

BYLAWS  
OF  
PARK PLACE TOWNHOMES OWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the association is PARK PLACE TOWNHOMES ASSOCIATION, hereinafter referred to as the "Association." The principal office of the association shall be located at 2105 - 112th Avenue NE #100 Bellevue WA 98004, but meetings of members and directors may be held at such places within the State of Washington, County of King as may be designated by the Board of Directors.

*Amended  
5-2-90  
see at  
end of  
Bylaws*

ARTICLE II

DEFINITIONS

Section 1. Except as otherwise specified herein, the definition of any word used in these Bylaws shall be the same as such term is defined in the Declaration of Covenants, Conditions, Restrictions and Reservations recorded under King County Recording No. 8910271156.

Section 2. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and the Articles of Incorporation.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings.

As provided in Section 16.03.02 of the Declaration, the Declarant shall call a special meeting of the Association for the purpose of electing the Board of Directors no later than two (2) years from the date this Declaration is recorded, or within 120 days after sales of units accounting for seventy-five percent (75%) of the percentage of undivided interest have been closed, whichever shall first occur. Thereafter, there shall be an annual meeting of the Owners in the first quarter of each year at such reasonable place, time and date as may be designated by written notice of the Board delivered to the Owners no less than ten (10) days prior to the date fixed for said meeting. At the annual meeting, there shall be presented a full and complete report of the common expenses, and the allocation thereof to each Owner, itemizing receipts and disbursements for the preceding fiscal year, and there shall also be presented the estimated common expenses for the coming fiscal year. The Board at any time, or by written request of Owners having at least thirty-five percent (35%) of the total voting power, may require that an audit of the Association and management books be presented at any special meeting. A Unit Owner at his own expense, may, at any reasonable time, make an audit of the books of the Board and Association.

## Section 2. Special Meetings.

Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Such meeting shall be called by written notice of the president of the Association upon the decision of the president, or after request signed by a majority of a quorum of the Board, or by written request by the Owners having at least thirty-five percent (35%) of the total voting power which notice shall be delivered not less than ten (10) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting and, in general, the matters to be considered.

## Section 3. Quorum Requirements for Association Meeting.

At all meetings of the Association, Owners, who are either present in person or by proxy and who hold more than fifty percent (50%) of the total Association voting power, shall constitute a quorum. Owners holding a majority of total voting power, present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with amendment or repeal of the Declaration. If the required quorum is not present, another meeting may be called subject to the requirement of written notice sent to all members at least ten (10) days in advance of such meeting, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. In the absence of a quorum at a members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum shall be to a date not more than thirty (30) days from the original meeting date.

## Section 4. Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by member of his Unit.

Should a member and his proxy both be present at a meeting of members, the holder of the proxy shall lose the voting power of that proxy for purposes of that meeting.

## Section 5. Voting by Mail.

The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) In case of election of Board Members by mail, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least fifty (50) days after such advice is given by which all votes are to be received.

## ARTICLE IV

### NOMINATION AND ELECTION OF DIRECTORS

#### Section 1. Nomination.

*See Amendment 4-23-84 (no. 1-10-10)*

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election of the Board of Director as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

#### Section 2. Election.

Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

#### Section 3. Vacancies.

Vacancies in the Board caused by any reason other than removal of a Board member by a vote of the Association shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum. Each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Association.

#### Section 4. Removal of Board Members.

Any one (1) or more Board members may be removed with or without cause by a majority vote of the Unit Owners, at any special meeting called for that purpose. A successor may then and there be elected to fill the vacancy thus created. Any Board member whose removal has been so proposed by the Owners shall be given an opportunity to be heard at the meeting. Notwithstanding the above, until the organizational meeting referred to in Article III, Section 1, only Declarant shall have the right to remove a Board member.

#### Section 5. Compensation.

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

The Secretary within five (5) days after such advice is given shall give written notice of the number of Board members to be elected and of the names of the nominees to all Owners of each membership. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date the Secretary shall give written notice to all Owners, stating the number of Board members to be elected, stating the names of all persons nominated by the Board and by the members on or before said specified date, stating that each Owner may cast a vote by mail and stating the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Board members pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice to all Owners, which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than twenty (20) days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the Association. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.

(c) Delivery of a vote in writing to the principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 5.

#### Section 6. Order of Business.

The order of business at all meetings of the Owners of Units shall be as follows:

- (a) Roll call.
- (b) Proof of Notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of Board members (annual meeting only).
- (g) Unfinished business.
- (h) New business.



## ARTICLE V

### MEETINGS OF DIRECTORS

#### Section 1. Organizational Meeting.

The first meeting of a newly elected Board shall be held immediately following the organizational meeting of the Association. No notice shall be necessary to the newly elected Board members in order legally to constitute such meeting.

#### Section 2. Regular Meetings.

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members. At least four (4) such meetings shall be held during each fiscal year, one (1) of which shall be held immediately following the annual meeting of Owners. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

#### Section 3. Special Meetings.

Special meetings of the Board may be called by the President on ten (10) days notice to each Board member, given personally, by mail, telephone or telegraph. Said notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board members.

#### Section 4. Quorum.

At all meetings of the Board, a majority thereof shall constitute a quorum for the transaction of business. The acts of the majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. An adjournment for lack of a quorum shall be to a date not more than thirty (30) days from the original meeting date. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

#### Section 5. Waiver of Notice.

Before, at or after any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

#### Section 6. Action Taken Without a Meeting.

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VI

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

#### Section 1. Powers

The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities (if any recreational facilities should hereafter be constructed) of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction and published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

#### Section 2. Duties.

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained.

## ARTICLE VII

### OFFICERS AND THEIR DUTIES

#### Section 1. Enumeration of Offices.

The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

#### Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

#### Section 3. Term.

The officers of this Association shall be elected annually by the Board and each shall hold office for two (2) years unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

#### Section 4. Special Appointments.

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

#### Section 5. Resignation and Removal.

Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### Section 6. Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

#### Section 7. Multiple Offices.

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

*Amended  
5-8-80  
see at  
end of  
Bylaw?*

Section 8. Duties.

The duties of the officers are as follows:

**President**

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

**Vice-President**

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

**Secretary**

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

**Treasurer**

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

**Assistant Secretary**

(e) The Board may appoint one (1) or more assistant secretaries to perform all of the duties of the secretary in the absence of the secretary.

**Assistant Treasurer**

(f) The Board may appoint one (1) or more assistant treasurers to perform all of the duties of the treasurer in the absence of the treasurer.

Section 9. Fidelity Bonds.

The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

## ARTICLE VIII

### INDEMNIFICATION OF OFFICERS AND MANAGERS

#### Section 1. Indemnification.

The Association shall indemnify every Board member or officer, and his or her heirs, executors and administrators as provided in Section 17.03 of the Declaration. Nothing contained in said Section 17.03 shall, however, be deemed to obligate the Association to indemnify any Member or Owner of a Unit who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Member Owner of a Unit covered thereby.

## ARTICLE IX

### COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## ARTICLE X

### BOOKS AND RECORDS.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, if any, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE XI

### OBLIGATIONS OF OWNERS

#### Section 1. In General.

Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the development was built and each Owner shall comply strictly with all provisions of the Declaration. Without limiting the generality of the foregoing, particular reference is made to Sections 10, 11, and 12 of the Declaration.

#### Section 2. Use of General Common Elements and Limited Common Elements.

Each Owner shall use the Common Areas in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners, and in accordance with the House Rules, if any, promulgated by the Board or Association pursuant to the Declaration.

#### Section 3. Right of Entry.

(a) An Owner shall permit the Board, Managing Agent or other person authorized by the Board the right of access to the Owner's Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the Common Areas, or at any time deemed necessary by the Board or Managing Agent for the making of emergency repairs or to prevent damage to any of the Common Areas.

, An Owner shall permit the Board, Managing Agent, or other persons authorized by the Board, or Owners, or their representatives, when so required, to enter upon his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to Units of such other Owners; provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

## ARTICLE XII

### ASSESSMENT

Each Owner shall pay periodic assessments as provided in Section 20 of the Declaration.

## ARTICLE XIII

### MORTGAGES

#### Section 1. Notice to Association.

An Owner who mortgages his Unit shall notify the Association through the Managing Agent, if any, or the president of the Board, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units."

#### Section 2. Notice of Unpaid Assessments.

The Association shall at the request of a mortgagee of a Unit report any unpaid assessments due from the Owner of such Unit.

## ARTICLE XIV

### EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND REQUIRED PROXIES

#### Section 1. Proof of Ownership.

Any person on becoming an Owner of a Unit shall furnish to the managing Agent or Board a photocopy of a copy of the recorded Instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

#### Section 2. Registration of Mailing Address.

The Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Unit Owner or Owners shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Unit shall be the registered address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

Section 3. Completed Requirement.

The requirements contained in this Article shall be first met before an Owner of a Unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XV

AMENDMENTS.

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

ARTICLE XVI

CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Declaration. If any of these Bylaws conflict with the provisions of said statute or Declaration, the provisions of Title 24 RCW and the Declaration will apply.

ARTICLE XVII

NONPROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member or Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, Declarant hereunder has hereunto set its hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

DECLARANT:  
PARK AVENUE ASSOCIATES, A WASHINGTON GENERAL PARTNERSHIP

By \_\_\_\_\_

Its: \_\_\_\_\_

*Amended  
5-9-90  
see next  
page*

AMENDMENT TO BYLAWS  
of the Park Place Townhomes Association

Upon concensus and approval of more than seventy-five percent (75%) of the homeowners constituting Park Place Townhomes Association, one hundred (100) votes total, the following amendments to the Bylaws were adopted May 6, 1990 pursuant to Article XV of the Bylaws.

Be it resolved that the Bylaws for the Park Place Townhomes Association shall be and are hereby amended as follows:

ARTICLE I

NAME AND LOCATION

The name of the association is PARK PLACE TOWNHOMES ASSOCIATION, hereinafter referred to as the "Association". The principal office of the association shall be located at 400 - 108th Avenue NE, Suite 308, Bellevue, WA 98004, but meetings of members and directors may be held at such places within the State of Washington, County of King as may be designated by the Board of Directors.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices.

The officers of this Association shall be a president and vice-president, who shall, at all times, be members of the Board of Directors, a secretary and a treasurer and such other officers as the Board may, from time to time, by resolution create.

Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term.

The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

ARTICLE XVIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of April and end on the 31st day of March of every year, except that the first fiscal year shall begin on the date of incorporation.

PARK PLACE TOWNHOMES ASSOCIATION

by: \_\_\_\_\_  
President

*Steph F. [Signature]*  
*Steph F. [Signature]*

On this day personally appeared before me Stephen Ardire, President of the Park Place Townhomes Association, to [redacted] known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 16<sup>th</sup> day of Aug, 1990.

Lisa M. Reeves  
NOTARY PUBLIC, for the State of Washington  
residing at Bethell WA  
My commission expires 4-29-92

**PARK PLACE TOWNHOMES A CONDOMINIUM**  
**NORTH EAST 1/4, SOUTH EAST 1/4, SECTION 9**  
**TOWNSHIP 23 NORTH RANGE 8 EAST, T.M., CITY OF NORTH BEND,**  
**COUNTY OF KING, STATE OF WASHINGTON.**

5910271155  
 92/21-26

**DEDICATION AND REFERENCE TO DECLARATION**

KNOW ALL MEN BY THESE PRESENTS, THAT WE THE UNDERSIGNED, OWNERS IN FEE SIMPLE OF THE PROPERTY SHOWN ON THE PLANS FOR THIS SURVEY MAP AND THIS PLAN OR ANY PORTION THEREOF, DO HEREBY DEDICATE AND REFER TO THE DECLARATION AND STATEMENT RESTRICTED BY THE TERMS OF THE DECLARATION FILED UNDER KING COUNTY AUDITORS' FILE NO. \_\_\_\_\_ AND RECORDED IN VOLUME \_\_\_\_\_ OF DEEDS, PAGE(S) \_\_\_\_\_ AS THIS DECLARATION IS NOT FOR PUBLIC PURPOSES AND SOLELY TO MEET THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT AS PROVIDED IN THE DECLARATION FILED IN CONNECTION HERewith.

SEATTLE FIRST NATIONAL BANK  
 A Limited Partnership  
 Park Avenue Associates, a Washington General Partnership  
 David D. Hall General Partner

**ACKNOWLEDGEMENTS**

STATE OF WASHINGTON }  
 COUNTY OF KING } ss.

On this 21<sup>st</sup> day of October, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul D. Hall to me known to be the General Partner of Park Avenue Associates, a Washington General Partnership, the corporation and acknowledged the said instrument, and acknowledged the voluntary act and deed of said corporation, and authorized to execute the said instrument, and that the seal affixed (if any) is the corporate seal of said corporation.



Witness my hand and official seal hereunto affixed the day and year first above written.  
Paul D. Hall  
 Notary Public in and for the State of Washington, residing at 1750 1st St NW, Seattle, WA 98107  
 My commission expires: 10/31/91

STATE OF WASHINGTON }  
 COUNTY OF KING } ss.

On this day personally appeared before me \_\_\_\_\_  
DAVEY D. HALL  
 to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that HE signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.



**LAND SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT THIS SURVEY MAP AND THESE PLANS FOR PARK PLACE TOWNHOMES, A CONDOMINIUM, ARE BASED ON THE BUILDING SURVEY OF THE PROPERTY THE BEARINGS AND DISTANCES ARE ACCURATELY SHOWN THEREON, THE PLANS ACCURATELY DEPICT THE LOCATIONS AND DIMENSIONS OF THE APARTMENTS AS BUILT AND THAT I HAVE FULLY COMPLIED WITH THE HORIZONTAL PROPERTY ACT.

