

This document is a complete restatement of the Poulsbo Place Trios Condominium Declaration incorporating the original document and all approved amendments.

Kitsap County Record File Number	Document Description
200408230317	Original declaration
200411240009	Amendment 1 added Phase 2 to the Trios Condominium.
200503070397	Amendment 2 added Phase 3, the final phase, to the Trios Condominium.
200606150243	Amendment 3 revised Sections 13.4.4, 19.2, 19.3, and 20 regarding the Board's authority to conduct litigation and the Declarant Board members' liability.
201302040228	Amendment 4 revised various sections regarding repair costs, insurance, compliance, enforcement, dispute resolution, etc.

**DECLARATION
FOR
POULSBO PLACE TRIOS CONDOMINIUM**

Grantor:	<u>POULSBO PLACE TRIOS CONDOMINIUM ASSOCIATION</u>
Grantee:	<u>POULSBO PLACE TRIOS CONDOMINIUM ASSOCIATION</u>
Legal Description: (abbreviated)	<u>Lots 137-156, Poulsbo Place, Phase I, Div. 4B.</u>
<input checked="" type="checkbox"/> Complete legal set forth at:	<u>Schedule A</u>
Assessor's Tax Parcel ID #:	<u>5459333 (Master Number)</u>
Reference Nos. of Documents Released or Assigned:	<u>200408230317, 200411240009, 200503070397, 200606150243, 201302040228</u>

NOTICE TO RECORDER'S OFFICE AT THE TIME OF RECORDING OF THIS DECLARATION INSERT IN ARTICLE 31, PAGE 53, THE CROSS-REFERENCE RECORDING DATA OF THE SURVEY MAP AND PLANS RECORDED IN CONNECTION HEREWITH.

TABLE OF CONTENTS

	Page
ARTICLE 1. DEFINITIONS.....	1
1.1. Words Defined.	1
1.2. Form of Words.	4
1.3. Statutory Definitions.	4
ARTICLE 2. INTERPRETATION.....	5
2.1. Construction and Validity of Declaration.	5
2.2. Dollar Limits.	5
2.3. Poulsbo Place.	5
ARTICLE 3. NAME OF CONDOMINIUM	5
ARTICLE 4. DESCRIPTION OF REAL PROPERTY, DEVELOPMENT IN PHASES.....	6
4.1. Description of Real Property.....	6
4.2. Development in Phases.	6
4.3. Improvements in Subsequent Phases.	6
4.4. Liens.	6
4.5. Election Not to Add Subsequent Phase.	6
4.6. Expiration of Development Rights.....	7
ARTICLE 5. DESCRIPTION OF BUILDINGS	7
ARTICLE 6. DESCRIPTION OF UNITS; ALLOCATED INTERESTS.....	7
6.1. Number and Identification of Units.....	7
6.2. Unit Boundaries.....	7
6.3. Unit Data.	7
6.4. Allocated Interests.	8
ARTICLE 7. COMMON ELEMENTS.....	8
7.1. Description.	8
7.2. Use.....	8
7.3. Conveyance or Encumbrance of Common Elements.....	9
ARTICLE 8. LIMITED COMMON ELEMENTS.....	9
8.1. Description.	9
8.2. Use.....	9
8.3. Reallocation.....	9

ARTICLE 9. PARKING AND STORAGE	10
ARTICLE 10. PERMITTED USES; MAINTENANCE OF UNITS; CONVEYANCES	10
10.1. Units; Timesharing Prohibited.	10
10.2. Leases.	10
10.3. Maintenance of Units, Common Elements and Limited Common Elements.	11
10.4. Hard Surface Flooring.	12
10.5. Exterior Appearance.	12
10.6. Effect on Insurance.	12
10.7. Use or Alteration of Common Elements and Limited Common Elements.	12
10.8. Signs.	13
10.9. Pets.	13
10.10. Quiet Enjoyment.	13
10.11. Trash and Outside Storage.	13
10.12. Offensive Activity.	13
10.13. Conveyance by Owners; Notice Required.	13
10.14. Liability for Damages and Misconduct.	14
10.15. Inspection, Repair and Replacement of High Risk Components.	14
ARTICLE 11. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS.....	16
11.1. Development Rights.	16
11.2. Special Declarant Rights.	16
11.3. Transfer.	16
ARTICLE 12. ENTRY TO UNITS AND LIMITED COMMON ELEMENTS	16
ARTICLE 13. OWNERS ASSOCIATION.....	17
13.1. Form of Association.	17
13.2. Bylaws.	17
13.3. Qualification and Transfer.....	17
13.4. Powers of the Association.	18
13.5. Financial Statements and Records.....	20
13.6. Inspection of Condominium Documents, Books and Records.....	20
ARTICLE 14. DECLARANT CONTROL PERIOD	21
14.1. Declarant Control Until Transition Date.	21
14.2. Transition Date.	21
14.3. Declarant's Transfer of Association Control.....	21
14.4. Audit of Records Upon Transfer.	23
14.5. Termination of Contracts and Leases Made by Declarant.	23

ARTICLE 15. THE BOARD	23
15.1. Selection of Board and Officers.	23
15.2. Powers of Board; Adoption of Budget.	24
15.3. Deleted.....	24
15.4. Managing Agent.	24
15.5. Limitations on Board Authority.	24
15.6. Right to Notice and Opportunity to Be Heard.....	24
ARTICLE 16. BUDGET AND ASSESSMENTS	25
16.1. Fiscal Year.....	25
16.2. Preparation of Budget.....	25
16.3. Ratification of Budget.	25
16.4. Supplemental Budget.	25
16.5. Monthly Assessments.....	25
16.6. Common Expenses.....	26
16.7. Commencement of Assessments.	26
16.8. Initial Contribution to Working Capital.	26
16.9. Special Assessments.....	26
16.10. Creation of Reserves; Assessments.	27
16.11. Notice of Assessments.....	27
16.12. Payment of Monthly Assessments.	27
16.13. Reconciliation of Assessments to Actual Expenses.	27
16.14. Proceeds Belong to Association.	27
16.15. Failure to Assess.....	27
16.16. Certificate of Unpaid Assessments.....	28
ARTICLE 17. LIEN AND COLLECTION OF ASSESSMENTS.....	28
17.1. Assessments Are a Lien; Priority.	28
17.2. Lien May Be Foreclosed; Judicial Foreclosure.	29
17.3. Nonjudicial Foreclosure.	29
17.4. Receiver During Foreclosure.....	29
17.5. Assessments Are Personal Obligation.....	30
17.6. Extinguishment of Lien and Personal Liability.....	30
17.7. Joint and Several Liability.....	30
17.8. Late Charges and Interest on Delinquent Assessments.....	30
17.9. Recovery of Attorneys' Fees and Costs.	31
17.10. Security Deposit.	31
17.11. Remedies Cumulative.....	31
ARTICLE 18. COMPLIANCE.....	31
18.1. Strict Compliance.	31
18.2. Failure to Insist on Strict Performance No Waiver.	31
18.3. Hearing Board.	32
18.4. Judicial Enforcement.	32

18.5.	Enforcement Against Tenants.	33
18.6.	Recovery of Attorney’s Fees and Costs.	33
ARTICLE 19.	TORT AND CONTRACT LIABILITY	34
19.1.	Declarant Liability.....	34
19.2.	Limitation of Liability for Utility Failure, Etc.	34
19.3.	No Personal Liability.....	35
ARTICLE 20.	INDEMNIFICATION	35
ARTICLE 21.	INSURANCE.....	35
21.1.	General Requirements.	35
21.2.	Property Insurance.....	36
21.3.	Commercial General Liability Insurance.	36
21.4.	Insurance Trustee; Power of Attorney.....	37
21.5.	Additional Policy Provisions.....	37
21.6.	Fidelity Insurance.	38
21.7.	Unit Owner Policies.	38
21.8.	Use of Insurance Proceeds.	39
21.9.	Liability for Uninsured Amounts.	40
ARTICLE 22.	DAMAGE AND REPAIR OR DAMAGE TO PROPERTY	40
22.1.	Initial Board Determination.....	40
22.2.	Notice of Damage.....	41
22.3.	Definitions: Damage, Substantial Damage, Repair, Emergency Work.....	41
22.4.	Execution of Repairs.	42
22.5.	Damage Not Substantial.	42
22.6.	Substantial Damage.	43
22.7.	Effect of Decision Not to Repair.	43
ARTICLE 23.	CONDEMNATION	44
23.1.	Consequences of Condemnation; Notices.....	44
23.2.	Power of Attorney.	44
23.3.	Condemnation of a Unit.	44
23.4.	Condemnation of Part of a Unit.	45
23.5.	Condemnation of Common Element or Limited Common Element.....	45
23.6.	Reconstruction and Repair.	45
ARTICLE 24.	EASEMENTS.....	45
24.1.	In General.	45
24.2.	Encroachments.	46
24.3.	Easements Reserved by Declarant.	46
24.4.	Easements Granted by Declarant.	47

ARTICLE 25. PROCEDURES FOR SUBDIVIDING OR ALTERING UNITS.....	47
25.1. Units.	47
25.2. Minor Alterations.	47
25.3. Adjoining Units.	48
25.4. Substantial Alteration.	48
25.5. Relocation of Boundaries – Adjoining Units.	48
ARTICLE 26. AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS, ARTICLES OR BYLAWS	49
26.1. Procedures.	49
26.2. Percentages of Consent Required.	49
26.3. Limitations on Amendments.	51
26.4. No Amendment Contrary to Development Approvals.	51
ARTICLE 27. TERMINATION.....	51
27.1. Action Required.	51
27.2. Condominium Act Governs.....	51
ARTICLE 28. NOTICES	52
28.1. Form and Delivery of Notice.....	52
28.2. Notices to Eligible Mortgagees.	52
ARTICLE 29. SEVERABILITY	53
ARTICLE 30. EFFECTIVE DATE	53
ARTICLE 31. REFERENCE TO SURVEY MAP AND PLANS	53
ARTICLE 32. ASSIGNMENT BY DECLARANT.....	53

SCHEDULES:

- A DESCRIPTION OF LAND**
- B SUBSEQUENT PHASE LEGAL DESCRIPTION**
- C UNIT DESCRIPTION/PARKING AND STORAGE ASSIGNMENTS**

ARTICLE 1.

DEFINITIONS

1.1. Words Defined.

For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

1.1.1. “Allocated Interests” means the allocation of Common Expense Liability, interest in Common Elements and voting for each of the Units in the Condominium determined in accordance with the formula set forth in Section 6.4 and as listed in **SCHEDULE C**.

1.1.2. “Articles” means the Articles of Incorporation for the Association.

1.1.3. “Assessment” means all sums chargeable by the Association against a Unit and its Owner, including without limitation regular and special Assessments, fines imposed by the Association, interest and late charges on any delinquent account, costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Owner's account, costs and attorney's fees incurred by the Association in connection with the enforcement of the Governing Documents, and all other sums payable by an Owner to the Association as provided in the Governing Documents, unless the context clearly indicates otherwise.

1.1.4. “Association” means the owners association identified in Article 13.

1.1.5. “Board” means the board of directors of the Association, as described in Article 15.

1.1.6. “Bylaws” means the Bylaws of the Association as they may from time to time be amended.

1.1.7. “Common Elements” means all portions of the Condominium other than Units and the Limited Common Elements.

