party. See Subsections 10.8.1 and 11.5 for further details. Nothing in this Subsection shall be deemed to prevent a Unit Owner from asserting a claim against another Person for the amount recoverable by the Association under this Subsection if that other Person would be liable for such damages under general principles of law. Notwithstanding the above, if the Association is required to pay any other uninsured or under-insured amount because of the gross negligence or willful misconduct of an Owner or that Owner's tenant, or the family, servants, employees, agents, visitors, or licensees of that Owner, then as provided in Sections 13.3 and 10.8.2 hereof, the amount paid by the Association shall constitute a Specially Allocated Assessment

against the Unit responsible for the damage, following notice and opportunity to be heard as provided in the Bylaws.

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11.5.6. Board has no Obligation to Monitor Unit Owners' Insurance. [New] The Association has no insurable interest in personal property owned by Unit Owners, tenants or other Occupants and cannot obtain insurance covering liability for conduct occurring within a Unit. The Board of Directors is not obligated to monitor the existence or nonexistence of any insurance required under this Section 11.5; such responsibility, and the risks to the Owner or tenant arising from a failure to have proper insurance are to be borne solely by the Unit Owner or tenant. Any Owner or tenant who fails to maintain such insurance shall be deemed to have made an election to self-insure for the risks described in Section 11. A failure by the Owner or tenant to maintain such insurance or to make a claim under an existing policy, which failure results in an inability of the Owner or tenant to pay sums that may be owing to the Association under Subsections 11.3.2 or 13.4.2 hereof, or that results in any other form of economic loss or harm or damage to the Association shall constitute willful misconduct or gross negligence on the Owner's part. See also Section 14.4 hereof.

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13.3. Liability for Conduct Causing Common Expense. [New]

13.3.1. Liability for Negligence. Any expense of the Association caused by the negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee or Occupant may be assessed against the Unit Owner's Unit after notice and an opportunity to be heard, to the extent of the Association's deductible and any expenses not covered under an insurance policy issued to the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. See Section 10.8 hereof.

13.3.2. Liability for Gross Negligence or Willful Misconduct. To the extent that any expense of the Association is caused by willful misconduct or gross negligence of any Unit Owner or that Unit Owner's tenant, guest, invitee or Occupant may be assessed against the Unit Owner's Unit after notice and an opportunity to be heard, even if the Association maintains insurance with respect to that damage or Common Expense. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. See Section 10.8 hereof.

13.3.3. Hearing to Determine Owner's Liability. An Owner whose conduct appears to justify imposition of a Specially Allocated Assessment pursuant to Subsections 13.2.1 through 13.2.2 above shall be first provided with Notice of the Board's intentions and an opportunity to be heard, in the manner provided in the Bylaws for hearings regarding the imposition of sanctions against an Owner.

13.4. Tenants and other Occupants Subject to Rights and Responsibilities of Owners. [New]

13.4.1. General Principles. Any Tenant or other Occupant of a Unit shall be deemed to be bound by all portions of the Governing Documents or Bylaws that are binding upon the Owner thereof, other than the direct obligation to pay Common Expense Assessments to the Association. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents or Bylaws shall be available to the Association when dealing with any tenant or other Occupant of an Owner.

13.4.2. Remedies against Tenants. If a tenant of a Unit Owner violates the Governing Documents, in addition to exercising any of its powers against the Unit Owner, the Association may:

- (a) Exercise directly against the tenant;
- (b) After giving Notice to the tenant and the Unit Owner and an opportunity to be heard, levy reasonable fines against the tenant and the Unit Owner for the violation; and
- (c) Enforce any other rights against the tenant for the violation that the Unit Owner as the landlord could lawfully have exercised under the lease or that the Association could lawfully have exercised directly against the Unit Owner, or both. The rights referred to in this Subsection may be exercised only if the tenant or Unit Owner fails to cure the violation within ten days after the Association notifies the tenant and Unit Owner of that violation.

13.4.3. Association's Rights under Leases. The Association shall have the right (but not the obligation) to terminate the lease of a tenant who, following a hearing held under provisions of the Bylaws regarding the imposition of sanctions, has been found to have violated the Governing Documents; the Association shall be deemed a "real party in interest" in any legal proceeding brought to enforce this right. Unless a lease otherwise provides, the provisions of Subsection 13.4.2 above do not: (a) Affect rights that the Unit Owner has to enforce the lease or that the Association has under other law; or (b) Permit the Association to enforce a lease to which it is not a party in the absence of a violation of the Governing Documents.

13.5. Board's Discretion regarding Enforcement. [New]

13.5.1. General Discretion. The Board may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commencing an action for a violation of the Governing Documents, including whether to compromise any claim for unpaid Assessments or other claim made by or against it.

13.5.2. No absolute Duty to Enforce. The Board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented: (a) The Association's legal position does not justify taking any or further enforcement action; (b) The covenant, restriction, or Rule being enforced is, or is likely to be construed as, inconsistent with law; (c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) It is not in the Association's best interests to pursue an enforcement action.

13.5.3. Exercise of Discretion Establishes no Precedent. The Board's decision under Subsections 13.5.1 and 13.5.2 above to not pursue enforcement under one set of circumstances does not prevent the Board from taking enforcement action under another set of circumstances, but the Board may not be arbitrary or capricious in taking enforcement action.

13.6. Remedies for Association, Owners and Occupants. [New]

While the Board has enforcement authority as provided above in this Article XIII, Unit Owners and other Occupants who are or may be harmed or aggrieved in some fashion also retain legal rights of enforcement on their own behalf and retain such remedies as are available under the law, and may bring an action to enforce a right granted or obligation imposed under the Governing Law or the Governing