Richard R. Kitz  
 L.S. #19815

**LAND SURVEYOR'S VERIFICATION**

STATE OF WASHINGTON }  
 COUNTY OF KING }

RICHARD R. KITZ BEING FIRST ON OATH DULY SWORN, STATES THAT HE IS THE REGISTERED LAND SURVEYOR SHOWING THE SURVEY CERTIFICATE THAT HE HAS EXAMINED THESE PLANS AND SURVEY MAP, AND BELIEVES THE CERTIFICATE TO BE A TRUE STATEMENT.

Richard R. Kitz  
 L.S. #19815

SUBSCRIBED AND SWORN BEFORE ME THIS 21<sup>st</sup> DAY OF October, 1989.

Paul D. Hall  
 NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, RESIDING AT 1750 1st St NW, Seattle, WA 98107



**RECORDING CERTIFICATE**

FILED FOR RECORD AT THE REQUEST OF PARK AVENUE ASSOCIATES, THIS 21<sup>st</sup> DAY OF October, 1989, A.D. AT \_\_\_\_\_ MINUTES PAST \_\_\_\_\_ AND RECORDED IN VOLUME \_\_\_\_\_ OF CONDOMINIUMS, PAGES \_\_\_\_\_ RECORDS OF KING COUNTY, WASHINGTON.

DEPARTMENT OF RECORDS AND ELECTIONS  
 MANAGER \_\_\_\_\_ SUPERINTENDENT OF RECORDS \_\_\_\_\_

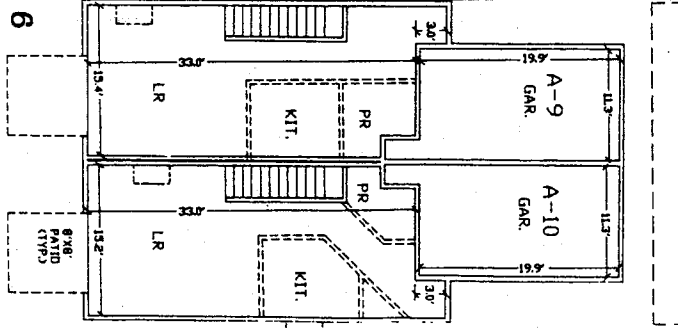
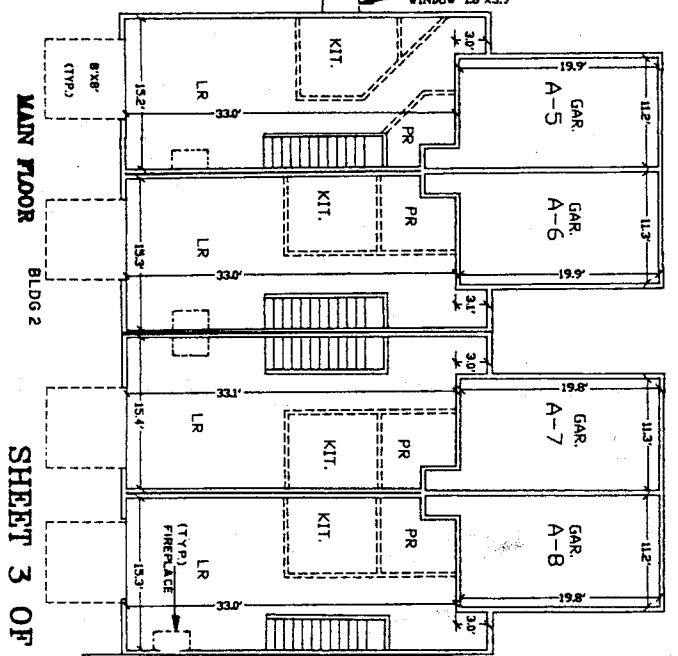
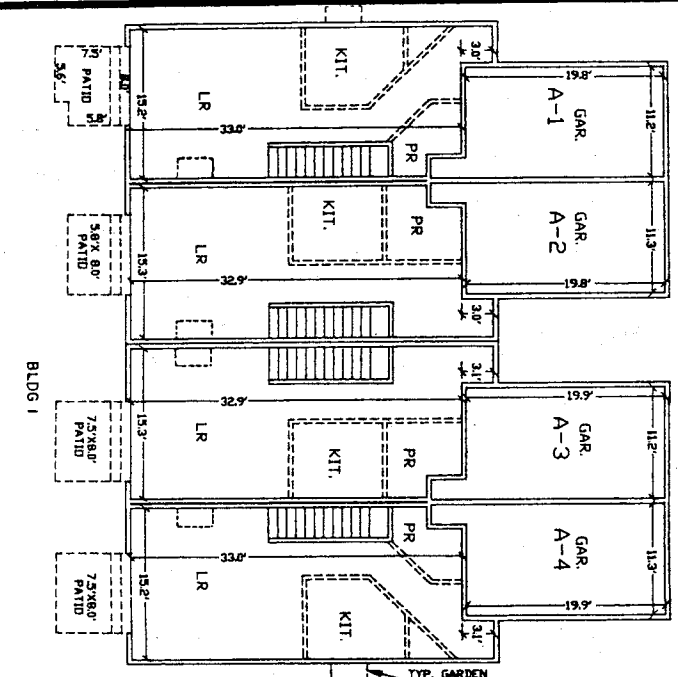
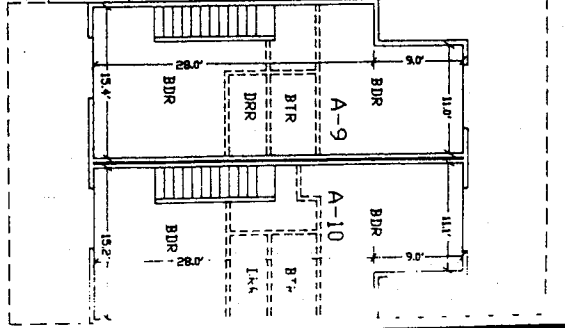
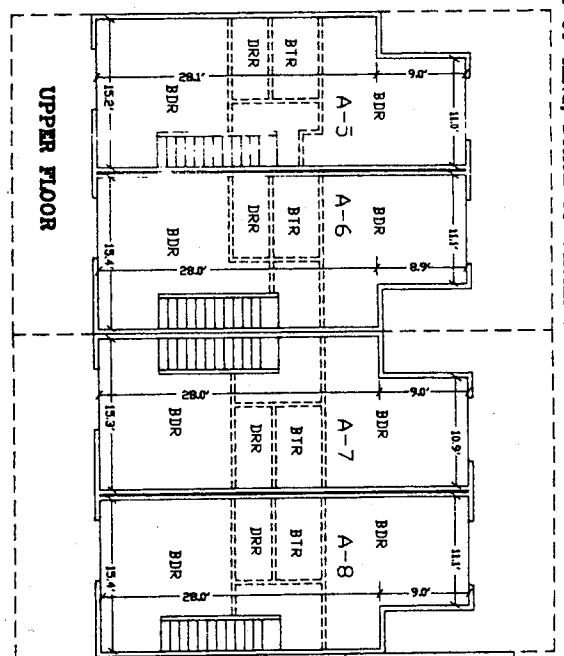
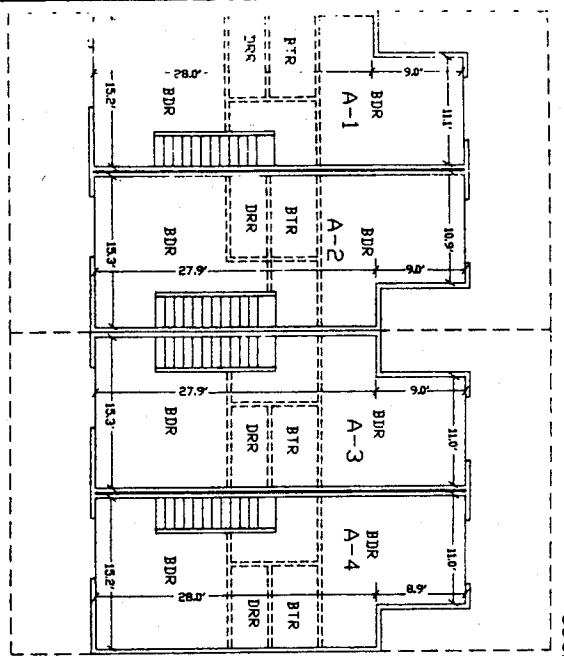
**APPROVALS**

EXAMINED AND APPROVED THIS 21<sup>st</sup> DAY OF October, 1989.  
 DEPARTMENT OF ASSESSMENT  
Walter R. Green  
 KING COUNTY ASSESSOR  
D. West  
 DEPUTY KING COUNTY ASSESSOR



**PARK PLACE TOWNHOMES A CONDOMINIUM**  
 NORTH EAST 1/4, SOUTH EAST 1/4, SECTION 9  
 TOWNSHIP 23 NORTH, RANGE 8 EAST, T.M. CITY OF NORTH BEND,  
 COUNTY OF KING, STATE OF WASHINGTON.

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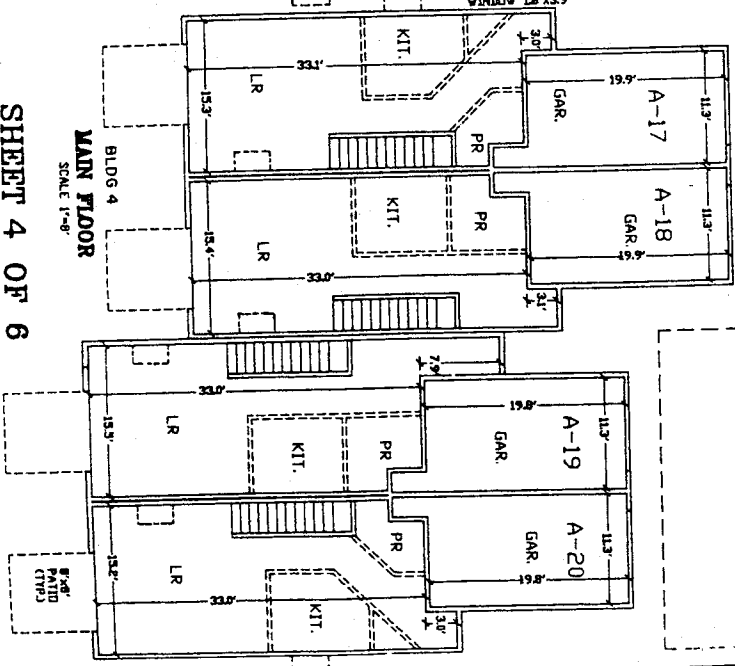
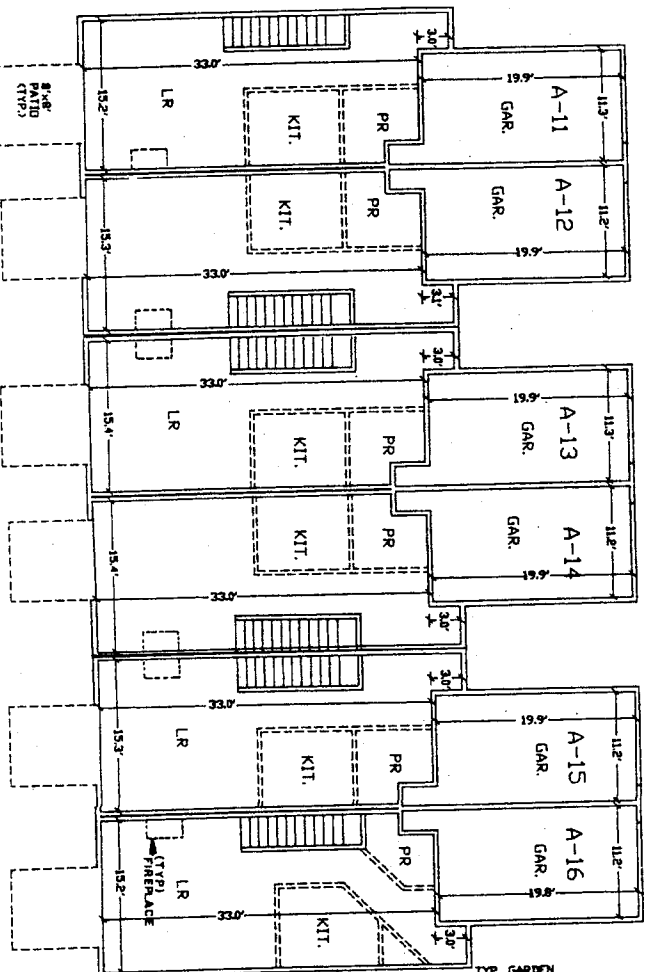
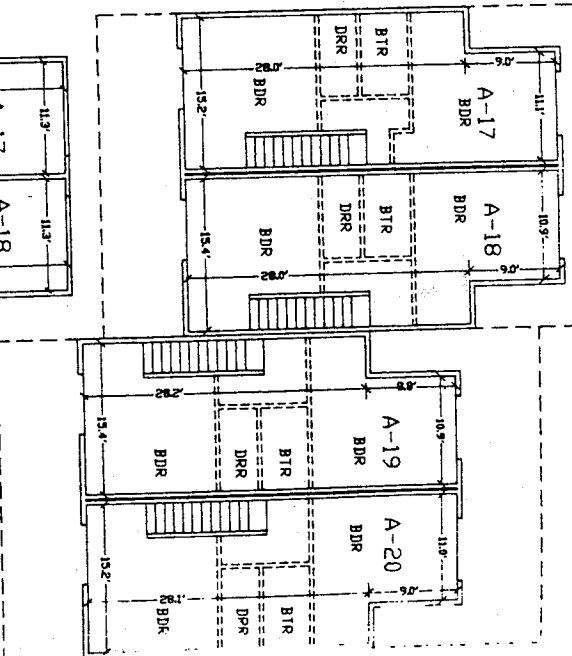
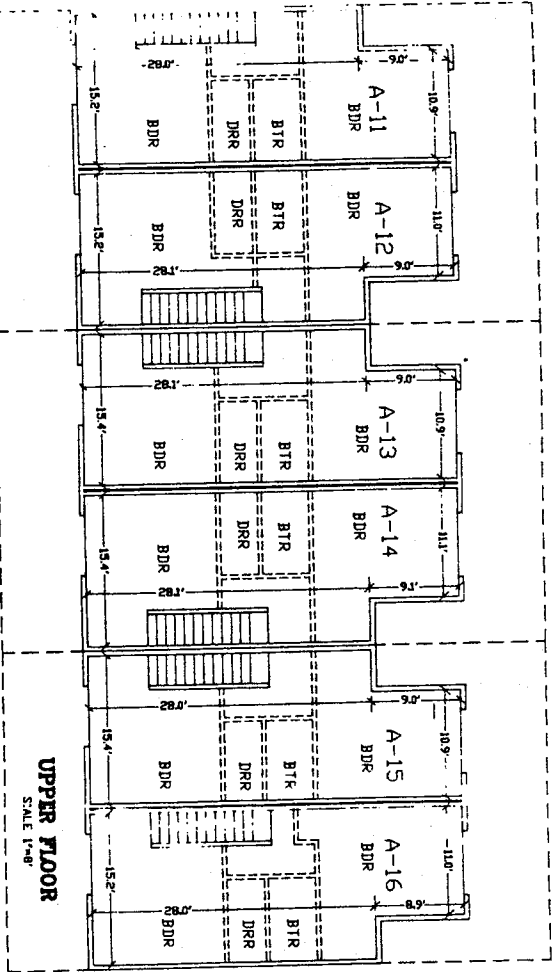
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**PARK PLACE TOWNHOMES A CONDOMINIUM**  
 NORTH EAST 1/4, SOUTH EAST 1/4, SECTION 9  
 TOWNSHIP 23 NORTH RANGE 8 EAST, W.M., CITY OF NORTH BEND,  
 COUNTY OF KING, STATE OF WASHINGTON.