1.1.8. “Common Expenses” means expenditures made by or financial liabilities of the Association which are related to the Common Elements and the general operation of the Association, including allocations to reserves.

1.1.9. “Common Expense Liability” means the liability for Common Expenses allocated to each Unit, as set forth in **SCHEDULE C**.

1.1.10. “Community Association” means the Poulsbo Place Owners Association, the association of owners within Poulsbo Place including Owners of Units in the Condominium.

1.1.11. “Community Declaration” means the governance documents for Poulsbo Place including, without limitation, the Declaration of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place as recorded under Kitsap County Recording No. 200010100020, as amended.

1.1.12. “Condominium” means Poulsbo Place Trios Condominium created under the Declaration and the Survey Map and Plans.

1.1.13. “Condominium Act” means the Washington Condominium Act, codified at RCW 64.34, as it may be from time to time amended.

1.1.14. “Declarant” means SP Poulsbo GP I, Inc., a Washington corporation, and its representatives, successors, and assigns.

1.1.15. “Declarant Control” means the right of the Declarant or persons designated by the Declarant to appoint and remove officers and members of the Board pursuant to Article 14.

1.1.16. “Declaration” means this Condominium Declaration for Poulsbo Place Trios Condominium as it may from time to time be amended.

1.1.17. “Development Rights” means the right of the Declarant (a) to create up to a total of thirty (30) Units within the Phase I and Subsequent Phase Property, (b) to assign Limited Common Elements to those Units and (c) to add all or a portion of the Subsequent Phase Property to the Condominium as provided in Article 4 and elsewhere in this Declaration.

1.1.18. “Eligible Mortgagee” means the Mortgagee that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Mortgagees.

1.1.19. “FHLMC” means the Federal Home Loan Mortgage Corporation.

1.1.20. “FNMA” means the Federal National Mortgage Association.

1.1.21. “Foreclosure” means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

1.1.22. “HUD” means the Department of Housing and Urban Development.

1.1.23. “Identifying Number” means, with respect to each Unit, the number listed in **SCHEDULE C** and shown on the Survey Map and Plans.

1.1.24. “Limited Common Element” means a portion of the Common Elements allocated in Article 8 for the exclusive use of one or more but fewer than all of the Units.

1.1.25. “Limited Common Element Expenses” means expenditures made by the Association for maintenance, repair or replacement of Limited Common Elements, which costs are assessed to the Unit to which the Limited Common Element is allocated.

1.1.26. “Managing Agent” means the person designated by the Board under Section 15.3.

1.1.27. “Mortgage” means a mortgage, deed of trust or real estate contract.

1.1.28. “Mortgagee” means any holder, insurer or guarantor of a mortgage on a Unit.

1.1.29. “Notice and Opportunity to Be Heard” means the procedure described in Section 15.6.

1.1.30. “Owner” or “Unit Owner” means the Declarant or other person who owns a Unit, but does not include any person who has an interest in a Unit solely as security for an obligation.

1.1.31. “Person” means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.

1.1.32. “Phase I” means the first phase of the Condominium, consisting of the real property described in **SCHEDULE A** and the Units thereon as shown on the Survey Map and Plans, and the Limited Common Elements assigned thereto under this Declaration.

1.1.33. “Special Declarant Rights” means rights reserved for the benefit of the Declarant as specified in Article 11.

1.1.34. “Subsequent Phase Amendment” means an amendment to this Declaration recorded by the Declarant creating Units and Limited Common Elements pursuant to Article 4.

1.1.35. “Subsequent Phase Property” means the real property upon which the Declarant has the right to create Units and to assign Limited Common Elements thereto, as described in **SCHEDULE B** and as shown on the Survey Map and Plans.

1.1.36. “Subsequent Phases” means the subsequent phases of the Condominium, resulting in up to a total of thirty (30) Units in the Condominium and the Limited Common Elements assigned thereto under this Declaration.

1.1.37. “Survey Map and Plans” means the survey map and plans filed simultaneously with the recording of this Declaration and any amendments, corrections, and addenda thereto subsequently filed.

1.1.38. “Transition Date” means the date upon which the period of Declarant Control terminates as determined in Article 14.

1.1.39. “Unit” means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 6.2 and shown on the Survey Map and Plans.

1.1.40. “VA” means the Veterans Administration.

1.1.41. “Governing Documents” means the Declaration, the Articles of Incorporation, if any, the Bylaws and the Rules and Regulations of the Association adopted as provided in the Declaration and Bylaws, as these documents may be lawfully amended and/or adopted from time to time.

1.1.42. “Occupant” means anyone who occupies a Unit as a permanent residence or who stays overnight in any Unit more than fourteen (14) days in any calendar month or more than sixty (60) days per calendar year.

1.1.43. “Tenant” means and includes a tenant, lessee, renter or other non-Owner Occupant of a Unit that is not occupied by its Owner, whether or not rent is paid.

1.2. Form of Words.

The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and gender-neutral pronouns shall be used interchangeably.

1.3. Statutory Definitions.

Some of the terms defined above are also defined in the Condominium Act. The definitions in the Declaration are not intended to limit or contradict the definitions in the

Condominium Act. If there is any inconsistency or conflict, the definition in the Condominium Act will prevail.

ARTICLE 2.

INTERPRETATION

2.1. Construction and Validity of Declaration.

The Declaration and the Condominium Act provide the framework by which the Condominium is created and operated. In the event of a conflict between the provisions of the Declaration and the Condominium Act, the Condominium Act shall prevail. In the event of a conflict between the provisions of this Declaration and the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with the Condominium Act. The creation of the Condominium shall not be impaired and title to a Unit and its interest in the Common Elements shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration or the Survey Map and Plans or any amendment thereto to comply with the Condominium Act.

2.2. Dollar Limits.

Any dollar amounts specified in this Declaration in connection with any proposed action or decision of the Board or Association may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the city of Seattle, Washington for All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1 of the calendar year following the year in which the Declaration was recorded, to adjust for any deflation in the value of the dollar.

2.3. Poulsbo Place.

The Condominium is located within Poulsbo Place, a master redevelopment planned community. As such, the Condominium is subject to the covenants, conditions, restrictions, reservations, easements, rights and obligations set forth in the Community Declaration.

ARTICLE 3.

NAME OF CONDOMINIUM

The name of the Condominium created by this Declaration and the Survey Map and Plans is Poulsbo Place Trios Condominium.

ARTICLE 4.

DESCRIPTION OF REAL PROPERTY, DEVELOPMENT IN PHASES

4.1. Description of Real Property.

The real property initially included in the Condominium and submitted to the Condominium Act is described in **SCHEDULE A**.

4.2. Development in Phases.

Declarant intends to add phases to the Condominium on the Subsequent Phase Property described in **SCHEDULE B**. The first phase of the Condominium (Phase I) consists of the nine Units listed in **SCHEDULE C** and shown on the Survey Map and Plans, and the Limited Common Elements allocated to those Units. Declarant reserves the Development Rights to create up to a total of thirty (30) Units within the Condominium if all of the Subsequent Phase Property is added to the Condominium by recording an amendment to the Declaration which (a) amends **SCHEDULE A** to include the real property to be included in the Condominium and (b) amends **SCHEDULE C** to list all of the Units in the Condominium, including those being created, together with all of the information called for by that schedule and to reallocate the Allocated Interests among all of the Units in accordance with the formula set forth in Section 6.4. Declarant shall also record an amendment to the Survey Map and Plans showing the Units and Limited Common Elements created by that Subsequent Phase.

4.3. Improvements in Subsequent Phases.

The improvements to be added to the Condominium in Subsequent Phases shall be consistent with the improvements in Phase I in terms of structure type and quality of construction. All Units in each phase shall be substantially completed before they are added to the Condominium. Declarant is the owner of the improvements within the Subsequent Phase Property until Units have been created therein.

4.4. Liens.

Any liens that arise in connection with Declarant's ownership of or construction of improvements on the Subsequent Phase Property shall attach only to Declarant's interest in any Units owned by Declarant or against Declarant's Development Rights and Special Declarant Rights and shall not adversely affect the rights of other Unit Owners or the priority of Mortgages on the Units.

4.5. Election Not to Add Subsequent Phase.

Declarant may at any time or times, elect not to add any or all of the Subsequent Phase Property to the Condominium. At the time Declarant makes such an election, Declarant

may reserve for the benefit of such real property the right to use certain Common Elements of the Condominium by recording an amendment to the Declaration providing the terms of such use and any special costs or fees which will be charged for such use.

4.6. Expiration of Development Rights.

The Development Rights specified herein shall terminate on the earlier of (a) the seventh anniversary of the recording of this Declaration or (b) the recording of a notice signed by Declarant that it no longer wishes to exercise any of the Development Rights.

ARTICLE 5.

DESCRIPTION OF BUILDINGS

There are initially three buildings in the Condominium, located on the real property described in **SCHEDULE A**. The buildings are further described and their location is shown on the Survey Map and Plans. If all Subsequent Phases are added to the Condominium, there will be ten buildings, each containing three Units.

ARTICLE 6.

DESCRIPTION OF UNITS; ALLOCATED INTERESTS

6.1. Number and Identification of Units.

The Condominium has nine Units in Phase I. The Identifying Number of each Unit is set forth in **SCHEDULE C**. The locations of the Units are shown on the Survey Map and Plans.

6.2. Unit Boundaries.

The boundaries of the Units are the walls, floors and ceilings of the Units, including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof; provided, that the Unit boundaries shall not include those Common Elements specified in Article 7. All spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

6.3. Unit Data.

SCHEDULE C sets forth the following data for each Unit:

6.3.1. The approximate area of the Unit;

- 6.3.2. The number of bathrooms, whole or partial;
- 6.3.3. The number of rooms designated primarily as bedrooms;
- 6.3.4. Whether the Unit has a fireplace;
- 6.3.5. The level or levels upon which each Unit is located; and
- 6.3.6. The parking space and storage locker, if any, assigned to the Unit.

The location and configuration of each Unit are shown in the Survey Map and Plans. When the Declarant creates Units in a Subsequent Phase, **SCHEDULE C** shall be amended by the Declarant to show all of the data for the Units created.

6.4. Allocated Interests. **SCHEDULE C** sets forth the Allocated Interest of each of the Units of the Condominium for the purposes of voting, Common Expense Liability and its interest in the Common Elements. For those purposes, the Allocated Interest of each Unit is determined by dividing the square footage of the living area of the Unit shown on **SCHEDULE C** by the total square footage of the living area of all Units. When Units in a Subsequent Phase are created, the Allocated Interests shall be recalculated using the above formulas.

ARTICLE 7.

COMMON ELEMENTS

7.1. Description. The Common Elements are all portions of the Condominium other than the Units and the Limited Common Elements, including all portions of the walls, floors, or ceilings which are not a part of or within the Unit boundaries provided in Section 6.2. The Common Elements also include any chute, flue, duct, wire, conduit, bearing wall, shear wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit which serves more than one Unit or any portion of a Common Element.

7.2. Use. Each Owner shall have the right to use the Common Elements in common with all other Owners and a right of access from the Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each Owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the rules and regulations of the Association. To the extent permitted by the Board, an Owner may install limited lighting within the Common Areas along sidewalks primarily serving such

Owner's Unit so long as operation and maintenance of such lighting is at the Owner's expense.

7.3. Conveyance or Encumbrance of Common Elements.

Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association of the Owners having at least 80% of the votes in the Association, excluding votes held by the Declarant or an affiliate of Declarant (as defined in the Condominium Act); but all of the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest.

ARTICLE 8.

LIMITED COMMON ELEMENTS

8.1. Description.

The Limited Common Elements allocated to each Unit include the driveway serving the Unit, the entryway to the Unit, the porches and decks adjacent to the Unit which are accessible only from the Unit, the flue to the fireplace in the Unit, a pad for location of any external air-conditioning unit and such other areas as are shown on the Survey Map and Plans as it may be amended by Declarant upon the addition of Units in Subsequent Phases.

8.2. Use.

Each Owner shall have the exclusive right to use the Limited Common Elements allocated or assigned solely to the Owner's Unit. The Board may adopt rules and regulations governing the use of the Limited Common Elements.

8.3. Reallocation.

A Limited Common Element may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section within thirty (30) days, or within such other period provided by the Declaration, unless the proposed reallocation does not comply with the Condominium Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Condominium. Except for Limited Common Elements to be allocated by Declarant to Units in Subsequent Phases, a Common Element may be reallocated as a Limited Common Element or a Limited Common Element may be incorporated into an existing Unit with

the approval of 67% of the Owners, including the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Survey Map and Plans.

ARTICLE 9.

PARKING AND STORAGE

There are no Limited Common Element parking spaces or storage lockers in the Condominium. Each Unit has one or more garage parking spaces within the Unit Pursuant to the requirements of the City of Poulsbo in connection with the recording of the Final Plat Alteration for Division 4b of Poulsbo Place, each Owner shall be deemed to have covenanted that (i) at closing of the Owner's purchase of a Unit, the Owner shall submit to the Association a written and signed acknowledgment that the Owner may not keep more than two motor vehicles within the boundaries of the Poulsbo Place, regardless of whether any such motor vehicle is parked within the Unit or on the street; (ii) because the following Units have only one, rather than two, garage parking spaces within the Unit, the Owners of such Units will be required to rely on street parking for their second vehicle, if any: 137A, 137B, 139A, 139B, 153A, 153B, 156A, and 156B; and (iii) no Owner shall utilize the garage space within its Unit for storage if the result would be that the Owner must then park its motor vehicle or vehicles on the street rather than within the Owner's Unit.

ARTICLE 10.

PERMITTED USES; MAINTENANCE OF UNITS; CONVEYANCES

10.1. Units; Timesharing Prohibited.

The Units in the Condominium are intended for and restricted to residential use only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, including use as a home office to the extent permissible under applicable law so long as visits by clients are by appointment only. Timesharing of Units, as defined in RCW 64.34, is prohibited.

10.2. Leases.

No lease or rental of a Unit may be less than the entire Unit nor for a term less than thirty (30) days. All leases or rental agreements for Units entered into after the creation of the Condominium shall provide that its terms shall be subject in all respects to the provisions of the Declaration and the Bylaws and rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents, rules, and regulations shall be a default under the lease or rental agreement. If any lease under this

Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the owner and the tenant by reason of their being stated in this Declaration. All leases and rental agreements shall be in writing. Copies of all leases and rental agreements shall be delivered to the Association before the tenancy commences. If any lessee or occupant of a Unit violates or permits the violation by his guests and invitees of any provisions hereof or of the Bylaws or of the rules and regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the lessee or occupant of the Unit and the Owner thereof to forthwith cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the tenant or occupant if the Owner fails to do so after Notice from the Board and an Opportunity to be Heard. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorneys' fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 17. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise rent his Unit.

10.3. Maintenance of Units, Common Elements and Limited Common Elements.

Except as provided below, and subject to certain landscape maintenance obligations undertaken by the Community Association in accordance with the Community Declaration, the Association is responsible for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and each Owner is responsible for maintenance, repair and replacement of the Owner's Unit. The cost of maintenance, repair and replacement of Limited Common Elements shall be assessed to the Unit to which such Limited Common Element is allocated. Each Owner shall, at the Owner's sole expense, keep the interior of the Unit and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit.

10.3.1. Each Owner shall replace any broken glass in the windows or exterior doors of the Owner's Unit.

10.3.2. Maintenance of Certain Items. Each Owner shall be responsible for the maintenance, repair, or replacement of any flues, plumbing fixtures, water heaters, air conditioning units, fans, heating equipment, electrical fixtures and wiring, and all other fixtures, equipment and appurtenances which serve only that Unit, whether or not located in the Unit.

10.4. Hard Surface Flooring.

An Owner of a Unit which is constructed above any other Unit may not install hard surface flooring in the Owner's Unit in addition to that originally installed by Declarant unless the Owner first receives the written consent of (i) the Board and (ii) the Owner of the Unit constructed below the Unit for which consent to install such flooring is being sought.

10.5. Exterior Appearance.

In order to preserve a uniform exterior appearance of the building, the Board shall provide for the maintenance of the exterior of the building. No owner may modify the exterior of the building or the screens, doors, awnings, or other portions of any Unit visible from outside the Unit without the prior written consent of the Board or in accordance with rules or regulations of the Association.

10.5.1. In particular, no portion of any solar panels, radio or television antennas, satellite dish, or other appliance may be installed on the exterior of a building without the prior written consent of the Board which shall not be unreasonably withheld. Antennas and satellite dishes shall be installed so as not to be unnecessarily visible from the ground around or adjacent to the Building and may be required by the Board to be screened. The Owner shall bear all costs of installation, operation, maintenance, repair and replacement of the satellite dish or antenna and its connection to the Unit and shall be responsible for any damage done to the Common Elements in connection therewith.

10.5.2. Unless otherwise established by rule or regulation of the Board, all curtains, blinds or draperies visible from outside the Units shall be neutral when viewed from the exterior of the Building, and the Owners shall not replace the glass or screens in the windows or doors of the Units except with materials of similar color and quality to those originally installed. Unless specifically approved by the Board, sheets or other non-standard materials may not be used for window coverings visible from the exterior of the applicable Building.

10.6. Effect on Insurance.

Nothing shall be done or kept in any Unit or in any Common Element or Limited Common Element that will increase the rate of insurance on the property without the prior written consent of the Board.

10.7. Use or Alteration of Common Elements and Limited Common Elements.

Use of the Common Elements and Limited Common Elements shall be subject to the provisions of this Declaration and the rules and regulations of the Board. Nothing shall

be altered or constructed in or removed from any Common Element or Limited Common Element except with the prior written consent of the Board.

10.8. Signs.

No sign of any kind shall be displayed to the public view on or from any Unit, Limited Common Element or Common Element without the prior consent of the Board. This Section shall not apply to the Declarant who may post such signs on the property as it deems necessary or appropriate for the sale of Units in the Condominium as long as the Declarant has a Unit for sale.

10.9. Pets.

The number of pets that may be kept in any Unit shall be as set forth in the Community Declaration and such pets shall be subject to rules and regulations adopted by the Board. Dogs will not be allowed on any Common Elements or Limited Common Elements unless they are on a leash and are being walked to or from the Unit to a public street or sidewalk. The Board may, after Notice and Opportunity to be Heard, at any time require the removal of any pet which it finds is disturbing other Owners unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain.

10.10. Quiet Enjoyment.

No Owner shall permit anything to be done or kept in the Owner's Unit, Limited Common Elements or Common Elements which would interfere with the right of quiet enjoyment of the other residents of the Condominium. In particular, speakers for sound systems shall not be installed or operated in a Unit in a manner that will induce vibrations or unreasonable noise in another Unit.

10.11. Trash and Outside Storage.

Each Owner shall be responsible for removing all trash or garbage from the Unit and depositing it in proper receptacles as designated by the Board.

10.12. Offensive Activity.

No noxious or offensive activity shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners. Owners shall not permit any condition to exist that will induce, breed or harbor infectious diseases or noxious insects or vermin.

10.13. Conveyance by Owners; Notice Required.

The right of an Owner to the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written

notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy under Article 21 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy. At the time of the first conveyance of each Unit, every mortgage, lien or other encumbrance affecting that Unit and any other Unit or Units or real property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied of record, or the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien or other encumbrance.

10.14. Liability for Damages and Misconduct.

Notwithstanding any other provision of this Declaration, except to the extent covered by insurance obtained by the Association, each Owner shall be responsible for any expenses resulting from damages done to a Unit, the Common Elements or the Limited Common Elements by that Owner or by a Tenant or Occupant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner, Tenant, or Occupant, or as a result of the use, misuse, malfunction or failure of, or the failure to maintain, repair or replace any fixture, equipment, appliance or appurtenance which the Owner is responsible to maintain under the terms of the Declaration, or from any misconduct by that Owner or a Tenant or Occupant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner, Tenant or Occupant. The sums due from any Owner pursuant to this Section shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments.

10.15. Inspection, Repair and Replacement of High Risk Components.

Notwithstanding the provisions of this Declaration, the Board may, from time to time, after notice and an opportunity for Owners to comment, determine that certain portions of the Units required to be maintained by the Unit Owners, or certain objects or appliances within the Units, pose a particular risk of damage to other Units and to the Common Elements if they are not properly inspected, maintained, repaired or replaced. By way of example, but not of limitation, these portions, objects or appliances might include, smoke detectors, and water heaters. Those items determined by the Board to pose such a particular risk are referred to as "High Risk Components."

10.15.1. At the same time that it designates a “High Risk Component” or at a later time the Board, after notice and an opportunity for Owners to comment, may require one or more of the following with regard to the High Risk Component:

10.15.1.1. That it be inspected at specified intervals by the Association or an inspector or inspectors designated by the Board.

10.15.1.2. That it be maintained, repaired or replaced at specified intervals, or with reference to manufacturers’ warranties, whether or not the individual component is deteriorated or defective.

10.15.1.3. That it be maintained, repaired or replaced by the Association and the cost be specially assessed to the Unit Owner as a common expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments.

10.15.1.4. That it be replaced or repaired with items or components meeting particular standards or specifications established by the Board.

10.15.1.5. That when it is repaired or replaced, the installation include additional components or installations specified by the Board.

10.15.1.6. That it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Board.

10.15.1.7. If the replacement or repair is completed by an Owner, that it be inspected by a person designated by the Board.

10.15.2. The imposition of requirements by the Board under Paragraph 10.15.1 shall not relieve an Owner of his or her obligations under Section 10.3 of the Declaration, including, but not limited to, the obligation to perform and pay for repairs, maintenance, and replacement.

10.15.3. If any Unit Owner fails to repair, maintain or replace a High Risk Component in accordance with the requirements established by the Board under this Section 10.15, the Board may, in addition to any other rights and powers granted to it under the Governing Documents and the Act:

10.15.3.1. Enter the Unit in accordance with Article 12, and inspect, repair, maintain or replace the High Risk Component, and in such event and the cost thereof shall be specially assessed to the Unit Owner as a common expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments; and

10.15.3.2. Exercise any and all other enforcement remedies available to the Association under the Governing Documents and the Act.

ARTICLE 11.

DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

11.1. Development Rights.

Declarant reserves the Development Right to (a) create up to a total of thirty (30) Units within the Condominium, (b) create Limited Common Elements appurtenant to those, and (c) add all or a portion of the Subsequent Phase Property to the Condominium as provided in Article 4 and elsewhere in the Condominium. Declarant shall bear all expenses associated with, and be entitled to, all income from the Subsequent Phase Property until Units thereon are created and sold.