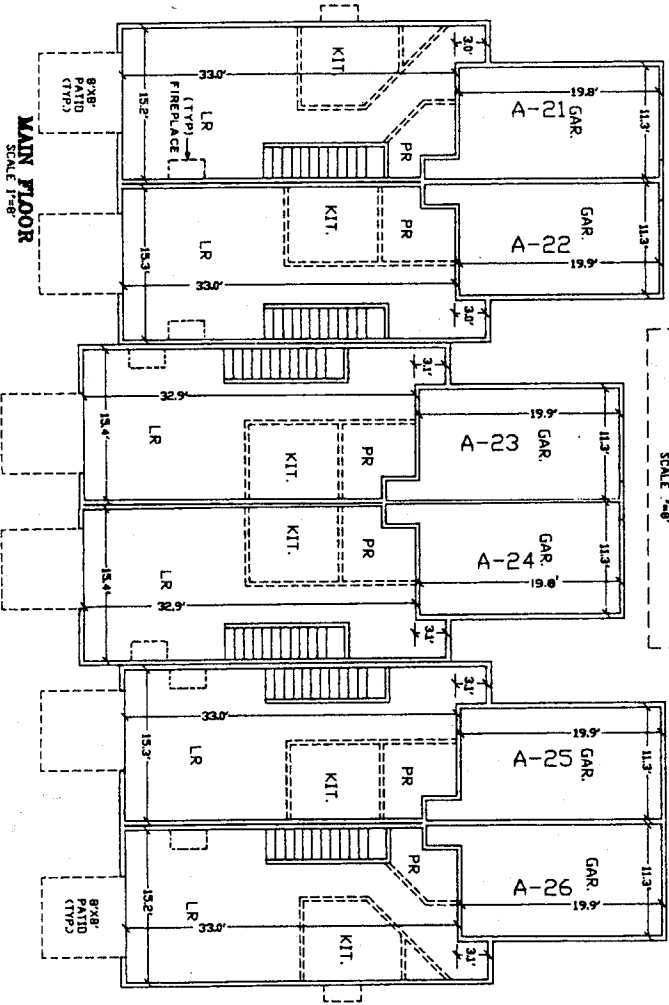
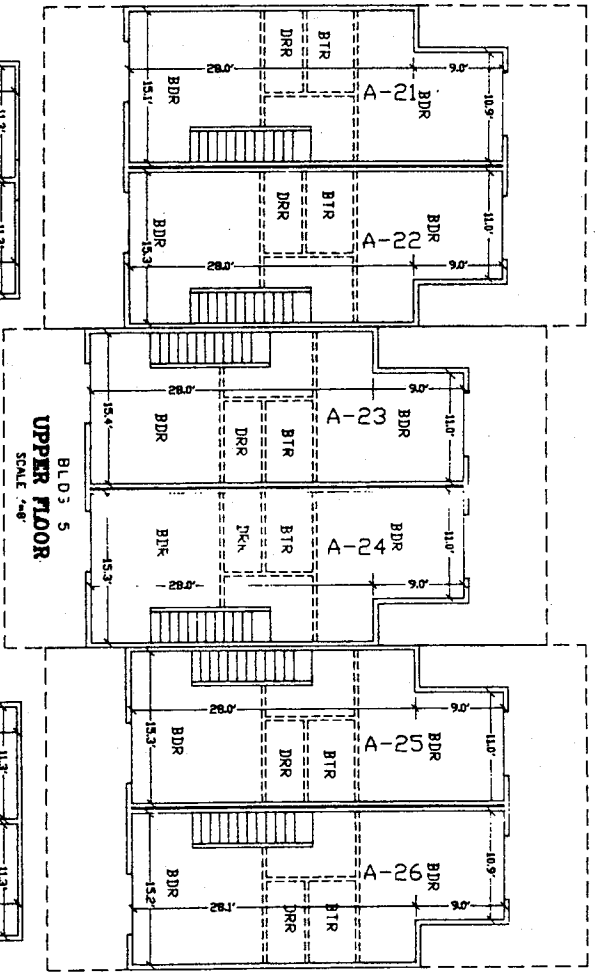
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SHEET 4 OF 6



**PARK PLACE TOWNHOMES A CONDOMINIUM**  
 NORTH EAST 1/4, SOUTH EAST 1/4, SECTION 9  
 TOWNSHIP 23 NORTH, RANGE 8 EAST, T.M., CITY OF NORTH BEND,  
 COUNTY OF KING, STATE OF WASHINGTON.

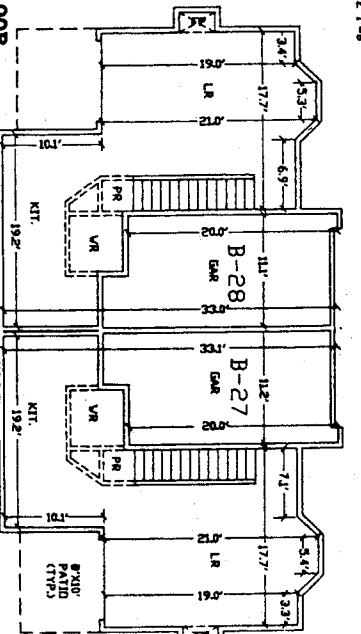
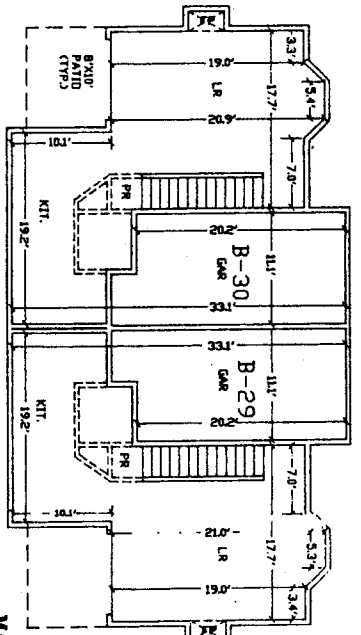
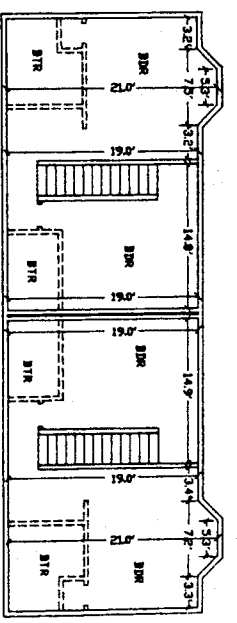
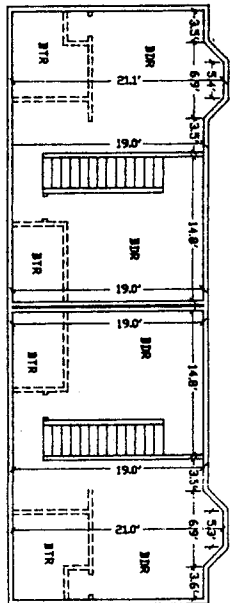
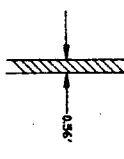
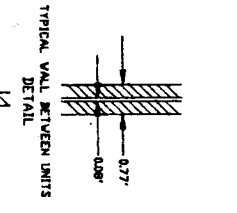


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**PARK PLACE TOWNHOMES A CONDOMINIUM**  
 NORTH EAST 1/4, SOUTH EAST 1/4, SECTION 9  
 TOWNSHIP 23 NORTH, RANGE 8 EAST, W.L. CITY OF NORTH BRND,  
 COUNTY OF KING, STATE OF WASHINGTON.

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**ABBREVIATION DEFINITIONS**

- BR-BEDROOM
- BT-BATHROOM
- DR-DRESSING ROOM
- LR-LIVING ROOM
- PR-POWDER ROOM
- KIT-KITCHEN
- PP-PREPARE

**GENERAL NOTES**

1. THE BOUNDARY OF AN APARTMENT (TOWNHOUSE) ARE THE INTERIOR SURFACES OF THE WALLS, FLOORS, CEILINGS, WINDOWS, AND DOORS THEREOF, EXCLUDING ALL PIPES, DUCTS, WIRES, CONDUIT, AND OTHER FACILITIES THAT RUN THROUGH ANY INTERIOR WALL OR PARTITION, FOR THE PURPOSE OF FURNISHING UTILITY SERVICE TO SAID APARTMENT.
2. THESE FLOOR PLANS AND DIMENSIONS HEREON ARE COMPILED FROM ARCHITECTURAL PLANS SUPERSEDED WITH FIELD DATA. DIMENSIONS SHOWN ON THESE PLANS SHALL PREVAIL OVER ANY SLIGHT VARIATION (WITHIN 0.1') OF A FIELD WITH RESPECT TO ACTUAL DIMENSIONS.

**BENCH MARK:**  
 CHIEF'S SQUARE ON THE NORTHEAST CORNER CONC. PAVEMENT  
 IN FRONT OF UNITS A-6 & A-7  
 ELEV=446.77

UNIT NO.	MAIN FLOOR ELEV.	CEILING ELEV.	UPPER FLOOR ELEV.	CEILING ELEV.	LIVING AREA (SQ. FEET)	GAUGE AREA (SQ. FEET)	INITIAL VALUE	BATH	BED
A-1	446.83	452.52	453.67	463.41	1029	228	\$74,950	13	13
A-2	446.82	452.61	453.76	463.50	1029	228	\$74,950	13	13
A-3	446.81	452.70	453.85	463.59	1029	228	\$74,950	13	13
A-4	446.80	452.79	453.94	463.68	1029	228	\$74,950	13	13
A-5	447.03	453.72	453.87	463.61	1029	228	\$74,950	13	13
A-6	447.02	453.81	453.96	463.70	1029	228	\$74,950	13	13
A-7	447.01	453.90	454.05	463.79	1029	228	\$74,950	13	13
A-8	447.00	453.99	454.14	463.88	1029	228	\$74,950	13	13
A-9	447.00	454.08	454.23	463.97	1029	228	\$74,950	13	13
A-10	447.00	454.17	454.32	464.06	1029	228	\$74,950	13	13
A-11	446.55	453.32	453.47	463.21	1029	228	\$74,950	13	13
A-12	446.54	453.41	453.56	463.30	1029	228	\$74,950	13	13
A-13	446.53	453.50	453.65	463.39	1029	228	\$74,950	13	13
A-14	446.52	453.59	453.74	463.48	1029	228	\$74,950	13	13
A-15	446.51	453.68	453.83	463.57	1029	228	\$74,950	13	13
A-16	446.50	453.77	453.92	463.66	1029	228	\$74,950	13	13
A-17	446.49	453.86	454.01	463.75	1029	228	\$74,950	13	13
A-18	446.48	453.95	454.10	463.84	1029	228	\$74,950	13	13
A-19	446.47	454.04	454.19	463.93	1029	228	\$74,950	13	13
A-20	446.46	454.13	454.28	464.02	1029	228	\$74,950	13	13
A-21	446.45	454.22	454.37	464.11	1029	228	\$74,950	13	13
A-22	446.44	454.31	454.46	464.20	1029	228	\$74,950	13	13
A-23	446.43	454.40	454.55	464.29	1029	228	\$74,950	13	13
A-24	446.42	454.49	454.64	464.38	1029	228	\$74,950	13	13
A-25	446.41	454.58	454.73	464.47	1029	228	\$74,950	13	13
A-26	446.40	454.67	454.82	464.56	1029	228	\$74,950	13	13
A-27	446.39	454.76	454.91	464.65	1029	228	\$74,950	13	13
A-28	446.38	454.85	455.00	464.74	1029	228	\$74,950	13	13
A-29	446.37	454.94	455.09	464.83	1029	228	\$74,950	13	13
A-30	446.36	455.03	455.18	464.92	1029	228	\$74,950	13	13

UPPER FLOOR CEILING  
 UPPER FLOOR  
 MAIN CEILING

15

Return to:

Drew D. Hall

Provisor Corp.