11.2. Special Declarant Rights.

The Declarant reserves the following Special Declarant Rights: (a) to complete any improvements shown on the Survey Maps and Plans; (b) to maintain sales offices, management offices, signs advertising the Condominium, and models in Units which are not occupied and are for sale by the Declarant, in Units owned by the Declarant, and in the Common Elements and Limited Common Elements of the Condominium; (c) to use easements through the Common Elements and Limited Common Elements for the purpose of making improvements within the Condominium; and (d) to elect, appoint or remove any officer of the Association or any member of the Board during the period of Declarant Control as provided by Article 14.

11.3. Transfer.

The rights described in this Article shall not be transferred except by instrument evidencing the transfer executed by the Declarant or the Declarant's successor and the transferee and recorded in Kitsap County. The rights and liabilities of the parties involved in such a transfer and of all persons who succeed to any Development Right or Special Declarant Right are set out in RCW 64.34.316.

ARTICLE 12.

ENTRY TO UNITS AND LIMITED COMMON ELEMENTS

The Board and its agents, contractors and employees may enter any Unit or Limited Common Element when reasonably necessary or advisable in connection with the exercise of any power granted to, or the performance of any duty which is the responsibility of the Board under the Declaration, including any inspection, maintenance, operation, repair, construction or reconstruction for which the Board is responsible, to do any work that an Owner has failed to perform, to prevent damage to the Elements or to another Unit, or if an emergency occurs. Except in cases of emergency that preclude

advance notice, the Board shall cause the Unit Owner and Occupant to be given written notice of entry into a Unit or a Limited Common Element accessible only through a Unit as far in advance as is reasonably practicable. Entry shall be made with as little inconvenience to the Owner as practicable. Any damage caused by the entry of the Unit shall be repaired by the Board out of common funds if the entry was due to an emergency (unless the emergency was caused by the Owner or Occupant 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 the Common Elements where the repairs were undertaken by or under the direction of the Board. If the inspection, repairs or maintenance were necessitated by or for the Unit entered or its Owner or Occupants, or the Owner of the Unit has failed or refused to perform the inspection, maintenance or repair within a reasonable time after written notice of the necessity of the inspection, maintenance or repair has been given to the Owner, the costs of the inspection, repairs or maintenance and of the entry shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments.

ARTICLE 13.

OWNERS ASSOCIATION

13.1. Form of Association.

The Owners of Units shall constitute an owners association to be known as the Poulsbo Place Trios Condominium Association. The Association shall be organized as a nonprofit corporation, no later than the date the first Unit in the Condominium is conveyed. It will be governed by the Board the number of members of which shall be specified in the Bylaws of the Association. The rights and duties of the Board and of the Association shall be governed by the provisions of the Condominium Act, the Declaration and the Bylaws.

13.2. Bylaws.

The Board will adopt Bylaws to supplement the Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Act or the Declaration.

13.3. Qualification and Transfer.

Each Owner of a Unit (including the Declarant) shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of

title to the Unit; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

13.4. Powers of the Association.

In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to:

13.4.1. Adopt and amend the Bylaws and the rules and regulations;

13.4.2. Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Common Expenses and special Assessments from Owners;

13.4.3. Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors;

13.4.4. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium;

13.4.5. Make contracts and incur liabilities;

13.4.6. Regulate the use, maintenance, repair, replacement, and modification of Common Elements and Limited Common Elements;

13.4.7. Cause additional improvements to be made as a part of the Common Elements and Limited Common Elements, provided that improvements to the Limited Common Elements shall be allocated to the Units to which the Limited Common Elements are assigned;

13.4.8. Acquire, hold, encumber, convey, and dispose of, in the Association's name, right, title, or interest to real or tangible and intangible personal property, and arrange for and supervise any addition or improvement to the Condominium; provided that:

(a) If the estimated cost of any separate property acquisition or addition or improvement to the Condominium exceeds \$2,500 and has not been included in the current year's budget, the approval of the Owners holding a majority of the votes in the Association shall be required; and if such estimated cost exceeds \$10,000 and has not been included in the current year's budget, the

approval of the Owners holding 75% of the votes in the Association shall be required;

(b) No structural changes shall be made to a building without the approval of Owners holding at least 75% of the votes in the Association;

(c) No structural change shall be made to a Unit without the approval of the Owner of that Unit;

(d) If the improvement is part of the Limited Common Elements, the cost thereof shall be allocated to the Owners of the Units to which the Limited Common Elements are assigned; and

(e) The beneficial interest in any property acquired by the Association pursuant to this section shall be owned by the Owners in the same proportion as their respective interests in the Common Elements and shall thereafter be held, sold, leased, mortgaged or otherwise dealt with as the Board shall determine.

13.4.9. Grant easements, leases, licenses, and concessions through or over the Common Elements and Limited Common Elements and petition for or consent to the vacation of streets and alleys;

13.4.10. Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements and Limited Common Elements and for services provided to Owners. Such fees may include, without limitation, move-in/move-out fees to cover wear and tear on the Common Elements associated with moves;

13.4.11. Acquire and pay for all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium;

13.4.12. Impose and collect charges for late payment of Assessments as further provided in Article 17 and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established Schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and rules and regulations of the Association;

13.4.13. Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by RCW 64.34.425 and statements of unpaid Assessments;

13.4.14. Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

13.4.15. Assign its right to future income, including the right to receive Assessments;

13.4.16. Provide or pay, as part of the Common Expenses, utility services serving the Common Elements;

13.4.17. Exercise any other powers conferred by this Declaration or the Bylaws;

13.4.18. Exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and

13.4.19. Exercise any other powers necessary and proper for the governance and operation of the Association.

13.5. Financial Statements and Records.

The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, an audited financial statement of the Association in accordance with generally accepted accounting principles; provided, however, that the requirement of an audit may be waived annually by a vote of Owners holding sixty percent (60%) of the total voting power, excluding votes allocated to Units owned by Declarant. The financial statement shall be completed in time for the Association's annual meeting and in any event within one hundred twenty (120) days following the end of the fiscal year. Any mortgagee shall, upon request, be entitled to receive the annual financial statement within one hundred twenty (120) days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at his expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide within a reasonable time the financial statement of the Association for the preceding fiscal year.

13.6. Inspection of Condominium Documents, Books and Records.

The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other

reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

ARTICLE 14.

DECLARANT CONTROL PERIOD

14.1. Declarant Control Until Transition Date.

Until the Transition Date, the Declarant shall have the right to appoint and remove all members of the Board; provided that (1) not later than sixty (60) days after conveyance of 25% of the Units that may be created to Owners other than the Declarant, at least one member and not less than 25% of the members of the Board must be elected by Owners other than the Declarant; and (2) not later than sixty (60) days after conveyance of 50% of the Units that may be created to Owners other than the Declarant, not less than one-third (1/3) of the members of the Board must be elected by Owners other than the Declarant.

14.2. Transition Date.

Declarant Control of the Association shall terminate on the Transition Date. The Transition Date shall be no later than the earlier of: (a) sixty (60) days after conveyance of 75% of the Units that may be created to Owners other than the Declarant; (b) five (5) years after the first conveyance of a Unit to an Owner other than the Declarant; (c) two (2) years after the last exercise of any Development Right to create Units; or (d) the date on which the Declarant records an amendment to the Declaration pursuant to which the Declarant voluntarily surrenders the right to further appoint and remove officers and members of the Board. If the Declarant voluntarily surrenders control pursuant to (d) above, the Declarant may require that for the duration of the period of Declarant Control, specified actions of the Association or the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

14.3. Declarant's Transfer of Association Control.

Within sixty (60) days after the Transition Date, the Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by the Declarant including, but not limited to, the following:

14.3.1. The original or a photocopy of the recorded Declaration and each amendment to the Declaration;

14.3.2. The certificate of incorporation and a copy or duplicate original of the Articles as filed with the secretary of state;

- 14.3.3.** The Bylaws;
- 14.3.4.** The minute books, including all minutes and other books and records of the Association;
- 14.3.5.** Any rules and regulations that have been adopted;
- 14.3.6.** Resignations of officers and members of the Board who are required to resign because the Declarant is required to relinquish control of the Association;
- 14.3.7.** The financial records, including canceled checks, bank statements, and financial statements of the Association, and source documents from the time of incorporation of the Association through the date of transfer or control to the Owners;
- 14.3.8.** Association funds or the control of the funds of the Association;
- 14.3.9.** All tangible personal property of the Association, represented by the Declarant to be the property of the Association and inventory of the property;
- 14.3.10.** Except for alterations to a Unit done by a Unit Owner other than the Declarant, the copy of the Declarant's plans and specifications utilized in the construction or remodeling of the Condominium, with a certificate of the Declarant or a licensed architect or engineer that the plans and specifications represent, to the best of such Person's knowledge and belief, the actual plans and specifications utilized by the Declarant in the construction or remodeling of the Condominium;
- 14.3.11.** Insurance policies or copies thereof for the Condominium and the Association;
- 14.3.12.** Copies of any certificates of occupancy that may have been issued for the Condominium;
- 14.3.13.** Any other permits issued by governmental bodies applicable to the Condominium in force or issued within one year before the Transition Date;
- 14.3.14.** All original warranties that are still in effect for the Common Elements, or any other areas or facilities which the Association has a responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners manuals or instructions furnished to the Declarant with respect to installed equipment or building systems;
- 14.3.15.** A roster of Unit Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records and the date of closing of the first sale of each Unit sold by the Declarant;

14.3.16. Any leases of the Common Elements or Limited Common Elements and other leases to which the Association is a party;

14.3.17. Any employment contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the Unit Owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the Person performing the services; and

14.3.18. All other contracts to which the Association is a party.

14.4. Audit of Records Upon Transfer.

Upon termination of the period of Declarant Control, the records of the Association shall be audited as of the date of transfer by an independent certified public accountant in accordance with generally accepted auditing standards unless the Owners, other than the Declarant, by two-thirds (2/3) vote, elect to waive the audit. The costs of the audit shall be a Common Expense.

14.5. Termination of Contracts and Leases Made by Declarant.

If entered into before the Board elected pursuant to Section 15.1 takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities or (2) any other contract or lease between the Association and the Declarant or an affiliate of the Declarant, as defined by RCW 64.34.020(1), may be terminated without penalty by the Association at any time after the Board elected pursuant to Section 15.1 takes office upon not less than ninety (90) days' notice to the other party or within such lesser notice period provided for without penalty in the contract or lease. This section does not apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the real property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section.

ARTICLE 15.

THE BOARD

15.1. Selection of Board and Officers.

Prior to the Transition Date, election or appointment of members of the Board shall be governed by Section 14.1. Within thirty (30) days after the Transition Date, the Owners shall elect a Board, a majority of whom must be Unit Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of

the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws.

15.2. Powers of Board; Adoption of Budget.

Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall at all times act 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.

15.3. Deleted.15.4. Managing Agent. 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. If professional management has been required by HUD, FNMA, VA, FHLMC or other similar agency or corporation, the procedure for terminating professional management and assuming self-management shall be that procedure set forth in Article 26. Any contract with a Managing Agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on thirty (30) days' written notice, or (2) without cause, on not more than ninety (90) days' written notice.

15.5. Limitations on Board Authority.

The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Article 26, to terminate the Condominium pursuant to Article 27, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

15.6. Right to Notice and Opportunity to Be Heard.

Whenever this Declaration requires that an action of the Board be taken after "notice and opportunity to be heard," the procedures described in 18.3 or 18.5 of this Declaration shall be observed.

ARTICLE 16.

BUDGET AND ASSESSMENTS

16.1. Fiscal Year.

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.

16.2. Preparation of Budget.

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. The Declarant shall prepare the initial budgets.

16.3. 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 holding a majority of the votes in the Association reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. If the Board proposes a supplemental budget during any fiscal year that results in an increase in an Owner's Assessments, such budget shall not take effect unless ratified by the Unit Owners in accordance with this section.

16.4. Supplemental Budget.

If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget shall be ratified pursuant to Section 16.3.

16.5. Monthly Assessments.

The amounts required by the Association for Common Expenses as reflected by the annual budget and any supplemental budgets shall be divided into installments to be paid

each month over the period of time covered by the budget or supplemental budget. The monthly Assessment for each Unit is determined by the total Common Expense Liability allocated to each Unit in **Schedule C** times the total monthly installment for Common Expenses allocable to such Unit together with any Limited Common Element Expenses attributable to such Unit.

16.6. Common Expenses.

Common Expenses shall include the cost of operation, maintenance, repair and replacement of the Common Elements and the Limited Common Elements, the general expenses of the Association, including management and professional fees and costs, insurance and any other costs that the Board reasonably determines benefits the Units. Except as more specifically set forth herein, Common Expenses shall be allocated to all Unit Owners in accordance with their Common Expense Liability.

16.7. Commencement of Assessments.

Monthly Assessments begin accruing for all Units in a Phase upon the closing of the sale of the first Unit in such Phase by the Declarant; provided that the Declarant may delay the commencement of Assessments and pay all actual Common Expenses (but no allocations to reserves).

16.8. Initial Contribution to Working Capital.

In connection with the closing of the sale of each Unit, the initial purchaser shall pay to the Association as a non-refundable initial contribution to the Association working capital an amount equal to two times the estimated monthly Assessment against the Unit, which amount shall not be considered as an advance payment of regular Assessments. On the Transition Date, the Declarant shall make such contribution for any Units remaining unsold on that date and shall be entitled to be reimbursed the amount so paid as each such Unit is conveyed. The Declarant shall not use any of the working capital fund to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits prior to the Transition Date.

16.9. Special Assessments.

For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy a special Assessment for such expenses, subject to ratification by the Owners pursuant to Section 16.3. To the extent that any Common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may, after Notice and Opportunity to be Heard, specially assess that expense against the Owner of that Unit.

16.10. Creation of Reserves; Assessments.

The Board shall create reserve accounts for anticipated expenses for repairs, replacement and improvements to the Common Elements and Limited Common Elements which will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.

16.11. Notice of Assessments.

The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Unit, on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested.

16.12. Payment of Monthly Assessments.

On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Unit for that month. Any Assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 17.

16.13. Reconciliation of Assessments to Actual Expenses.

The Association shall establish and maintain its accounts and records in such a manner that will enable it to deposit the Assessments for Common Expenses, including allocations to reserves, and income to the Association to the account of the appropriate Units and make its expenditures from the appropriate accounts. In order that the 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 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).

16.14. Proceeds Belong to Association.

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

16.15. 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, and the monthly Assessments amounts established for the preceding year shall continue until new Assessments are established.

16.16. Certificate of Unpaid Assessments.

Upon the request of any Owner or Mortgagee of a Unit, the Board 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.

ARTICLE 17.

LIEN AND COLLECTION OF ASSESSMENTS

17.1. Assessments Are a Lien; Priority.

The Association has a lien on a Unit for any unpaid Assessment levied against a Unit from the time the Assessment is due. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except:

17.1.1. Liens and encumbrances recorded before the recording of this Declaration;

17.1.2. A mortgage on the Unit recorded before the date on which the Assessment sought to be enforced became delinquent, *except* to the extent of Assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to Article 16 which would have become due during the six months immediately preceding (a) the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a mortgagee, (b) the date of trustee's sale in a nonjudicial foreclosure of a mortgage, or (c) the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract. Notwithstanding the foregoing, the priority of the Association's lien against Units encumbered by a mortgage held by an Eligible Mortgagee or by a mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such mortgagee becomes an Eligible Mortgagee or has given such notice and before the Association gives such mortgagee a written notice of the delinquency; and

17.1.3. Liens for real property taxes and other governmental assessments or charges against the Unit.

Recording of this Declaration constitutes record notice and perfection of the lien for Assessments; however, the Association may record a notice of claim of lien for Assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to above.

17.2. Lien May Be Foreclosed; Judicial Foreclosure.

The lien arising under this article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12, or non-judicially in the manner set forth in Section 17.3. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in the exception to Section 17.1.2, the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Unit. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale.

17.3. Nonjudicial Foreclosure.

A lien arising under this article may be foreclosed non-judicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Pacific Northwest Title Insurance Company or its successors or assigns ("Trustee"), to secure the obligations of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of Assessments. Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien non-judicially pursuant to this section, it shall not be entitled to the lien priority over mortgages provided in the exception to Section 17.1.2.

17.4. Receiver During Foreclosure.

From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from

the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this section, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

17.5. Assessments Are Personal Obligation.

In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges provided in this article, shall be the personal obligation of the Owner of the Unit when the Assessment is made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

17.6. Extinguishment of Lien and Personal Liability.

A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the Assessments sought to be recovered becomes due.

17.7. Joint and Several Liability.

In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waving the lien securing such sums.

17.8. Late Charges and Interest on Delinquent Assessments.

The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

17.9. Recovery of Attorneys' Fees and Costs.

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

17.10. Security Deposit.

An Owner who has been delinquent in paying his monthly Assessments for three (3) of the five (5) preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three (3) months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten (10) days or more delinquent in paying Assessments.

17.11. Remedies Cumulative.

The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

ARTICLE 18.

COMPLIANCE

18.1. Strict Compliance.

Each Owner, tenant, and other occupant of a Unit in the Condominium shall comply strictly with the provisions of the Governing Documents. The acceptance of a deed or conveyance or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by the Owner, tenant, or other occupant and all provisions of the Governing Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though the provisions were recited and stipulated at length in each and every deed, conveyance or lease of the Unit

18.2. Failure to Insist on Strict Performance No Waiver.

The Board or manager of the Association shall exercise its business judgment in determining what actions to take in the enforcement of the Governing Documents. The

failure of the Board or manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition or restriction, but the term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or manager of any assessment from an Owner, with knowledge of any breach shall not be deemed a waiver of that breach, and no waiver by the Board of any provision of the Governing Documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

18.3. Hearing Board. The Board, or other body or person (“Hearing Board”) designated in the internal notice and hearing procedures required under RCW 64.34.304(1)(k) (“Due Process Procedures”) to be set forth in the Bylaws or Rules and Regulations, is authorized and empowered, as provided in the Due Process Procedures, to investigate, hear and determine all complaints concerning violations by any Unit Owner, Tenant, or other Occupant or by the Association of any provision of the Governing Documents or of any Board Decision and to order compliance therewith. The Hearing Board is further authorized and empowered to levy reasonable fines against any person who shall have been found to be in violation of any provision of the Governing Documents or Board Decision after notice stating the nature of the violation and an opportunity for a hearing and to require the non-prevailing party to reimburse the Association for its costs, including reasonable attorney’s fees, in connection with the matter. Fines shall not exceed the maximum amounts to be established from time to time by resolution of the Board. Fines and costs shall constitute Assessments secured by a lien upon any Unit belonging to or occupied by the person against whom they were assessed and shall be collectable in the manner provided in Article 17 for the collection of Assessments. The hearing shall be conducted as provided in the Due Process Procedures. If a Hearing Board other than the Board is designated in the Due Process Procedures, any party to a matter heard by the Hearing Board shall have the right to appeal the decision of the Hearing Board to the Board on the record of the proceeding before the Hearing Board. Any member of the Hearing Board or the Board who is incapable of impartial, disinterested and objective consideration of the case shall disclose that fact to the respective body and shall remove himself or herself from participation in the proceedings and have it so recorded in the minutes.

18.4. Judicial Enforcement. Failure to comply with a provision of the Governing Documents or a Board Decision, or to comply with a decision of the Hearing Board following notice of a violation and an opportunity for a hearing, shall be grounds for an action to recover sums due for damages, which shall include any fines levied by the Hearing Board and any costs, including reasonable attorney’s fees, incurred by the Association in connection with the proceedings before the Hearing Board, maintainable by the Association (acting through the Board on behalf of the Owners). Such failure shall further be sufficient grounds for the granting of injunctive relief in such an action and a

showing of irreparable harm shall not be a prerequisite to issuance of such injunctive relief. Nothing contained in the Governing Documents shall be deemed or construed as a waiver of the Association's right to bring an action as provided in this Section without first exhausting the Association's internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. If the Board fails or refuses, after demand by an aggrieved Owner, to take appropriate action to enforce compliance with any provision of the Governing Documents, any Board Decision, or any Hearing Board decision, an aggrieved Owner may maintain an action for damages or injunctive relief against the party (including an Owner or the Association) failing to comply. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for attorneys' fees incurred in connection with the action, in addition to taxable costs permitted by law.

18.5. Enforcement Against Tenants. If after notice and an opportunity to be heard as provided in Section 18.3, a Tenant or a Related Party occupying a Unit fails to comply with a provision of the Governing Documents, a Board Decision or a decision of the Hearing Board, then, in addition to all other remedies which it may have, the Board shall notify the Unit Owner of the violation(s) and demand that the same be remedied through the Unit Owner's efforts within ten (10) days' after the notice. If the violation(s) is(are) not remedied within the ten (10) day period, or if the Tenant has been found to be in violation of the Governing Documents following notice and opportunity to be heard more than twice during the immediately preceding one (1) year period, then the Unit Owner shall immediately, at his or her own cost, institute and diligently prosecute an unlawful detainer action under the Washington Residential Landlord Tenant Act or any successor statute on account of the violation(s). The action shall not be compromised or settled without the prior written approval of the Board. If the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute the action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost, including all attorney's fees incurred. The costs of the action, including attorney's fees, shall be recoverable from the Tenant, and in addition shall be deemed to constitute Assessments secured by a lien on the Unit involved as well as the personal obligation of the Unit Owner, and collection of those costs may be enforced by the Board in the manner described in Article 17 of the Declaration. Each and every Unit Owner does hereby automatically and irrevocably name, constitute, appoint and confirm the Association as his or her attorney-in-fact for the purposes described in this Section.

18.6. Recovery of Attorney's Fees and Costs. In addition to any attorney's fees and costs recoverable in an action brought under Section 18.4 or 18.5, or awarded by the Hearing Board as provided in Section 18.3, the Association shall be entitled to recover any costs and reasonable attorney's fees incurred in connection with the enforcement of any provision in the Governing Documents, any Board decision, or any Hearing Board decision, whether or not the enforcement activities result in suit being commenced or prosecuted to judgment or a hearing before the Hearing Board being held. In addition, the prevailing party shall be entitled to recover costs and reasonable attorney's fees on appeal

and in the enforcement of a judgment, whether in the State of Washington or a sister state. All such costs and attorney's fees shall constitute an Assessment.