2105 - 112 Ave. S.E. #100

Bellevue, WA. 98004

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DECLARATION,  
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS  
FOR

PARK PLACE TOWNHOMES

A CONDOMINIUM

RECORDED  
INDEXED  
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PARK PLACE TOWNHOMES

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. DEFINITIONS	3 - 5
2. SUBMISSION OF THE PROPERTY TO THE CONDOMINIUM STATUTE	5
3. DESCRIPTION OF LAND	6
4. DESCRIPTION OF BUILDINGS AND IMPROVEMENTS	6
5. DESCRIPTION OF COMMON AREAS AND FACILITIES	7 - 8
6. DESCRIPTION OF LIMITED COMMON AREAS	8
7. EXCLUSIVE OWNERSHIP AND POSSESSION BY OWNER	8
8. ACCESS	8
9. VALUE, PERCENTAGE OF UNDIVIDED INTEREST, AND VOTING RIGHTS PER UNIT	9
10. PARKING SPACES AND RESTRICTIONS	9
11. PERMITTED USES, APARTMENT MAINTENANCE, COVENANTS, CONDITIONS AND RESTRICTIONS	9 - 12
12. COMPLIANCE WITH DECLARATION AND DEFAULT	13
13. ENTRY FOR REPAIRS	14
14. SERVICE OF PROCESS	14
15. ASSOCIATION OF OWNERS, VOTING, AND BYLAWS	14 - 16
16. MANAGEMENT OF THE ASSOCIATION	16 - 17
17. LIMITATION OF LIABILITY	17 - 18
18. NOTICES	18
19. AUTHORITY AND DUTIES OF THE BOARD	18 - 20

8910271156

(7)

OCT 27 1989

8910271156

20. COMMON EXPENSES AND ASSESSMENTS . . . . . 20

21. LIEN AND COLLECTION OF ASSESSMENTS . . . . . 23 - 24

22. NO WAIVER OF STRICT PERFORMANCE . . . . . 24

23. INDEMNIFICATION . . . . . 25

24. INSURANCE . . . . . 25 - 27

25. DAMAGE AND RECONSTRUCTION . . . . . 27 - 29

26. CONDEMNATION . . . . . 29 - 31

27. EASEMENTS . . . . . 31

28. PROCEDURES FOR SUBDIVIDING OR COMBINING . . . . . 31 - 32

29. SURVEY MAP AND PLANS . . . . . 32

30. AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS . . . . . 32 - 33

31. SEVERABILITY . . . . . 33

32. EFFECTIVE DATE . . . . . 33

33. ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS . . . . . 33

34. PROVISIONS RELATING TO DECLARANT . . . . . 33

35. INTERPRETATION . . . . . 34

36. MORTGAGE PROTECTION . . . . . 34

37. MISCELLANEOUS . . . . . 36

38. CAPTIONS . . . . . 36

39. COVENANTS RUNNING WITH THE LAND . . . . . 37

40. INFLATIONARY INCREASE IN DOLLAR LIMITS . . . . . 37

SCHEDULE A . . . . . 38

8

OCT 27 1989

SECTION 1 -- DEFINITIONS

- 1.01 Definitions of terms. For purposes of this Declaration and any amendments hereto, the following definitions shall apply.
- 1.01.01 **"Act" or "Condominium Statute"** means the Horizontal Property Regimes Act of the state of Washington (Revised Code of Washington Chapter 64.32), as amended from time to time.
- 1.01.02 **"Agencies"** shall mean Department of Housing and Urban Development, Veterans Administration, Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation
- 1.01.02 **"Apartment" or "Home"** shall mean the parts of the property intended for use as residential living space by a single family composed of a suite of rooms and other enclosed space in a building. The boundaries of an apartment are the interior surfaces of its perimeter walls, floors, ceilings, windows, and doors; and the apartment also includes both the portions of the building so described, the garage, and the airspace so encompassed. The term "unit" shall be interpreted as synonymous with "apartment" above and as defined in the Act.
- 1.01.03 **"Association" and "Owner's Association"** means all of the unit owners acting as a group in accordance with the Bylaws of the Association, this Declaration, and the Act, and as further described in Section 15.
- 1.01.04 **"Board of Directors" and "Board"** shall mean the persons appointed by the Developer or elected by the Association after Transition Date, who shall manage and administer the property in accordance with the Bylaws of the Association, this Declaration, and the Condominium Statute.
- 1.01.05 **"Building"** means the physical structures containing the apartments that comprise part of the property.
- 1.01.06 **"Bylaws"** shall mean the Bylaws of the Association as provided for in Section 11 and as amended from time to time by the Association.
- 1.01.07 **"Common areas and facilities" and "common areas"** means the portions of the property described in Section 5 herein and/or as duly recorded or as may be lawfully amended hereto.
- 1.01.08 **"Common expenses"** includes (a) All sums lawfully assessed against the unit owners by the Association; (b) reasonable expenses of administration, maintenance, repair, or replacement of the common areas and facilities as provided for in Section 20; (c) expenses agreed upon as common expenses by the Association; (d) expenses declared as common expenses by provisions contained in the Act, or by this Declaration as it is duly recorded, or by the Bylaws, or as they may be lawfully amended to from time to time.
- 1.01.09 **"Common profits"** is the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.
- 1.01.10 **"Condominium"** shall mean the horizontal property regime created by this Declaration.
- 1.01.11 **"Condominium Statute"** -- see "Act".
- 1.01.12 **"Declarant"** means the undersigned, its successors, or assigns.
- 1.01.13 **"Declaration"** means this document construed and interpreted as an instrument by which the property is submitted to provisions of the Act and as it may be, from time to time, lawfully amended.
- 1.01.14 **"Developer"** means Park Avenue Associates, a Washington General Partnership, its successors and assigns.
- 1.01.15 **"First Mortgage" and "First Mortgages"** shall mean, respectively, (a) a recorded mortgage on an apartment that has legal priority over all other mortgages thereon, and (b) the holder of a first mortgage.
- 1.01.16 **"Interior surfaces"** (where that wording defines boundaries of apartments or limited common areas) shall not include paint, wallpaper, paneling, carpeting, tiles or other such decorative surface coverings or finishes.

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9

OCT 27 1989

8910271156

- 1.01.17 **"Land"** means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock, or other substance, and includes free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the use of airspace imposed, and rights in the use of the airspace granted, by the laws of the State of Washington or of the United States.
- 1.01.18 **"Limited common areas and facilities"** and **"limited common areas"** includes those common areas and facilities described in Section 6 or otherwise provided in this Declaration, as it is duly recorded or as it may be lawfully amended, as reserved for use of certain unit or units to the exclusion of the other units.
- 1.01.19 **"Majority"** or **"Majority of unit owners"** means the unit owners with a quorum of the votes in accordance with the percentages assigned herein, as duly recorded or as it may be lawfully amended to the units for voting purposes.
- 1.01.20 **"Mortgage"** is a mortgage, deed of trust, or a real estate contract covering a unit or other portion of the property, and includes the deed of trust referred to in Section 40.
- 1.01.20 **"Mortgage Insurer"** shall mean an insurer or guarantor of a first mortgage which has provided the Association with its name, address, applicable unit number, and a written request for notices.
- 1.01.21 **"Mortgagee"** means an institutional lender (e.g. a bank, savings and loan association, insurance company, FHA-approved mortgage lender, credit union, Massachusetts-type Florida business trust, and Federal National Mortgage Association) which is the holder of a mortgage or the beneficiary of a deed of trust covering a unit or other portion of the property, and shall also mean the vendor under a real estate contract covering a unit.
- 1.01.22 **"Owner"** shall mean the legal owner of an apartment, as herein defined, in fee simple absolute or qualified, as purchaser under a real estate contract, by way of leasehold (unless the lessor shall have reserved the rights of unit owner) or by way of periodic estate, or in any other manner in which real property may be owned, leased or possessed in the State of Washington, together with an undivided interest in a like estate of the common areas and facilities in the percentage specified and established in this Declaration as duly recorded or as may be lawfully amended. Any person or entity holding a mortgage or other interest merely as security for performance of an obligation shall not be considered an owner.
- 1.01.23 **"Park Place Townhomes"** means the condominium development which is the subject of this Declaration, formally known as Park Place Townhomes, a Condominium..
- 1.01.24 **"Parking"** or **"Parking Spaces"** means and includes the garages and outside parking stalls as described in Section 10 herein, and as more specifically shown on the Survey Map and Plans.
- 1.01.25 **"Person"** includes any individual, personal representative, corporation, partnership, association, trustee or other legal entity. The singular name may include the plural, and the masculine may include the feminine or neuter, where the context so admits or requires.
- 1.01.26 **"Property"** or **"Project"** means Park Place Townhomes including the land, buildings, all improvements and structures thereon, all owned in fee simple absolute or qualified, by way of leasehold or by way of periodic estate, or in any other manner in which real property may be owned, leased or possessed in the State of Washington, and all easements, rights and appurtenances belonging thereto, none of which shall be considered as a security or security interest, and all articles of personalty intended for use in connection therewith, which have been, or are intended to be, submitted to the provisions of the Act.
- 1.01.27 **"Quorum"** means fifty percent plus one or more of all eligible Association votes.
- 1.01.28 **"Section"** refers to the sections composing this Declaration except as clearly indicated otherwise by context.
- 1.01.29 **"Survey Map and Plans"** or **"Plans"** shall mean the survey map and the plans recorded or to be recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded showing the location, boundaries, and other information relating to the land, the buildings, and the apartments, as required by the Act, as further described in Section 31.

10

OCT 27 1989

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- 1.01.30 "Temporary Board of Directors" and "Temporary Board" means the persons appointed by the Developer to manage and administer the property for the Association until such time as the unit owners elect the Board of Directors as provided in this Declaration.
- 1.01.31 "Transition Date" is the calendar date that control of the condominium passes from the Declarant to the Association and its Board. For definition of date transition occurs, see Section 16.02.
- 1.01.32 "Unit" means apartment; the parts of the property intended for habitation by a single family.
- 1.01.33 "Unit number" means the number, letter(s) or combination thereof uniquely designating a particular unit as duly recorded, or as may be lawfully amended.
- 1.01.34 "Unit owner" means the person legally owning a unit, as herein defined. See "Owner".
- 1.01.35 "Votes" are defined and described in Section 9 herein and unless the context clearly indicates otherwise means votes of the Association's apartment owners.
- 1.02 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.
- 1.03 Statutory Definitions. Some of the terms defined above are also defined in the Act. The definitions in this Declaration are not intended to limit or contradict the definitions in the Act. If there is any inconsistency or conflict, the definition in the Act will prevail.

**SECTION 2 -- SUBMISSION OF THE PROPERTY TO CONDOMINIUM STATUTE**

Declarant, being the sole owner of the property, makes this Declaration for the purpose of submitting the property to the condominium form of use and ownership and to the provisions of the Condominium Statute. Declarant declares that the property shall be held, used, conveyed, encumbered, leased, rented, occupied, and improved subject to the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which are in furtherance of the division of the property into condominium apartments and common areas and facilities and shall be deemed to run with the land and be a burden and benefit to Declarant, its successors and assigns, and all persons who own or acquire an interest in the property or any part thereof, and their grantees, successors, heirs, executors, administrators, and assigns.

11  
**OCT 27 1989**

SECTION 3 -- DESCRIPTION OF LAND

The land on which the building and improvements provided for in this Declaration are or will be located is as follows:

Parcel A:

That portion of section 9, Township 23 North, Range 8 East, W.M., in King County, Washington, described as follows:  
BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 9;  
THENCE ALONG THE WEST LINE OF SAID SUBDIVISION, SOUTH 0° 13' 33" WEST 246 FEET;  
THENCE EASTERLY 428.75 FEET TO A POINT WHICH BEARS SOUTH 88° 31' 08" EAST 433.26 FEET AND SOUTH 0° 48' 48" WEST 235.38 FEET FROM SAID NORTHWEST CORNER;  
THENCE NORTH 0° 48' 48" EAST 235.48 FEET TO THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER;  
THENCE NORTH 88° 31' 08" WEST, ALONG SAID NORTHERLY LINE, 433.26 FEET TO THE POINT OF BEGINNING;  
EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER;  
THENCE EAST 30 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 100 FEET;  
THENCE EAST 70 FEET;  
THENCE NORTH 100 FEET;  
THENCE WEST 70 FEET TO THE TRUE POINT OF BEGINNING;  
AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED UNDER RECORDING NO. 4797382. AND EXCEPT THAT PORTION AS CONVEYED BY QUIT CLAIM DEED AS FILED UNDER KING COUNTY RECORDING NO. 8909280341.

PARCEL B:

LOT 6, BLOCK 3, FRANK JOHNSON'S ADDITION TO NORTH BEND, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 30 OF PLATS, PAGE 7, RECORDS OF KING COUNTY, WASHINGTON.

SITUATE IN THE CITY OF NORTH BEND, COUNTY OF KING, STATE OF WASHINGTON.