ARTICLE 19.

TORT AND CONTRACT LIABILITY

19.1. Declarant Liability.

Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in connection with any part of the Condominium which the Declarant has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association. If the wrong by the Association occurred during any period of Declarant Control and the Association gives the Declarant reasonable notice of and an opportunity to defend against the action, the Declarant who then controlled the Association is liable to the Association or to any Owner: (1) for all tort losses not covered by insurance suffered by the Association or that Owner; and (2) for all costs which the Association would not have incurred but for a breach of contract or other wrongful act or omission by the Association. If the Declarant does not defend the action and is determined to be liable to the Association under this section, the Declarant is also liable for all litigation expenses, including reasonable attorneys' fees, incurred by the Association in such defense. Any statute of limitations affecting the Association's right of action under this Section is tolled until the period of Declarant Control terminates. An Owner is not precluded from bringing an action contemplated by this Section by virtue of being a Unit Owner or a member or officer of the Association.

19.2. Limitation of Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, an Association committee member, or an Association officer shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may leak or flow from outside or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

19.3. No Personal Liability.

So long as a non-Declarant Board member, or Association committee member, or Association officer has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence (except gross negligence), any discretionary decision, or failure to make a discretionary decision, by such person in such person's official capacity; provided, that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

ARTICLE 20.

INDEMNIFICATION

Each non-Declarant Board member, or Association committee member or Association officer, shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be made a party, or in which such person may become involved, by reason of being or having held such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of intentional misconduct, or gross negligence or a knowing violation of the law in the performance of his duties and except in such cases where such person has participated in a transaction from which said person will personally receive a benefit in money, property, or services to which said person is not legally entitled; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association.

ARTICLE 21.

INSURANCE

21.1. General Requirements.

Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance; (b) commercial general liability insurance; (c) fidelity insurance; (d) workers' compensation insurance to the extent required by applicable laws; (e) directors and officers liability insurance; and (f) such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects,

authorized to do business in the State of Washington, and meet the specific requirements of FNMA, HUD, VA and FHLMC regarding the qualifications of insurance carriers. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect property, liability and fidelity insurance that meets the insurance requirements for condominium projects established by FNMA, HUD, FHLMC, and VA so long as any of them is a holder of a mortgage or owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to any and all insureds named therein, including Owners, Mortgagees, and designated servicers of Mortgagees.

21.2. Property Insurance.

The property insurance shall, at the minimum, provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements, Limited Common Elements and equipment, fixtures, improvements in the Units installed by the Declarant, and personal property of the Association with an "Agreed Amount Endorsement" and, if required by FNMA or FHLMC, construction code endorsements, such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," an "Increased Cost of Construction Endorsement," and such other endorsements as FNMA or FHLMC deems necessary and are available. The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy in accordance with the interest in the Common Elements appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request.

21.3. Commercial General Liability Insurance.

The liability insurance coverage shall insure the Board, the Association, the Owners, the Declarant, and the Managing Agent, and cover all of the Common Elements and Limited Common Elements in the Condominium with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements and Limited Common Elements, liability in connection with employment contracts of the Association, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location

and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

21.4. Insurance Trustee; Power of Attorney.

The named insured under the policies referred to in Sections 21.2 and 21.3 shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. 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 21.8, the proceeds must be disbursed first for the repair or restoration of the damaged property, and 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, or 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.

21.5. Additional Policy Provisions.

The insurance obtained pursuant to Sections 21.2 and 21.3 shall contain the following provisions and limitations:

21.5.1. 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.

21.5.2. Such policies shall not provide for contribution by or assessment against Mortgagees or become a lien on the property superior to the lien of a first mortgage.

21.5.3. 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.

21.5.4. Coverage shall not be prejudiced by (a) any act, omission or neglect of the Owners of Units when such act or neglect is not within the scope of the Owner's 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.

21.5.5. 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.

21.5.6. A standard mortgagee clause which shall:

- (a) Provide that any reference to a mortgagee in the policy shall mean and include all Mortgagees of any Unit or Unit lease or sublease in their respective order of preference, whether or not named therein;
- (b) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any persons under any of them;
- (c) Waive any provision invalidating such mortgage clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the Mortgagee pay any premium thereon, and any contribution clause; and
- (d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association or the insurance trustee.

21.6. Fidelity Insurance.

The required fidelity insurance shall afford coverage to protect against dishonest acts 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. The Managing Agent shall maintain fidelity insurance for its officers, employees, and agents who handle or who are responsible for handling funds of, or funds 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 months' aggregate assessments. 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.

21.7. Unit Owner Policies.

Each Owner shall, at his or her own expense, obtain additional insurance ("Owner's Individual Insurance") respecting his or her Unit and obligations under the Declaration as provided herein. Owner's Individual Insurance coverage shall be written on a condominium unit owners policy form, and must include personal liability coverage with

limits of at least Three Hundred Thousand Dollars (\$300,000) combined single limit bodily injury and property damage. A Tenant who is renting or leasing a Unit shall provide general liability renter's insurance in the same amounts and with the same terms as that required for Owner's Individual Insurance. The Board may, from time to time, adopt rules which set additional or greater requirements for Owner's Individual Insurance coverage, including the minimum amount of Building Coverage and Liability Coverage to be included and the maximum amount of the permissible deductible. Each Owner shall request its insurer to name the Association as an additional insured on each Owner's Individual Insurance policy as to Building Coverage, and shall receive a minimum notice of cancellation or non-renewal of thirty (30) days. If the coverage required under this Section is not reasonably available, the Owner shall provide proof of that unavailability to the Board. Neither the Association, nor the Board nor the Manager shall be liable for the failure of an Unit Owner to obtain and maintain the insurance coverage required under this Section. No Owner shall be entitled to exercise his or her right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all the Owners, will realize under any insurance policy which the Board may have in force on the Condominium at any particular time. Each Owner is required and agrees to notify the Board of all improvements by the Owner to his or her Unit the value of which is in excess of Ten Thousand Dollars (\$10,000.00).

21.8. Use of Insurance Proceeds.

Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to Article 22 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 80% of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and Owners other than the Declarant holding at least 80% the votes in the Association excluding votes held by the Declarant vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense except as provided in Section 21.9. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (i) 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; (ii) 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 (iii) 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 23, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the

reallocations. Notwithstanding the provisions of this Section, Article 27 governs the distribution of insurance proceeds if the Condominium is terminated.

21.9. Liability for Uninsured Amounts. Notwithstanding any other provision of this Declaration, including Article 22, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board:

21.9.1. Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Unit Owner where the damage results from a negligent or intentional action or omission by an Owner, or that Owner's Tenant, or the family, servants, employees, agents, visitors or licensees of that Owner or Tenant, or as a result of the use, misuse, malfunction or failure of, or the failure to maintain, repair or replace any fixture, equipment, appliance or appurtenance which the Owner is responsible to maintain in good working order and condition.

21.9.2. Except as provided in Paragraph 21.9.1, and except where the damage is a result of the sole fault of the Association, the liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be the responsibility of an individual Unit Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Elements assigned to that Owner's Unit.

21.9.3. Except as provided in Paragraphs 21.9.1 and 21.9.2, and except where the damage is a result of the sole fault of the Association, liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be prorated between the Association and any involved Owners in proportion to the relative amounts of damage to the Elements and to each of the affected Units, including the Limited Elements assigned to such Unit or Units, where the damage involves both the Elements and/or one or more Units or the Limited Elements assigned to a Unit or Units.

ARTICLE 22.

DAMAGE AND REPAIR OR DAMAGE TO PROPERTY

22.1. Initial Board Determination.

In the event of damage to any Common Element, Limited Common Element or to any portion of a Unit or its equipment or appliances covered by the Association's insurance policy, the Board shall promptly, and in all events within thirty (30) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

22.1.1. The nature and extent of the damage, together with an inventory of the improvements and property directly affected thereby.

22.1.2. A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

22.1.3. The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

22.1.4. The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds, 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, as the case may be.

22.2. Notice of Damage.

The Board shall promptly, and in all events within thirty (30) days after the date of damage, shall file a proof of loss statement with the insurance company if the loss is covered by insurance 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 file a proof of loss. The Board shall then provide each Owner and each holder of a first mortgage on a Unit with a written notice describing the damage and summarizing the initial Board determinations made under Section 22.1. If the Board fails to do so within the thirty (30) day period, any Owner or Mortgagee may make the determinations required under Section 22.1 and give the notice required under this Section.

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

As used in this Article:

22.3.1. “*Damage*” shall mean all kinds of damage, whether of slight degree or total destruction.

22.3.2. “*Substantial Damage*” shall mean that in the judgment of a majority of the Board the estimated Assessment determined under Section 22.1.4 for any one Unit exceeds 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.

22.3.3. “*Repair*” shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each Unit and the Common Elements and Limited Common Elements and having substantially the same

boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

22.3.4. “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.

22.4. Execution of Repairs.

22.4.1. In the event of damage or destruction to all or a part of the Property which the Board is responsible to Repair, the Board shall promptly repair the damage and use the available insurance proceeds therefor as provided in Section 21.8. The balance of the repair costs, if any, shall be assessed to the Owners responsible for same, or paid as a Common Expense of the Association, or prorated between individual Owners and the Association, as provided in Section 21.9 of the Declaration.

22.4.2. The Board shall have the authority to employ 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 and sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make 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.

22.4.3. The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article.

22.5. Damage Not Substantial.

If the Damage as determined under Section 22.3.2 is not substantial, the provisions of this Section shall apply.

22.5.1. Either the Board or the requisite number of Owners, within fifteen (15) days after the notice required under Section 22.2 has been given, may but shall not be required to, call a special Owners’ meeting in accordance with Section 13.4 and the Bylaws to decide whether to repair the Damage.

22.5.2. 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.

22.5.3. A decision to not repair or rebuild may be made in accordance with Section 21.8.

22.6. Substantial Damage.

If the damage determined under Section 22.3.2 is substantial, the provisions of this Section shall apply.

22.6.1. The Board shall promptly, and in all events within thirty (30) days after the date of damage, call a special Owners' meeting to consider repairing the Damage. If the Board fails to do so within thirty (30) days, then notwithstanding the provisions of Section 13.4 and the Bylaws, any Owner or first mortgagee of a Unit may call and conduct the meeting.

22.6.2. Except for Emergency Work, no Repairs shall be commenced until the conclusion of the special Owners' meeting.

22.6.3. At the special meeting, the following consent requirements will apply:

(a) The Owners shall be deemed to have elected to repair the Damage in accordance with the original plan unless the Owners of at least 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 which will not be rebuilt is allocated, have given their written consent not to repair the damage.

(b) 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.

(c) 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 holders of first mortgages on Units that have at least 51% of the votes subject to eligible holder mortgages.

(d) Failure to conduct the special meeting provided for under Section 22.6.1 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.

22.7. Effect of Decision Not to Repair.

In the event of a decision under either Section 22.5.3 or 22.6.3 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 21.8.

ARTICLE 23.

CONDEMNATION

23.1. Consequences of Condemnation; Notices.

If any Unit or portion thereof or the Common Elements or Limited Common Elements or any portion thereof 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 Owner and to each holder of a first mortgage and the provisions of this Article shall apply.

23.2. Power of Attorney.

Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of Common Elements or Limited Common Elements or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to this section, the affected Owners may individually or jointly act on their own behalf.

23.3. Condemnation of a Unit.

If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation of a Unit shall be paid to the Owner or lienholder of the Unit as their interests may appear. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this section is thereafter a Common Element.

23.4. Condemnation of Part of a Unit.

Except as provided in Section 23.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation awarded to the Unit Owner shall be paid to the owner or lienholders of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

23.5. Condemnation of Common Element or Limited Common Element.

If part of the Common Elements is acquired by condemnation the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements, or to lienholders, as their interests may appear. Any portion of the award attributable to the acquisition of a Limited Common Element shall be divided among the owners of the Units to which that Limited Common Element was allocated at the time of the acquisition in accordance with their respective interests in Common Elements. If the Board determines that a particular Owner's interest in the Common Elements diminished with respect to other Owners, by the acquisition of a Common Element, the Declaration may be amended to adjust that Owner's Common Expense Liability allocation, or to remove the allocation of a Limited Common Element to that Owner's Unit, as the case may be.

23.6. Reconstruction and Repair.

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 22.

ARTICLE 24.

EASEMENTS

24.1. In General.

Each Unit has an easement in and through each other Unit and the Common Elements and Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium.

24.2. Encroachments.

To the extent not provided by the definition of “Unit” in the Declaration and in the Condominium Act, each Unit and all Common Elements and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements and Limited Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

24.3. Easements Reserved by Declarant.

Declarant reserves an easement over, across, and through the Common Elements and Limited Common Elements of the Condominium for the purposes of completing any unfinished Units or other improvements, exhibiting and preparing Units for sale, making repairs required pursuant to any contract of sale, and discharging Declarant’s obligations or exercising Development Rights or Special Declarant Rights, including the right to have access to and to tie into and utilize any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility lines now or hereafter established in the Condominium for the benefit of the Subsequent Phase Property. Declarant further reserves mutual nonexclusive easements over, across, and through the Common Elements of the Condominium (i.e., the real property described in **SCHEDULE A**, as it may from time to time be amended by Declarant) for the benefit of Declarant and its successors and assigns as present and future owners of the Subsequent Phase Property, and for the benefit of the Association and all Owners of Units in the Condominium for ingress to and egress to the Condominium and the Subsequent Phase Property, the right to have access to and to tie into and utilize any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility lines now or hereafter established in the Condominium and on the Subsequent Phase Property. The easements reserved hereby shall not be exercised in a manner that will overload or materially impair the use and enjoyment of the roadways, pathways, and utilities by Unit Owners or the present and future owners of the Subsequent Phase Real Property. The easements reserved hereby shall mutually benefit the real property described in **SCHEDULE A** and **SCHEDULE B**, as they may be amended, irrespective of whether that real property is developed as part of the Condominium. This Section 24.3 may not be altered or amended without the written consent of the Declarant.

24.4. Easements Granted by Declarant.

The Declarant grants to each company or municipality providing utility services to the Condominium or to the Owners of Units in the Condominium an easement for the installation, construction, maintenance, repair and reconstruction of all utilities serving the Condominium or the Owners, including, without limitation, such services as water, sanitary sewer, storm sewer, gas, electricity, cable television and telephone, and an easement for access over and under the Common Elements and Limited Common Elements of the Condominium to the utility service facilities.

ARTICLE 25.

PROCEDURES FOR SUBDIVIDING OR ALTERING UNITS

25.1. Units.

No Unit shall be subdivided either by agreement or legal proceedings, except as provided in this Article.

25.1.1. An Owner may propose subdividing a Unit by submitting the proposal in writing to the Board and the other Owners and Mortgagees of the Units to be subdivided or combined. The proposal must include complete plans and specifications for accomplishing the subdivision and proposed amendments of this Declaration and the Survey Map and Plans which amendments shall be executed by the Owner of the Unit to be subdivided upon approval pursuant to Section 25.1.3, and which amendments assign an identifying number to each Unit created, and reallocate the Allocated Interests and liabilities formerly allocated to the subdivided Unit to the new Units in any reasonable manner prescribed by the Owner of the subdivided Unit. The Owner of the Unit to be subdivided shall bear all costs of the subdivision.

25.1.2. A proposal that contemplates subdivision of a Unit will be accepted only if approved in writing by all Owners and Mortgagees of the Unit to be subdivided, the Board and 51% of Eligible Mortgagees.

25.2. Minor Alterations.

No Unit may be altered in any way except in accordance with this Article. An Owner may make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the building. An owner may not change the appearance of the Limited Common Elements, the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of Section 25.4.

25.3. Adjoining Units.

After acquiring an adjoining Unit or an adjoining part of any adjoining Unit, an Owner may, with approval of the Board pursuant to Section 25.4, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or code compliance or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this subsection is not a relocation of boundaries. The Owner's proposal to act under this Section shall be submitted to the Board and shall include the plans and specifications for the proposed removal or alteration.

25.4. Substantial Alteration.

A proposal that contemplates substantial alteration of one or more Units is subject to approval by the Board. The Board shall approve an Owner's request under this Section within thirty (30) days of receipt of plans and specifications, unless the proposed alteration does not comply with Section 25.3 or impairs the structural integrity or mechanical or electrical systems in the building. The Board may also retain, at the Owner's expense, an architect or engineer to review the plans and require evidence satisfactory to it that all permits necessary for the work have been obtained. The failure of the Board to act upon a request within such period shall be deemed approval thereof. Upon approval of a proposal under this Article, the Owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other Units or Common Elements and Limited Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map and Plans, if any, and the Declaration shall be placed of record as amendments thereto. With respect to alterations hereunder, the Board may impose a reasonable fee as a condition to the commencement of construction by an Owner to cover wear and tear on the Common Elements.

25.5. Relocation of Boundaries – Adjoining Units.

The boundaries between adjoining Units may be relocated only by an amendment to the Declaration, pursuant to Article 27, upon application to the Board by the Owners of those Units. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application must state the proposed reallocations. Unless the Board determines within thirty (30) days, that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations, is executed by the Unit Owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. The Association shall 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. The Owner or Owners

affected by a relocation of Unit boundaries shall bear all costs associated therewith in proportion to the relative benefits to each Unit as determined by the Board or as the Owners of such Units agree.

ARTICLE 26.

AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS, ARTICLES OR BYLAWS

26.1. Procedures.

Except in cases of amendments that may be executed by the Declarant under the Declaration or the Condominium Act, the Declaration, the Survey Map and Plans, the Articles and the Bylaws may be amended only by vote or agreement of the Owners, as specified in this article or as otherwise specifically provided herein. An Owner may propose amendments to this Declaration or the Survey Map and Plans, the Articles or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, amendment to the Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the real property records of Kitsap County. The amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

26.2. Percentages of Consent Required.

Except as provided in Articles 22 and 23 in the case of damage or condemnation of the property, the percentages of consent of Owners and mortgagees required for adoption of

amendments to the Declaration, the Survey Map and Plans, the Articles and the Bylaws are as follows:

26.2.1. The consent of Owners holding at least 67% of the votes in the Association and the consent of Eligible Mortgagees that have at least 51% of the votes of Units subject to such Mortgages shall be required to materially amend any provisions of the Declaration, the Survey Map and Plans, the Articles or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (a) voting rights; (b) assessments, assessment liens, or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the Common Elements; (d) responsibility for maintenance and repair of any portion of the Condominium; (e) rights to use Common Elements and Limited Common Elements; (f) reallocation of interests in Common Elements or Limited Common Elements or rights to their use; (g) redefinition of any Unit boundaries; (h) convertibility of Units into Common Elements or Common Elements into Units; (i) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium; (j) hazard or fidelity insurance requirements; (k) imposition of any restrictions on leasing of Units; (l) imposition of any restriction on the right of an Owner to sell or transfer a Unit; (m) establishment of self-management of the Condominium after professional management has been required by FNMA, FHLMC, or other similar agency or corporation or by an Eligible Mortgagee; (n) restoration or repair (after damage or partial condemnation) in a manner other than specified in the Declaration or Survey Map and Plans; or (o) any provisions which are for the express benefit of holders of first mortgages.

26.2.2. An amendment that creates or increases Development Rights or Special Declarant Rights, increases the number of Units (other than an amendment creating Units in a Subsequent Phase), changes the boundaries of any Unit, the Allocated Interests of a Unit (except in connection with the creation of Subsequent Phase Units), or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected, the Declarant (if the Declarant owns a Unit or has the rights to exercise any Development Rights or Special Declarant Rights) and the Owners having at least 90% of the votes in the Association other than the Declarant.

26.2.3. All other amendments shall be adopted if consented to by 67% of the Owners.

26.2.4. An Eligible Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have consented to such request.

26.2.5. If the Condominium has received a project approval from the VA and any Unit is then currently financed under a VA program, the approval of the VA will be required for any amendment to the Declaration, Articles, Bylaws or Survey Map and Plans adopted prior to the Transition Date.

26.3. Limitations on Amendments.

No amendment may restrict, eliminate, or otherwise modify any Development Right or Special Declarant Right provided in the Declaration without the consent of the Declarant and any mortgagee of record with a security interest in the Development Right or Special Declarant Right or in any real property subject thereto, excluding Mortgagees of Units owned by persons other than the Declarant.

26.4. No Amendment Contrary to Development Approvals. Without the prior written approval of the City of Poulsbo, no amendment shall be adopted pursuant to this Article 26 which would violate or be inconsistent with any condition of approval for the property which is subject to this Declaration, including without limitation (i) the Poulsbo Place Redevelopment Master Plan (File #MP95-02) approved by the City Council on January 24, 1996, (ii) amendments to such Master Plan approved by the City Council on September 16, 1998, September 9, 1999 and July 10, 2002, (iii) the Poulsbo Place Preliminary Plat (#06-26-98-01) approved by the City Council on October 26, 1998 and (iv) any subsequent amendment to the foregoing conditions of approval. Any amendment adopted contrary to this Section 26.4 shall be void and of no force or effect.

ARTICLE 27.

TERMINATION

27.1. Action Required.

Except as otherwise provided herein, the Condominium may be terminated only by agreement of Owners of Units to which at least 80% of the votes in the Association are allocated and with the consent of Eligible Mortgagees of Units to which at least 67% of the votes in the Association are allocated and in accordance with the Condominium Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

27.2. Condominium Act Governs.

The provisions of the Condominium Act relating to termination of a condominium contained in RCW 64.34.268, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of that real property.

ARTICLE 28.

NOTICES

28.1. Form and Delivery of Notice.

Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either Personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the Declarant until the Transition Date, and thereafter shall be given to the president or secretary of the Association.

28.2. Notices to Eligible Mortgagees.

An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Board a written request that it be given copies of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Unit on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of (a) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of any Unit, (ii) the exclusive easement rights, if any, appertaining to any Unit, (iii) the interest in the Common Elements or the liability for Common Expenses, (iv) the number of votes in the Association allocated to any Unit, or (v) the purposes to which a Unit or the Common Elements or Limited Common Elements are restricted; (b) any proposed termination of condominium status, transfer of any part of the Common Elements, or termination of professional management of the Condominium; (c) any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an Eligible Mortgagee has a first mortgage; (d) any delinquency which has continued for sixty (60) days in the payment of Assessments or charges owed by an Owner of a Unit on which an Eligible Mortgagee had a mortgage; (e) any lapse, cancellation, or material modification of any insurance policy maintained by the Association pursuant to Article 21; (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to other provisions of this Declaration.