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SECTION 4 -- DESCRIPTION OF BUILDINGS AND IMPROVEMENTS

There are seven (7) buildings in Park Place Townhomes. Townhomes, by definition, have at least two floors; all Park Place Townhomes have two (2) floors each. Buildings in Park Place Townhomes contain from two (2) to six (6) units each. All units in Park Place Townhomes are adjoined only side-by-side and no unit has another unit above it. Buildings are labeled 1, 2, 3, 4, 5, 6A, and 6B, and contains 4, 6, 4, 6, 2, and 2 (four, six, six, four, six, two and two) units respectively, comprising a total of thirty (30) units. Each unit has a garage as part of the ground floor, and no unit has a basement. Building 4, (labeled as unit A-20 on the Plans) is a handicap unit containing special access features designed for a handicapped owner. The buildings are principally of wood frame construction on concrete foundations having beveled wood horizontal siding exteriors. Entrance to Park Place Townhomes is via East Park Avenue bordering the north side of the property. Refer to the Plans for a complete building description and specification, relative placement and exact location of units. The area of each unit is set forth in Schedule A and in the Plans.

Type A units (see Section 9.03 for definition of unit type) have garage, entry hall, bathroom, kitchen, storage area, and living room with fireplace on the ground floor, and two bedrooms, dressing room and a bathroom (with access from both the hallway and dressing room) on the second floor. The stairway for type A units is on the left side of the units.

Type B units have garage, living room with fireplace, half-bathroom, dining area, and kitchen on the ground floor, with two bedrooms each having its own bathroom, on the second floor. The stairway for type B units is adjacent to the garage wall, near the center of the unit.

12

OCT 27 1989

**SECTION 5 -- DESCRIPTION OF COMMON AREAS AND FACILITIES**

- 5.01 **Description.** The common areas and facilities consist of those specified in the Act, as well as the following:
- 5.01.01 The land as described in Section 3.
  - 5.01.02 All other parts of the condominium property not within the apartments, including, without limitation, the roofs, foundations, studding, joists, beams, supports, main walls (excluding non-bearing interior partitions of apartments, if any,) and all other structural parts of the buildings to the interior surfaces of the unit's perimeter walls, floors, ceilings, windows, and doors; chimneys, if any; pipes, conduits, wires and other fixtures and equipment for utilities, wherever they may be located whether in partitions or otherwise;
  - 5.01.03 Access roads leading to public streets and highways, curbs, driveways, loading zones and guest parking spaces, walkways, yards; garden, rockery, and landscaped areas surrounding and providing access to the buildings;
  - 5.01.04 The perimeter fence bordering or contained on the property, and the fences that extend from the buildings for purposes of separating the limited common area of a unit from that of its neighbor.
  - 5.01.05 The crawl spaces under the buildings and the attics, if any.
  - 5.01.06 Certain items which might ordinarily be considered common areas including, but not limited to, air conditioning units, screen doors, window screens, awnings, planter boxes, and the like, may pursuant to specification in the Bylaws or administrative rules and regulations, be designated as items to be furnished and maintained by unit owners at their individual expense, in good order, according to standards and requirements set forth in the Bylaws or by rule adopted by the Board;
  - 5.01.07 The limited common areas and facilities described in Section 6.
  - 5.01.08 Installations of central services as are applicable to the property, such as, but not limited to, power, light, gas, hot and cold water, heating; intercommunications system or security devices; master television cable and/or antennae for televisions and/or other like receivers; garbage dumpster and associated equipment or structures;
  - 5.01.09 The storm drain system, including the retaining vault, and all associated pipes, grates, fixtures, equipment, and appurtenances.
  - 5.01.10 Any signs, advertising, placards or other permanent or semi-permanent informational displays erected or installed by Declarant or the Association.

5.02 **Use.** Each apartment owner shall have the right to use the common areas and facilities (except the limited common areas and facilities reserved for other apartments) in common with all other apartment owners. The right to use the common areas and facilities shall extend not only to each apartment owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the common areas and facilities, including the limited common areas and facilities, shall be governed by the provisions of the Condominium Statute, this Declaration, the Bylaws, and the rules and regulations of the Association, and the prevailing laws of the city, State of Washington, and United States of America. The owners shall not, by act or failure to act, seek to abandon, partition, subdivide, encumber, sell, or transfer the common areas and facilities, and no other person shall have the right to have them partitioned or divided. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the apartment owners and occupants shall not be deemed a partition or division. A subdivision of a limited common area as an incident of an authorized subdivision of an apartment pursuant to Section 30 will not be deemed a violation of this provision.

The apartments shall be used for single-family, residential purposes only, and for common, social, recreational, or other reasonable uses normally incident to such use, and also for such additional uses or purposes as are not inconsistent therewith, as from time to time determined appropriate by the Board.

8910271156

13

OCT 27 1989

- 5.03 **Easement.** The owners of the respective units agree that if any portion of the common areas and facilities encroaches upon the apartments, or vice versa, a valid easement for the encroachment and for the maintenance of same, so long as the encroachment exists, shall and does exist. In the event one or more of the buildings is partially or totally destroyed and then rebuilt, the owners of apartments agree that minor encroachments of parts of the common areas and facilities due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist.

**SECTION 6 -- DESCRIPTION OF LIMITED COMMON AREAS**

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- 6.01 **Description.** Some common areas and facilities, called limited common areas, are reserved for the exclusive use of the apartment to which they are adjacent or assigned. They consist of the following:
- 6.01.01 The patio at the back of each apartment, but excluding the fence that separates such limited common area from its neighbor.
- 6.01.02 The fireplaces (if any,) fireboxes and associated flue interiors serving the respective apartments.
- 6.01.03 The entry porches and the paved walkways leading to the common walkways from the respective apartments.
- 6.01.04 The parking spaces assigned and made appurtenant to apartments as provided in Section 10.
- 6.01.05 The mailbox (if any,) reserved to each townhome which mailbox is designated by the number of the townhome.
- 6.02 **Appurtenant to Apartments.** Conveyance and any resale of an apartment includes the exclusive rights to the use of the limited common areas and facilities appurtenant to that apartment, even though the deed or other instrument of conveyance may fail to describe it.

**SECTION 7 -- EXCLUSIVE OWNERSHIP AND POSSESSION BY OWNER**

Each owner shall be entitled to exclusive ownership and possession of his apartment. Each owner shall be entitled to an undivided interest in the common areas in an amount equal to the percentage expressed in Section 9 of this Declaration. The percentage of undivided interest each owner in the common areas as expressed in said Section and said Paragraph shall have a permanent character and shall not be altered without the consent of all owners and all first mortgagees, expressed in the form of an amendment to this Declaration. The percentage of the undivided interest in the common areas shall not be separated from the apartments to which it appertains and shall be deemed to be conveyed, encumbered, or released from liens along with the apartment even though such interest is not expressly mentioned or described in the deed or other instrument of conveyance. Each owner is granted a nonexclusive easement and may use the common area in accordance with the purpose for which it is intended.

**SECTION 8 -- ACCESS**

- 8.01 **General.** The right of ingress to and egress from each apartment shall be perpetual and appurtenant to the apartment.
- 8.02 **Access to Common Ways.** Each unit has direct access to common area walks, parking areas, driveways and private streets.
- 8.03 **Access to Public Streets.** The common areas have a direct access to East Park Avenue, a public street.

14

OCT 27 1989

**SECTION 9 -- VALUE, PERCENTAGE OF UNDIVIDED INTEREST, AND VOTING RIGHTS PER UNIT**

For the purpose of meeting certain requirements of the Condominium Statute, the value of the property is declared to be \$2,196,500 (two million one hundred ninety-six thousand five hundred dollars.) The value of each unit and the percentage of undivided interest in the common areas and facilities appertaining to each unit and its owner for all purposes, including voting, are set forth in Schedule A attached hereto. The values do not necessarily reflect the amount for which a unit will be sold by Declarant, or others, and will not be altered by variation in selling prices.

**SECTION 10 -- PARKING SPACES AND RESTRICTIONS**

10.01 **Number and Location.** There are 63 (sixty-three) parking spaces, approximately 2.10 per unit, at Park Place Townhomes, consisting of 30 (thirty) garages, one in each unit; and 33 (thirty-three) uncovered stalls.

The two loading zones are not considered parking spaces for calculation purposes.

10.02 **Use of Parking Space.** Up to 2 (two) parking spaces per unit owner may be used for the parking of operable passenger motor vehicles in good repair and condition. Use of parking spaces for parking trucks, trailers, recreational vehicles or any other use shall be permitted only to the extent expressly allowed by the rules and regulations adopted by the Board. The Board may direct that any vehicle or other item improperly parked or kept on a parking space be removed, and if it is not removed within ten days of notification, the Board may cause such removal at the risk and cost of the owner thereof. Notification will be considered to be given if the Board posts or causes to be posted a conspicuous written directive to vacate the space upon or attached to the offending vehicle or item in such a way that the owner has every possible opportunity to see such directive. Directive to vacate parking spaces must be legible for the duration of the posting, and as such should be resistant to weather if directive is exposed to the elements.

10.03 **Assignment To Units.** Each uncovered parking space in the condominium is identified by number in the Survey Map and Plans. Each unit is assigned in Schedule A at least one automobile parking space which will be limited common area appurtenant to that unit. Declarant reserves the right to assign additional parking to specific units by amendment to Schedule B or in the first deed of conveyance or other recorded instrument. The Declarant's right to assign additional parking space shall end two years after the date of recording this Declaration. Any parking spaces that have not been assigned to a unit shall either be available for common parking or rented to an owner in accordance with such rules or regulations as the Board may from time to time adopt.

10.04 **Rental and Transfer of Parking Spaces.** The owner of a unit may rent an appurtenant parking space to the occupant of another unit in the condominium, but such rental shall be subject to termination upon 15 days' notice. Any rental of a parking space by the Association shall likewise be terminable upon 15 days' notice. Rental of a parking space shall be terminated automatically and without notice upon the transfer of title of the unit to which it is appurtenant. Declarant shall have the right to change the assignment of parking spaces to units by recording an amendment to Schedule A, provided Declarant has obtained the written consent of the owners of the units to which those parking spaces were assigned. In addition, any two or more unit owners may, upon approval of the Board, exchange the parking spaces assigned to their respective units by jointly executing and recording an instrument effecting the exchange.

**SECTION 11 -- PERMITTED USES, APARTMENT MAINTENANCE, COVENANTS, CONDITIONS AND RESTRICTIONS**

11.01 **Residential Use.** The buildings and apartments are intended for and restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, and for the purposes of operating the Association and managing the condominium if required. In addition to the foregoing, Declarant may use apartments it owns as sales offices and models for sales of apartments.

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15

OCT 27 1989

8910271156

- 11.02 **Leases.** No apartment owner or other person shall be permitted to lease or otherwise rent an apartment for a term less than 30 days. No lease or rental of an apartment may be of less than the entire apartment. Any lease or rental agreement must be in writing and provide that its terms shall be subject in all respects to the provisions of this Declaration and the Bylaws, rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements must be in writing. Other than as stated in this Section 11, there is no restriction on the right of any apartment owner to lease or otherwise rent his apartment. Association voting rights shall remain with the owner of the unit unless given by proxy to the lessee.
- 11.03 **Maintenance of Apartments and Limited Common Areas.** Each apartment owner shall, at his sole expense, keep the interior of his apartment 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 his apartment. Each owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, heating equipment, electrical fixtures, or appliances which are in his apartment or portions thereof that serve his apartment only, and shall replace any glass in the windows and in the exterior doors of his apartment that becomes cracked or broken. Owners are responsible for all care and maintenance of windows and doors. For purposes of definition, the owner is responsible for all maintenance and repairs to gas, electrical and water lines from the unit's respective meter to and including the interior of the unit. Each apartment owner will be responsible for care, maintenance, cleanliness, and orderliness of the limited common areas that are appurtenant to his apartment, except that sweeping and maintenance of the uncovered parking areas shall be the responsibility of the Association. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective limited common areas without prior written approval of the Board.
- 11.04 **Exterior Appearance.** In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the painting of the buildings and prescribe the type and color of paint. No owner may modify or decorate the exterior of the buildings, screens, doors, awnings, or other portions of any apartment or buildings visible from outside the apartment without the prior written consent of the Board or in accordance with rules and regulations of the Board. The Board may also require use of a uniform color and fabric for draperies, under-draperies, or drapery lining for all apartments.
- 11.05 **Effect on Insurance.** Nothing shall be done or kept in any apartment or in any common area which will increase the rate of insurance on the common area, other apartments, or buildings without the prior written consent of the Board. Nothing shall be done or kept in any apartment or in any common area which will result in the cancellation of insurance on any apartment or building or any part of the common areas, or which would be in violation of any laws.
- 11.06 **Alteration of Common Area.** Nothing shall be altered or constructed in or removed from any common area or facility except upon the prior written consent of the Board.
- 11.07 **Signs.** No sign of any kind shall be displayed to the public view on or from any apartment or common area or limited common area without the prior consent of the Board; provided, that the Board shall designate an area or areas for display of "For Sale" signs. This Section shall not apply to Declarant.
- 11.08 **Pets.** Domestic household pets, such as dogs and cats, may be kept by the unit owners provided that the keeping of pets shall be subject to such reasonable rules and regulations as the Board may from time to time adopt. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion finds to be unreasonably dangerous or disturbing to other unit owners. The Board may exercise this authority for specific animals even though other animals are permitted to remain.
- 11.09 **Offensive Activity.** No noxious or offensive activity shall be carried on in any unit or common or limited common areas and facilities, nor shall anything be done therein which may be or become an annoyance or nuisance to other unit owners, or which would be in violation of any laws.
- 11.10 **Bylaws, Rules and Regulations.** The Owners' Association may from time to time adopt reasonable additional provisions in the Bylaws or in the rules and regulations of the Association as may be necessary or advisable to insure compliance with or to supplement the foregoing covenants, conditions and restrictions, and the unit owners shall comply in all respects therewith.

16

OCT 27 1989

8910271156

- 11.11 **Sales Facilities of Developer.** Notwithstanding the provisions in Section 11.01, its agents, employees and contractors, may maintain during the period of sale of the units and parking spaces upon such portion of the property as the Developer may choose, such facilities as in the sole opinion of the Developer may be reasonably required, convenient or incidental to the sale, rental or management of such facilities, including, but not limited to one model unit, a business or sales office, signs, storage facilities, and parking areas for prospective purchasers or tenants.
- 11.12 **Common Drive and Walks.** Common drives, walks and paths shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.
- 11.13 **Garbage and Trash Removal.** No part of the property shall be used as a dumping ground for rubbish, trash or garbage. Garbage and trash containers shall be located per the Plans and shall be in keeping with the general appearance of the buildings.
- 11.14 **Zoning Regulations.** Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the property subject to this Declaration shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provisions shall apply.
- 11.15 **Rental units.** With respect to the leasing, renting, or creation of any kind of tenancy of a unit and improvements thereon by its owners, such owner shall be prohibited from leasing or renting less than the entire unit or improvements thereon, or (with the exception of a Mortgagee in possession of a unit and improvements thereon following a default in the first mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than thirty (30) days; and all leasing or rental agreements shall be in writing and be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement). Leases or rental agreements are subject to Board approval, but the Board shall not unreasonably restrict the renting or leasing of units.
- If a unit is rented by its owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such unit is as required to pay any amounts due the Association hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the owner, and the unit under this Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the unit or its owner; not in derogation of any rights which a Mortgagee of such unit may have with respect to such rents. Other than as stated herein there are no restrictions on the right of any owner to lease or otherwise rent his unit.
- 11.16 **No Restriction on Conveyances.** The right of an apartment owner to sell, transfer, or otherwise convey the apartment 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.
- 11.17 **Business Use.** No business of any kind shall be conducted in any unit with the exception of (a) the business of Declarant in developing and selling all of the units and (b) such home occupation as is permitted by applicable governmental laws or regulations.
- 11.18 **Antennae.** No antenna shall be affixed to any exterior wall or roof in such a way as to be visible from the common area or another unit without the written approval of the Board.
- 11.19.01 **Party Walls--General Rules of Law Apply.** Each wall which is built as a part of the original construction of the homes upon the property and placed on the dividing line between the units shall constitute a party wall, and to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- 11.19.02 **Sharing Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

17

OCT 27 1989

8910271156

- 11.19.03 **Destruction by Fire or Other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- 11.19.04 **Weatherproofing.** Notwithstanding any other provision of this Declaration, an owner who, by his negligent or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- 11.19.05 **Right to Contribution Runs with Land.** The right of any owner to contribution from any other owner under this Declaration shall be appurtenant to the land and shall pass to such owner's successors in title.
- 11.19.06 **Arbitration.** In the event of any dispute arising concerning a party wall, or under the provisions of this Declaration, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of the three arbitrators, and such decision shall be binding upon all parties.
- 11.20 **Owner's Property Rights**
- 11.20.01 **Owner's Easement of Enjoyment of Common Areas.** Every owner shall have a non-exclusive right and easement, in common with all owners, of enjoyment in and to the common area, if any, which shall be appurtenant to and shall pass with the title to every unit, subject to the following provisions, Sections 11.20.02 through 11.20.06 :
- 11.20.02 **Optional Admission Fees.** The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area, if any exists.
- 11.20.03 **Suspension.** The right of the Association to suspend the voting rights and right to use of the common areas, if any, by an owner for: any period during which any assessment against his unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. The Association shall be required to exercise its right to suspend the voting rights of, and the right to the use of the recreational facilities (if any) by, a member for non-payment of an assessment, upon the request of the Declarant.
- 11.20.04 **Transfer.** The rights of the Association to dedicate or transfer all or any part of the common area, if any, including easements across said properties, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the owners has been recorded and the provisions of Section 30 have been observed;
- 11.20.05 **Guest Limitation.** The right of the Association to limit the number of guests of members.
- 11.20.06 **Declaration of Use.** Any owner may delegate, (in accordance with the BYLAWS), his right of enjoyment to the common area and facilities, if any, and to the limited common areas, to the members of his family, or his tenants or contract purchasers who reside on the property, and (subject to regulation by the Association ) to his temporary guests.
- 11.21 **Compliance.** The Board is empowered to pass, amend and revoke detailed administrative rules and regulations necessary or convenient to insure compliance with the general guidelines of this Section and to regulate the general conduct of owners in their reserved use of the apartments and of the common areas. Such rules and regulations shall be furnished in writing to each owner and each owner agrees to be bound thereby. Without in any way limiting the scope of such rules and regulations which may be so promulgated, the Board may, but shall not be required to, adopt rules and regulations governing the reserved use of the common areas by members of the Association and their respective families, guest and invites. Such reserved use may be conditional upon, among other things, the payment by the owner of such charge as may be established by the Board for the purpose of defraying the cost of such use.

(13)

OCT 27 1989

**SECTION 12 -- COMPLIANCE WITH DECLARATION AND DEFAULT**

**12.01 Enforcement**

12.01.01 **Compliance of Owner and the Association.** Each owner and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time.) Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the owners), or by the aggrieved owner on his own against the party (including an owner or the Association) failing to comply.

12.01.02 **Compliance of Lessee.** Each owner who shall rent or lease his unit shall insure that the lease or rental agreement will be in writing and subject to the terms of this Declaration, Articles of Incorporation, if any, and Bylaws. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.

12.02 **Right of Entry.** Violation of any of the provisions, conditions, restrictions, covenants, reservations or easements contained herein, shall give to Declarant, its successors, or the Association, the right to enter upon the property as to which such violation exists and to abate, correct and remove, at the expense of the owner thereof, any erection, thing or condition that may be or exists thereon contrary to the intent of the provisions hereof. Such entry shall be made only after three (3) days notice to said owner and with as little inconvenience to the owner as possible, and any damage caused thereby shall be repaired by the Association. Declarant or its successors or the Association shall not be deemed guilty of any manner of trespass by such entry, abatement or removal.

12.03 **Neglect of Owner.** Each apartment shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his neglect or carelessness or by that of any member of his family or his or their guest, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any apartment or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies or rights of subrogation should such waiver be provided for by an insurance policy carried by the Association.

12.05 **Costs and Attorney's Fees.** In any proceeding or arbitration arising because of an alleged default by an apartment owner, the prevailing party shall be entitled to recover the costs of the proceeding, the costs of title search, if any, the costs of arbitration, and such reasonable attorney's fees as may be determined by a court of law, if applicable.

12.06 **Waiver.** The failure of the Board to enforce any right, provision, covenant or condition which may be provided for in this Declaration shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future. The receipt by the Board of any assessment from an owner with knowledge of any such breach shall not be deemed a waiver of such breach and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This subparagraph includes actions of the Declarant or Declarant's agents exercising the powers of the Board as provided herein.

12.07 **Remedies Cumulative.** All rights and remedies hereunder granted to the Association and to the Board shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the Association or Board from exercising such other and additional rights, remedies or privileges as may be granted to such party by this Declaration or at law or in equity.

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**OCT 27 1989**

**SECTION 13 -- ENTRY FOR REPAIRS**

The Association and its agents or employees may enter any apartment and limited common areas appurtenant thereto to effect repairs, improvements, replacements, or maintenance deemed by the Board to be necessary in the performance of its duties, to do necessary work, that the apartment owner has failed to perform, or to prevent damage to the common areas and facilities or to another apartment. Except in cases of great emergency that preclude advance notice; the Board shall cause the apartment occupant to be given notice and an explanation of the need for entry as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the owners and occupants as practicable. Any damage caused by such entry shall be repaired by the Association by the acts or default of the owner or occupant of the apartment entered, in which event the costs of the repairs or maintenance shall be specially assessed to that apartment.

**SECTION 14 -- SERVICE OF PROCESS**

Drew D. Hall, 2105 - 112th Avenue NE #100, Bellevue, WA, 98004 is the person upon whom process may be served as provided for in the Condominium Statute. After organization of the Association, service of process for the purposes provided in the Condominium Statute shall be made upon the registered agent of the Association. The Board may at any time designate a different person for such purpose by filing an amendment to the Declaration limited to the sole purpose of making such change, and such limited amendment need be signed and acknowledged only by the president of the Association. The developer may, at any time before the Board is elected, change such designation by amendment to the Declaration signed and acknowledged only by the developer.

**SECTION 15 -- ASSOCIATION OF APARTMENT OWNERS, VOTING & BYLAWS**

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- 15.01 **Form of Association.** The owners of apartments shall constitute an Association of owners as defined in the Condominium Statute. The Association will be a nonprofit corporation, called Park Place Townhomes Association, formed under the laws of the state of Washington. The rights and duties of the members and of the corporation shall be governed by the provisions of the Condominium Statute and of this Declaration.
  - 15.02 **Qualification for Membership.** Each fee owner of an apartment (including Declarant) shall be a member of the Association and shall be entitled to one membership for each apartment owned; provided, that if an apartment has been sold on contract, the contract purchaser shall exercise the rights of the apartment owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of an apartment shall be the sole qualification for membership in the Association.
  - 15.03 **Transfer of Membership.** The Association membership of each apartment owner (including Declarant) shall be appurtenant to the apartment giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the apartment and then only to the transferee of title to the apartment. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an apartment shall operate automatically to transfer the membership in the Association to the new owner.
  - 15.04 **Number of Votes.** The total power of all owners shall be 100 votes and the total number of votes available to the owner of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to the apartment. If a person (including Declarant) owns more than one apartment, he shall have the votes appertaining to each apartment owned.
  - 15.05 **Voting Representative.** An apartment owner may, by written notice to the Board, designate a voting representative for the apartment. The voting representative need not be an owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in an apartment, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the apartment, except in cases in which the person designated is a mortgagee of the apartment. This power of designation and revocation may be exercised by the guardian of an apartment owner, and the administrators or executors of an owner's estate. If no designation has been made, the voting representative of each apartment shall be the group composed of all of its owners. If an apartment is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

20  
**OCT 27 1989**

8910271156

- 15.06 **Joint Owner Disputes.** The vote for an apartment must be cast as a single vote. Fractional votes shall not be allowed. If joint owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question.
- 15.07 **Pledged Votes.** An apartment owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a mortgagee. If an owner is in default under a first mortgage on his apartment for 90 consecutive days or more, his mortgagee shall automatically be authorized to declare at any time thereafter that the apartment owner has pledged his vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.
- 15.08 **Annual and Special Meetings.** There shall be an annual meeting of the members of the Association in the first quarter of each year at such reasonable place and time as may be designated by written notice from the Board delivered to the owners no less than 30 days before the meeting. Special meetings of the members of the Association may be called at any time, in the manner provided in the Bylaws, for the purpose of considering matters which require the approval of all or some of the owners, or for any other reasonable purpose. Any first mortgagee of an apartment may attend or designate to attend the meetings of the Association.
- 15.09 **Quorum.** The quorum of Unit owners at any annual or special meeting of the Association shall be the presence, in person or by proxy, of persons holding more than fifty percent (50%) of the total Association voting power, unless otherwise expressly provided herein. If a quorum is present at any such meeting, any action may be taken by an affirmative vote of a majority of the total votes present at the meeting, except as otherwise expressly provided in the Act, this Declaration, or the Bylaws.
- 15.10 **Audits.** At the annual meeting, there shall be presented an audit, prepared by a certified or licensed public accountant who is not a member of the Board or an Association owner, of the common expenses, itemizing receipts and disbursements for the preceding calendar year and the allocation thereof to each owner, and a presentation of the estimated common expenses for the current calendar 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 apartment owner, at his expense, may at any reasonable time conduct an audit of the books of the Board and Association.
- 15.11 **Books and Records.** The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the apartment owners, apartment mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.
- 15.12 **Bylaws.** Before the Transition Date Declarant will adopt Bylaws to supplement this Declaration to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Statute or this Declaration. Declarant may amend the Declaration and Bylaws from time to time until the Transition Date. After the Transition Date the Bylaws may be amended by the affirmative vote of 80% of the voting power at any duly called regular or special meeting of the Association. However, no material amendment of the Declaration or Bylaws may be made without the prior written approval of each institutional holder of a first mortgage lien on an apartment.
- 15.13 **Inspection of Condominium Documents, Books, and Records.** During normal business hours and at other reasonable times this Declaration, the Bylaws, and other rules governing the operation of the condominium and the most recent annual audited financial statement shall be available for inspection by the apartment owners, apartment mortgagees, Mortgage Insurers, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them and, in addition, at such times the books and records of the Association shall be available for inspection by the Association owners, Association mortgagees, Mortgage Insurers, and the agents or attorneys of either of them.
- 15.14 **Notices.** Notices or demands, for any purpose, shall be given by the Association to apartment owners and by apartment owners to the Association and other apartment owners, in the manner provided for in the Bylaws.
- 15.15 **Funds.** All funds and the titles of all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the apartment owners for the purposes herein stated.