ARTICLE 29.

SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remaining provision or provisions comply with the Condominium Act.

ARTICLE 30.

EFFECTIVE DATE

This Declaration shall take effect upon recording.

ARTICLE 31.

REFERENCE TO SURVEY MAP AND PLANS

The Survey Map and Plans were filed with the Recorder of Kitsap County, Washington, simultaneously with the recording of this Declaration under Recording No. 200503070396, in Volume 7 of Condominiums, pages 28 through 33.

ARTICLE 32.

ASSIGNMENT BY DECLARANT

The Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

From Original Declaration:

ARTICLE 30.

EFFECTIVE DATE

This Declaration shall take effect upon recording.

ARTICLE 31.

REFERENCE TO SURVEY MAP AND PLANS

The Survey Map and Plans were filed with the Recorder of Kitsap County, Washington, simultaneously with the recording of this Declaration under Recording No. 200408230316, in Volume 6 of Condominiums, pages 224 through 229.

ARTICLE 32.

ASSIGNMENT BY DECLARANT

The Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

EXECUTED as of the 20th day of AUGUST, 2004.

DECLARANT:

SP POULSBO GP I, INC.,
a Washington corporation

By [Signature]
Robert W. Baldwin
Its Vice President

 200408230317
Page: 52 of 56
88/23/2004 03:39P
PACIFIC NW TITLE DECL \$74.00 Kitsap Co, WA

page 46

From First Amendment:

6. **Reference to Survey Map and Plans.** The Survey is amended by an Amendment thereto recorded under Kitsap County Recording No. 20041240008 Volume _____ of Condominiums, pages _____ through _____.

EXECUTED effective as of the day and year first above written.

DECLARANT:

SP POULSBO GP I, INC.,
a Washington corporation

By [Signature]
Robert M. Krokower
Its Treasurer

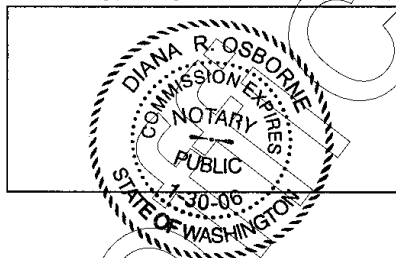
STATE OF WASHINGTON }

ss.

COUNTY OF KING

On this day personally appeared before me Robert M. Krokower, to me known to be the Treasurer of **SP POULSBO GP I, INC.**, the Washington corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 22nd day of November, 2004.



[Signature]
Printed Name Diana R Osborne
NOTARY PUBLIC in and for the State of Washington,
residing at Marysville
My Commission Expires 1-30-2006



From Second Amendment:

5. Reference to Survey Map and Plans. The Survey is amended by an Amendment thereto recorded under Kitsap County Recording No. 200503070396 Volume 7 of Condominiums, pages 28 through 33.

EXECUTED effective as of the day and year first above written.

DECLARANT:

SP POULSBO GP I, INC.,
a Washington corporation

By [Signature]
Robert W. Baldwin
Its Vice President

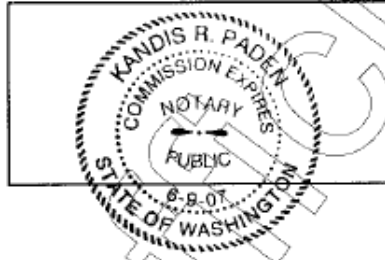
STATE OF WASHINGTON }

ss.

COUNTY OF KING

On this day personally appeared before me Robert W. Baldwin, to me known to be the Vice President of **SP POULSBO GP I, INC.**, the Washington corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 4th day of March, 2005.



Kandis R. Paden
Printed Name Kandis R. Paden
NOTARY PUBLIC in and for the State of Washington,
residing at Port Orchard
My Commission Expires 6-9-2007



From Third Amendment:

E. 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 or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect.

DATED this 22 day of May, 2006.

Poulsbo Place Trios Condominium
Owners Association

By: Dean Brackett
Dean Brackett, President

ATTEST: The above Amendment
was properly adopted.

By: Susan Fowler
Susan Fowler, Treasurer

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 22nd day of May, 2006, personally appeared before
me, Dean Brackett, known to me to be the President of Poulsbo Place Trios
Condominium Owners Association, the corporation that executed the within and



LEVIN & STEIN

R10ECL \$99.00

200606150243

Page: 3 of 4
06/15/2006 03:31P
Kitsap Co. WA

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 they were authorized to execute the instrument.

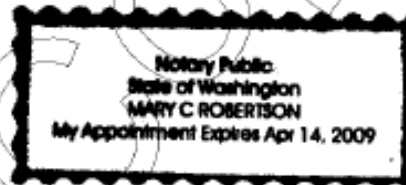
DATED this 22nd day of May, 2006.

[Signed]

[Print Name]

Notary Public in and for the State of Washington, residing at Kent

My commission expires: 4-14-09



STATE OF WASHINGTON)

) ss.

COUNTY OF KITSAP)

On this 1st day of June, 2006, personally appeared before me, Susan Fowler, known to me to be the Treasurer of Poulsbo Place Trios Condominium Owners Association, the 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 they were authorized to execute the instrument.

DATED this 1st day of June, 2006.

[Signed]

[Print Name]

Notary Public in and for the State of Washington, residing at Poulsbo

My commission expires: 6-7-08



LEVIN & STEIN

AMDECL \$99.00

200606150243

Page 4 of 4

06/15/2006 03:31P

Kitsap Co, WA

From Fourth Amendment:

J. 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 or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect. Pursuant to RCW 64.34.264(2), no action to challenge the validity of this Amendment may be brought more than one (1) year after the Amendment is recorded.

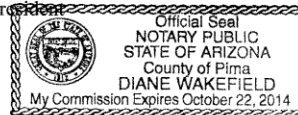
DATED this 30TH day of January, 2013.

STATE OF ARIZONA
COUNTY OF PIMA

188
This instrument was acknowledged before me this 30th day of January, 2013, by Dean C Brachett
In witness whereof I have set my hand and official seal.
Diane Wakefield NOTARY PUBLIC

POULSBO PLACE TRIOS CONDOMINIUM
ASSOCIATION

By: Dean C Brachett
President



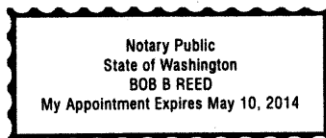
ATTEST: The above amendment
was properly adopted.

By: Mary Gangy
Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 4th day of February, 2013, personally appeared before me, _____
and Mary Yanagimachi, known to me
to be the President and Secretary of Poulsbo Place Trios Condominium 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 they were authorized to execute the instrument.

DATED this 4th day of February, 2013.



Bob B Reed [Signed]
Bob B Reed [Print Name]
Notary Public in and for the State of
Washington, residing at Kitsap County
My commission expires: May 10, 2014

SCHEDULE A

POULSBO PLACE TRIOS CONDOMINIUM

(PHASE 1, PHASE 2 AND ALL SUBSEQUENT PHASE PROPERTY)

Lots 137–156, Plat of Poulsbo Place, Phase I, Division 4B, per amended plat, Vol. 31 of Plats, Pages 60 through 65, under Auditor's File No. 200311190003, in Kitsap County, Washington.

SCHEDULE B
POULSBO PLACE TRIOS CONDOMINIUM
SUBSEQUENT PHASE LEGAL DESCRIPTION

All Subsequent Phase property has been added to the Condominium by prior Amendments to this Declaration recorded under Kitsap County Recording Nos. 200411240009 and 200503070397.

SCHEDULE C

POULSBO PLACE TRIOS CONDOMINIUM

UNIT DESCRIPTION/PARKING AND STORAGE ASSIGNMENTS

PHASE 1, PHASE 2 AND ALL SUBSEQUENT PHASE PROPERTY

Unit	Unit Data ¹	Levels ²	Garage Area ³	Living Area ³	Allocated Interest ⁴	Parking Space ⁵	Storage Space ⁵	Fireplace
137A	2 BR/2 BA	L	215	920	2.20%	0	0	1
137B	2 BR/3 BA	S, U	226	1,403	3.37%	0	0	1
138	2 BR/2 BA	S	449	1,244	2.99%	0	0	1
139A	2 BR/2 BA	L	196	920	2.20%	0	0	1
139B	2 BR/3 BA	S, U	214	1,402	3.37%	0	0	1
140	3 BR/2 BA	S	414	1,244	2.99%	0	0	1
141A	2 BR/2 BA	L	428	920	2.20%	0	0	1
141B	2 BR/3 BA	S, U	429	1,402	3.37%	0	0	1
142	3 BR/3 BA	L, S	414	1,989	4.78%	0	0	1
143A	2 BR/2 BA	L	428	920	2.20%	0	0	1
143B	2 BR/3 BA	S, U	429	1,402	3.37%	0	0	1
144	3 BR/3 BA	L, S	414	1,989	4.78%	0	0	1
145A	2 BR/2 BA	L	359	929	2.23%	0	0	1
145B	2 BR/3 BA	S, U	387	1,402	3.37%	0	0	1
146	3 BR/3 BA	L, S	441	1,995	4.79%	0	0	1
147A	2 BR/2 BA	L	362	924	2.22%	0	0	1
147B	2 BR/3 BA	S, U	385	1,393	3.34%	0	0	1
148	3 BR/3 BA	L, S	422	1,994	4.79%	0	0	1
149A	2 BR/2 BA	L	362	924	2.22%	0	0	1
149B	2 BR/3 BA	S, U	385	1,393	3.34%	0	0	1
150	3 BR/3 BA	L, S	422	1,994	4.79%	0	0	1
151A	2 BR/2 BA	L	362	924	2.22%	0	0	1
151B	2 BR/3 BA	S, U	385	1,393	3.34%	0	0	1
152	3 BR/3 BA	L, S	422	1,994	4.79%	0	0	1

Unit	Unit Data ¹	Levels ²	Garage Area ³	Living Area ³	Allocated Interest ⁴	Parking Space ⁵	Storage Space ⁵	Fireplace
153A	2 BR/2 BA	L	215	920	2.20%	0	0	1
153B	2 BR/3 BA	S, U	226	1,403	3.37%	0	0	1
154	3 BR/3 BA	L, S	441	1,995	4.79%	0	0	1
155	3 BR/3 BA	L, S	443	1,981	4.76%	0	0	1
156A	2 BR/2 BA	L	210	938	2.25%	0	0	1
156B	2 BR/3 BA	S, U	234	1,402	3.37%	0	0	1
Totals:	--	--	10,719	41,653	100.00%	--	--	--

NOTES:

¹ Unit Data Legend:

BR – bedroom

BA – bathroom

² Levels:

L – lower

S – street

U – upper

³ Square footages are based on the surveyor's certificate upon completion of construction of living areas.

Square footages are based on interior surface dimensions (excluding perimeter wall thickness) and may be less than square footages used in advertising brochures which are based on good-faith architectural estimates.

⁴ See Article 6 for method of calculation. Applies to voting, Common Elements and Common Expenses Liability.

⁵ Parking and storage is within each Unit. There are no Limited Common Element parking spaces or storage lockers.