31  
OCT 27 1989

- 15.16 **Income.** All income received by the Association from the rental or licensing of any part of the common areas shall be used for the purposes of reducing common expenses.
- 15.17 **Non-Profit.** Nothing herein contained shall be construed to give the Board or the Association authority to, and neither the Board nor the Association shall, conduct any business for profit on behalf of all of the owners or any of them.

**SECTION 16 -- MANAGEMENT OF THE ASSOCIATION**

16.01 **Professional Management.** It is not the intent of Declarant to retain professional management prior to the transition date, but Declarant reserves the right to do so if, in Declarant's sole discretion, it appears advisable. Professional management may be retained by the Board after Transition Date, if approved by a 60% or more vote of the Association. In the event professional management is retained by Declarant or the Temporary Board prior to Transition Date, any such management contract shall by its terms expire when control is turned over to the apartment owners. Any professional management contract entered into at any time shall not be effective for a period exceeding one year and shall contain a clause allowing either party to terminate, without cause, upon 30 days' written notice to the other. All incurred costs of professional management shall be allocated to the common expenses of the Association.

16.02 **Management by Declarant.** Until the Transition Date, which shall be defined as (1) a date five (5) years from the date of the recording of this Declaration, or (2) the 120th day after Declarant has transferred title to purchasers of apartments representing 75% of the total voting power of all apartment owners in the condominium as then constituted, or (3) the date on which Declarant elects to permanently relinquish all of Declarant's authority under this Section 16.02 by written notice to all owners, whichever date first occurs, the property shall be managed and the Association organized as follows, at the discretion of the Declarant. If the Transition Date has occurred under the foregoing provision (2), the 75% of the total voting power shall be determined on the basis of the voting power of all apartments then in the Condominium.

So long as no Temporary Board is then entitled to exercise management authority under Section 16.03.01, Declarant, or a managing agent selected by Declarant, shall have the power and authority to exercise all of the rights, duties and functions of the Board, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance, and collecting and expending all assessments and Association funds. Declarant, or any management agent, shall have the exclusive right to contract for all goods and services, payment from which is to be made from any common or maintenance funds.

16.03 **Management by the Board.** The Association shall be administered and managed by a Temporary Board of Directors of three (3) persons who shall serve during the interim period described below, and thereafter by a Board of Directors of five (5) persons.

16.03.01 **Temporary Board of Directors.** The Declarant may, at its option and at such time as it deems appropriate, appoint a Temporary Board of Directors of three (3) persons who need not be unit owners. The Temporary Board of Directors (and the Declarant until the Temporary Board is appointed) shall exercise the rights, duties and functions of the Board of Directors as set forth in this Declaration until the regular Board of Directors is elected by the unit owners pursuant to Section 16.03.02. The Temporary Board shall have the full authority and all rights, responsibilities, privileges and duties to manage the condominium under this Declaration and Bylaws, and shall be subject to all provisions of the Declaration and Bylaws; provided that, after selecting a Temporary Board, Declarant, in the exercise of its sole discretion, may at any time terminate the Temporary Board, and reassume its management authority under Section 16.02 or select a new Temporary Board under this Section.

16.03.02 **Board of Directors.** The Declarant shall call a special meeting of the Association for the purpose of electing the Board of Directors no later than two (2) years from the date this Declaration is recorded, or within 120 days after sales of units accounting for seventy-five percent (75%) of the percentage of undivided interest have been closed, whichever shall first occur. Notice of said meeting shall be mailed by regular mail to each unit owner at the address of the unit involved or at such other address as the unit owner shall have furnished in writing to the Declarant. At said special meeting, the unit owners shall elect a Board of Directors consisting of five (5) persons, who shall serve without compensation.

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(22)

**OCT 27 1989**

8910271156

- 16.03.03 **Term.** The term of office of the directors shall be two years, with four (4) directors being elected at each annual meeting during even-numbered years, and three (3) directors being elected at each annual meeting during odd-numbered years. At the special meeting called for the purpose of electing the initial directors who will replace the Temporary Board of Directors, the five (5) directors so elected shall, by lot, determine which shall have one or two year terms, to stagger the expiration dates of the terms of the appropriate number of directors. Any director may be elected to serve for an additional term or terms, with no continuous directorship to exceed two (2) consecutive terms. Any director may be re-elected one full term following expiration of the current term.
- 16.03.04 **Removal of Directors - Vacancies.** Any director may be removed by a majority of the unit owners at a special meeting of the Association called for such purpose. Vacancies for any reason in the Board of Directors may be filled by an election held at a special meeting of the Association called for such purpose, and may also be appointed by the remaining directors, in the event the unit owners do not call such special meeting within a reasonable time. Any director so elected shall serve for the remaining term of the director being replaced. Notwithstanding the foregoing, any temporary directors appointed by the Declarant pursuant to Section 16.03.01 may be removed and replaced solely by the Declarant.
- 16.03.05 **Quorum.** Five (5) members of the Board of Directors shall constitute a quorum. The Board of Directors shall act by majority vote of those present at its meetings where a quorum exists. Meetings may be called, held and conducted in accordance with the Bylaws.
- 16.03.06 **Officers.** The Board of Directors shall elect a President of the Association from among its members, who shall hold office for one year or until his successor is elected and shall preside over both the Board of Directors' meetings and those of the Association. The Board shall also elect a Secretary and Treasurer who shall hold office for one year or until their successors are elected. Any officer of the Association may be re-elected by the Board for any number of successive terms.
- 16.04 **Justification.** These requirements and covenants are made in order to assure that the property and condominium will be adequately administered both in the initial phases of development, and thereafter to assure an orderly transition to Association operations.

SECTION 17 -- LIMITATION OF LIABILITY

- 17.01 **Liability for Utility Failure, etc.** Except to the extent covered by insurance obtained by the Board pursuant to Section 26, neither the Association nor the Board (or the Declarant or the managing agent exercising the powers of the Board) shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to persons or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may lead or flow from outside or from any parts of the buildings, or from any of its 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 common expense 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.
- 17.02 **No Personal Liability.** So long as a Board member, or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then 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 of such person; provided, that this Section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Section 24.

23

OCT 27 1989

17.03 **Indemnification of Board Members.** Each Board member or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, shall be indemnified by the owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved by reason of being or having held such position, or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; 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 interests of the Association. This Section shall extend to and apply also for the indemnification of the Declarant or for the indemnification of the manager, if any.

**SECTION 18 -- NOTICES**

18.01 **Form and Delivery of Notice.** 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 on the third day of regular mail delivery after it has been deposited in the United States mail in King County, Washington, 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 apartment shall be sufficient if mailed to the apartment 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 Declarant until the Transition Date and thereafter shall be given to the president or secretary of the Association.

18.02 **Notices to Mortgagees.** Any mortgagee of an apartment or Mortgage Insurer may file with the secretary of the Board a written request that it be given copies of notices. The request may state the name and address of the mortgage servicer to whose care notices to the mortgagee are to be given. Until such time thereafter as the mortgagee or Mortgage Insurer withdraws the request or satisfies the mortgage of record, the Board shall send to the requesting mortgagee a copy of (1) all notices of meetings of the Association; (2) all other notices sent to the owner of the apartment covered by the mortgagee's or Mortgage Insurer's mortgage which statement shall also be provided to Agencies with an interest or prospective interest in the condominium and prospective mortgagees upon written request; (3) audited financial statements prepared pursuant to Section 15; (4) notices of any intention of the Association to transfer any part of the common areas or facilities, abandon condominium status, or terminate professional management of the condominium; and (5) prompt notice of any default in an apartment owners' obligations under any of the documents that create or govern the condominium, or its rules and regulations, that is not cured within 30 days of the date of default. Institutional holders of first mortgages on apartments shall be entitled to notices under Section 25 (Damage and Reconstruction) and Section 26 (Condemnation) irrespective of whether they have filed requests for notices. The provisions of this Section 18.02 shall prevail over any inconsistent or contrary provision in this Declaration or in the Bylaws.

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**SECTION 19 -- AUTHORITY AND DUTIES OF THE BOARD**

The Association, acting by and through the Board of Directors, its officers, manager or other duly authorized agents or representatives, shall have the following authority and power:

19.01 **Enforcement.** To enforce the provisions of this Declaration and the rules and regulations adopted pursuant hereto; and to enforce the liens, charges, assessments, restrictions, limitations, conditions, covenants and provisions of the Declaration, including rules and regulations adopted pursuant hereto, and all other rights to the Association; to pay all expenses arising out of the exercise of such authority or incidental thereto out of the common expense fund; enforce binding arbitration; and, to bring suits at law and in equity to enforce the same.

19.02 **Contracting.** To contract for all goods, services and insurance, payment for which is to be made from the common expense fund, which authority shall reside in the Board.

24

OCT 27 1989

19.03 **Acquisition.** To acquire and pay for the following out of the common expense fund as hereinafter provided:

19.03.01 The improvement, lighting, maintenance and repair of walks, gateways, fences, ornamental features, building exteriors and other common areas and facilities existing or hereafter to be constructed or created; provided that, there shall be no structural alterations, capital addition to, or capital improvements of the common areas requiring an expenditure in excess of \$5,000.00 without prior approval of owners holding a majority of the total votes.

19.03.02 Water, sewer, garbage collection, electrical, security, telephone, oil and gas, and other necessary utility services for the common area to the extent not separately metered or charged to the apartments.

19.03.03 Insurance policies and bonds according to Section 24 of this Declaration.

19.03.04 The services of a gardener or landscape maintenance firm to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the property.

19.03.05 Legal, accounting, and other professional services necessary or proper in the operation of the common area or the enforcement of this Declaration.

19.03.06 Painting, maintenance, repair and replacement, and all landscaping of the common area and such furnishings and equipment for the common areas, as the Board shall determine are necessary and proper.

19.03.07 Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or Bylaws or which in its opinion shall be necessary or proper for the operation of the common area or for the enforcement of this Declaration; provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for the benefit of particular apartments only, the cost thereof shall be specifically assessed to the owners of such apartments.

19.03.08 Maintenance and repair of any apartment, if such maintenance or repair is reasonably necessary in the discretion of the Board, to protect the common area or preserve the appearance and value of the development and the owner or owners of said apartment have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to said owner or owners; provided that the Board shall levy a special assessment against such apartment and such owner or owners for the cost of said maintenance or repair.

19.04 **Assessment.** To establish, levy, collect and enforce such charges or fees as may be necessary to carry out, pay off and otherwise meet the expense of carrying out and performing any of the above general enumerated powers or duties or other purposes for which the Association may be formed, including but not limited to cash reserves, maintenance, taxes, repairs and insurance; and to determine the amount of special assessments to be levied against a particular unit or units for expenses incurred in enforcing the provisions of this Declaration or the Bylaws against the residents or owners of the unit or units, and to collect such special assessments and enforce the collection thereof in the manner authorized in Section 20 of this Declaration, the Bylaws, the Act or other laws of the State of Washington.

19.05 **Discharging of Liens.** To pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which is claimed to or, in the opinion of the Board, may constitute a lien against the property or against the common areas rather than merely against the interest of particular owners therein. Where such lien is not properly a lien against the common areas, the owners responsible for the existence of the lien shall be jointly and severally liable for the cost of discharging it; and any costs and expenses, including reasonable attorneys' fees and costs of title search incurred by the Board by reason of such lien or liens, shall be assessed against the owners and the apartments responsible.

19.06 **Defend the Association.** To institute or defend actions at law, in equity or before administrative bodies, to further or protect the interests of the Association, the unit owners, and the property and to incur such expenses and attorneys' fees as may be reasonable, necessary or convenient for the accomplishment thereof.

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25

OCT 27 1989

8910271156

- 19.07 **Attorney-in-Fact.** Each owner, by the mere act of becoming an owner or contract purchaser of an apartment, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonable necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the property, to deal with the property upon damage or destruction, and to secure insurance proceeds.
- 19.08 **Borrowing of Funds.** In the discharge of its duties and the exercise of its powers as set forth in Section 19, but subject to the limitations set forth therein, the Board may borrow funds on behalf of the Association and to secure the repayment thereof, encumber, subject to a vote of approval of seventy-five percent (75%) of the members, and to the limitations set forth in this Declaration and Association's funds.
- 19.09 **Additional Powers of Association.** In addition to the duties and powers of the Association, as specified herein, and elsewhere in this Declaration, and subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things which may be deemed reasonably necessary to carry out its duties and the purposes of this Declaration including, but not limited to, capital improvements, obtaining of appropriate insurance and bonds, and the adoption of additional bylaws and rules and regulations governing the Association and owners. In the event of conflict between this Declaration and any such additional Bylaws or rules and regulations, the provisions of this Declaration shall prevail.
- 19.10 **Financial Statements.** The Board shall prepare or cause to be prepared at least annually (or more frequently if desired by the Board), a balance sheet and an operating (income/expense) statement for the Association, copies of which shall be distributed to each of the owners at the annual meeting or at most within thirty (30) days after the accounting date. The operating statement shall include a schedule of assessments received and receivable. The Board will require that an external audit be prepared annually by an independent public accountant within ninety (90) days following the end of each fiscal year.
- 19.11 **Limitation of Power.** The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for, out of the maintenance fund, capital additions and improvements (other than for purposes of restoring, replacing or repairing portions of the common areas) having a total cost in excess of five thousand dollars (\$5,000.), without first obtaining the affirmative vote of the owners holding a majority of the voting power present or represented at a meeting called for such purpose, or if no such meeting is held, then the written consent of voting owners having a majority of the voting power; provided that any expenditure or contract for each capital addition or improvement in excess of twenty-five thousand dollars (\$25,000) must be approved by owners having not less than seventy-five percent (75%) of the voting power.
- 19.12 **Property Rights.** The Board may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interests, and may dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the owners in the same proportion as their respective interests in the common areas, and such property shall thereafter be held, sold, leased, rented, mortgaged, or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct. The Board shall not, however, in any case acquire by lease or purchase real or personal property valued in excess of five thousand dollars (\$5,000) except upon a majority vote of the members, or valued in excess of twenty-five thousand dollars (\$25,000) except upon a seventy-five percent (75%) affirmative vote of the members.

**SECTION 20 -- COMMON EXPENSES AND ASSESSMENTS**

- 20.01 **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members thereof, their guests and invitees, and shall be used to improve, protect, operative and maintain the property, improvements, landscape and structures located thereon and to provide for performance of the duties of the Board.
- 20.02 **Based on Percentage.** Except for certain special charges which may be levied against particular apartments under the provisions of this Declaration, all assessments for common expenses shall be assessed to the apartments and the owners on the basis of the percentages set forth in Section 9 hereof and any amendments thereto.

36

OCT 27 1989

8910271156

- 20.03 **Preparation of Budget.** Not less than 30 days before the end of the calendar 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 and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. Declarant or the interim Board shall prepare a budget for the remainder of the calendar years until the transition date. 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.
- 20.04 **Monthly Assessments of Common Expenses.** The sums required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be divided into equal installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly installments shall be assessed to the apartments (including apartments owned by Declarant) and their respective owners in proportion to the apartments' percentages of undivided interest in the common areas and facilities. During such time, garbage collection charges and any other utility charges shall be based on the number of occupied apartments. Any apartments owned by Declarant and not occupied shall be exempt from assessment for such charges.
- 20.05 **Common Fund.** All funds collected hereunder shall constitute the common expense fund and shall be expended for the purposes designated in the Declaration, Bylaws or according to law.
- 20.06 **Accounts.** The Association shall maintain at least one bank account for current operations, including reserves for repairs, maintenance and replacements as set forth above and a separate bank account, as a reserve, for payment of insurance. Each month, before making other expenditures, the Board shall deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided for in Section 24. Said insurance reserve account shall be held separate and inviolate until utilized for payment of insurance premiums. The remainder of the monthly revenue from assessments collected may be utilized for payment of other expenses or deposited or credited to other accounts.
- 20.07 **Special Assessments.** If a special assessment becomes chargeable against an apartment under the authority of this Declaration or the Bylaws, the Board shall determine the amount of such special assessment and fix the month or months in which it is to be paid. The special assessment shall be added to the apartment's monthly installment of common expenses and be included in the assessment against the apartment.
- 20.08 **Notice of Assessment.** The Board shall notify each apartment owner in writing of the amount of the monthly assessment to be paid for his apartment and shall furnish copies of each budget on which the assessments are based to all apartment owners and, if so requested, to their respective mortgagees.
- 20.09 **Payment of Monthly Assessments.** On or before the first day of each calendar month each apartment owner shall pay or cause to be paid to the treasurer of the Association the assessment against his apartment 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 interest charges and collection procedures as provided in Section 21.
- 20.10 **Proceeds Belong to Association.** All assessments and other receipts received by the Association on behalf of the condominium shall belong to the Association.
- 20.11 **Limitation on Assessments.** During such time as Declarant continues to be the original owner of an apartment in the condominium and is offering it for sale, no budget shall be adopted or special assessment imposed that will cause the total assessments against any apartment in any month to be more than 10% greater than the total assessment against the apartment for the same month of the preceding calendar year. This limitation may be waived in writing, by Declarant only, for any one or more assessments. No person other than Declarant shall have the power either to assert or waive the limitation stated in this Section.
- 20.12 **Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first unit to be sold to an owner or until the commencement of the next fiscal year as Declarant may determine, the maximum annual assessment shall be one thousand eighty dollars (\$1,080) per year per unit.

27

OCT 27 1989

8910271156

20.13 **Increases In Annual Assessments**

29.13.01 From and after January 1 of the year immediately following the conveyance of the first unit to an owner or the commencement of the next fiscal year, the maximum annual assessment may not, without a vote of the membership as provided below, be increased above the maximum annual assessment for the previous year by more than the percentage increase in the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for the Seattle Metropolitan area. The base year used for such calculations shall be 1989.

20.13.02 From and after January 1 of the year immediately following the conveyance of the first unit to an owner or the commencement of the next fiscal year, the maximum annual assessment may be increased above the amount provided in Section 20.13.01 above only by a vote of the Association at a special meeting duly called for this purpose. Any vote to increase the maximum annual assessment will be valid if and only if (1) seventy-five percent (75%) or more of the Association casts a vote, and (2) at least two-thirds (2/3) of the votes, whether in person or by proxy, are cast in favor of increasing the maximum annual assessment.

20.13.03 The Board of directors may fix the annual assessment at an amount not in excess of the maximum.

20.14 **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, acquisition, or replacement of a capital improvement upon, the common area, including fixtures and personal property related thereto, provided that any such assessment shall be subject to the limitations of Section 25.

20.15 **Exception to Maximum Assessment Limitation.** The limitations on maximum annual assessments under Section 20.12, and special assessments under Section 20.14 shall not apply with respect to a special assessment against a member imposed by the Board to reimburse the Association for costs incurred in bringing the owner or the home into compliance with the provisions of this Declaration.

20.16 **Rights of the Board - Waiver of Owners.** Each owner hereby vests in and delegates to the Board or its duly authorized representatives, the right and power to bring all actions at law, including lien foreclosures whether judicially or by power of sale or otherwise, against any owner(s) for the collection of delinquent assessments in accordance herewith. Each owner hereby expressly waives any objection to the enforcement, in accordance with this Declaration, of the obligation to pay assessments as set forth herein.

20.17 **Assessment Deposit.** A unit owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a deposit of not more than the total of: either one (1) annual assessment if the annual assessment is payable on an annual basis, or three (3) annual assessment installments if annual assessments are payable on a monthly or other periodic basis; plus either one (1) special assessment if special assessments are payable on an annual basis, or three (3) special assessment installments if special assessments are payable on a monthly or other periodic basis. Such deposit may be collected as are other assessments and charges. Such deposit shall be held in a separate fund, be credited to such owner, and be for the purpose of establishing a working capital fund for the initial project operations and a reserve for delinquent assessments. Resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his assessments and charges, to meet unforeseen expenditures, to acquire additional equipment or services deemed necessary or desirable by the Board, or as a credit against any annual or special assessments to become due from such owner. Said deposits shall not be considered as advance payments of annual assessments. All or any portion of such deposit may at any time be refunded to the owner by the Association in the discretion of the Board, such refund being made as a cash refund or a credit against assessments subsequently to become due or a combination thereof.

During the initial months of the Condominium operations, the Board shall establish a working capital fund equal to at least a two months estimated common area charge for each unit.

20.18 **Failure to Assess.** Any failure by the Board or the Association to make the budget 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 assessment amount established for the preceding year shall continue until a new assessment is established.

23

OCT 27 1989

- 20.19 **Waiver of Liability.** An owner's liability for assessments cannot be avoided by a waiver of the use or enjoyment of any or all of the common areas and facilities or by an abandonment of the apartment for which the assessment is levied.
- 20.20 **Records.** The Board shall keep accurate records of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses of the common area and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner, by any first mortgagee of any unit and any condominium mortgagee at convenient hours of week days. Pursuant to Section 15.10, within 90 days following the end of any fiscal year adopted by the homeowner's Association, the Board shall cause an audit to be made of the Association's accounts by an outside organization. Copies of said audit shall be distributed to each unit owner and mortgagee at the annual meeting of the Association.
- 20.21 **Exempt Property.** All common areas and limited common areas subject to this Declaration shall be exempt from the assessments created herein.

**SECTION 21 -- LIEN AND COLLECTION OF ASSESSMENTS**

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- 21.01 **Assessments Are a Lien; Priority.** All unpaid sums assessed by the Association for the share of the common expenses chargeable to any apartment and any sums specially assessed to any apartment under the authority of this Declaration or the Bylaws (together with interest, costs, and attorney's fees in the event of delinquency) shall constitute a continuing lien on the apartment from the date of assessment became due until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the apartment in favor of any assessing unit and/or special district, and to all sums unpaid on all mortgages of record, but shall have priority over all other liens against the apartment. A first mortgagee of an apartment that obtains possession through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the apartment free of any claims for the share of common expenses or assessments which became payable prior to such sale or transfer, but a sale or transfer pursuant to a foreclosure shall not relieve the transferee from liability for, nor the unit transferred from the lien for any share of common expense or assessment thereafter becoming due.
- 21.02 **Notice of Creation of Assessment Lien.** The notice of assessment shall not be filed of record unless and until the Board or a person designated by it, shall have delivered to the defaulting owner, not less than fifteen (15) days prior to the recordation of such notice of assessment, a written notice of default and a demand to cure same within said fifteen (15) day period.
- 21.03 **Lien May be Foreclosed.** The Lien for delinquent assessments may be foreclosed by suit by the managing agent or the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The managing agent or the Board, acting on behalf of the Association, shall have the power to bid in the apartment at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.
- 21.04 **Assessments are Personal Obligations.** In addition to constituting a lien on the apartment, all sums assessed by the Association chargeable to any apartment (together with interest, costs and attorneys fees in the event of delinquency) shall be the joint and several personal obligations of the owner and any contract purchaser of the apartment when the assessment is made and, if assumed by them or required by law, their grantees. Suit to recover personal judgement for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.
- 21.05 **Interest on Delinquent Assessments.** The Board may from time to time establish the rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the rate of 12% per annum.
- 21.06 **Recovery of Attorneys' Fees and Costs.** In any action to collect delinquent assessments, the plaintiff shall be entitled to recover as a part of its judgement a reasonable sum for attorneys' fees and expenses reasonably incurred in preparing for and prosecuting the action, in addition to taxable costs permitted by law.

39

**OCT 27 1989**

8910271156

- 21.07 **Termination of Utility Service.** If an assessment becomes delinquent, the Board may give notice to the delinquent apartment owner to the effect that unless the delinquent assessment is paid within ten days (or such longer time as is specified in the notice) any or all utility services furnished to the apartment by the Association or under the Association's control will be severed and shall remain severed until the delinquent assessment has been paid. If the delinquency is not cured in the time specified, the Board may take the action described in the notice.
- 21.08 **Curing of Default.** The Board shall file and record a satisfaction and release of the lien created by a notice of assessment filed and recorded in accordance with this article upon timely payment or other satisfaction of all delinquent assessments set forth in the notice, and all other assessments which have become due and payable following the date of such recordation with respect to the lot as to which such notice of assessment was filed and recorded, together with all costs, late charges and interest which have accrued thereon. A fee of twenty dollars (\$20.00) covering the cost of preparation and recordation shall be paid to the Association prior to such action. The satisfaction of the lien created by the notice of assessment shall be executed by any director of the Association or by any authorized representative of the Board. For the purposes of this paragraph, the term "costs" shall include costs and expenses actually incurred or expanded by the Association in connection with the cost of preparation and recordation of the notice of assessment and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorney fees.
- 21.09 **Remedies Cumulative.** The remedies provided are cumulative. The Board may pursue them concurrently, as well as any other remedies available under law although not expressed herein.
- 21.10 **Security Deposit.** An apartment owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three 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 days or more delinquent in paying his assessments.
- 21.11 **Estoppel Certificate.** A certificate in recordable form, executed and acknowledged by the treasurer or the president of the Association (or an authorized agent thereof if neither the president nor treasurer is available) stating the indebtedness for assessments, or lack thereof, secured by a lien upon any apartment created hereunder shall be furnished to any owner, purchaser or encumbrancer of an apartment within a reasonable time after request, for a reasonable fee not to exceed \$15.00. Such statement shall be conclusive upon the Board and the owners as to the amount of such indebtedness on the date of the certificate in favor of all persons who rely thereon in good faith. Any encumbrancer holding a lien on an apartment may pay any unpaid common expenses payable with respect to such apartment and upon such payment, such encumbrancer shall have a lien on such apartment for the amounts paid of the encumbrancer's option, he may add the amounts so paid to the principal amount of the obligation or other indebtedness for which he has a lien.

**SECTION 22 -- NO WAIVER OF STRICT PERFORMANCE**

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of any Bylaws, administrative rules or regulations, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This Section also extends to the Declarant or Declarant's managing agent, exercising the powers of the Board during the initial period of operation of the Association.

30

OCT 27 1989

**SECTION 23 -- INDEMNIFICATION**

Each Board member and Association committee member and Association officer, and Declarant and the managing agent shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonable incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his duties; 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.

**SECTION 24 -- INSURANCE**

The insurance which shall be carried upon the property shall be governed by the following provisions:

24.01 **Insurance Coverage.** The Board shall obtain and maintain at all times as a common expense such policy or policies of insurance and bonds which are required to provide:

24.01.01 Fire insurance, with extended coverage endorsement, including such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and uses as this building, including but not limited to, vandalism, malicious mischief, windstorm, and water damage, in an amount equal to the full insurable replacement value (without deduction for depreciation, but equal to 100 per cent of current replacement cost) of the common areas, limited common areas, personal property belonging to the Association, and all apartments and appurtenances thereto including fixtures, building, sewer equipment, streetlights, privately-maintained utilities and other equipment or assets which are financed under the condominium or apartment mortgages, with the Association named as insured as trustee for the benefit of owners and mortgagees as their interest may appear, or such other fire and casualty insurance as shall give substantially equal or greater protection insuring the owners, and their mortgagees, as their interests may appear. Such policy or policies shall provide for separate protection for each apartment to the full insurable replacement value thereof and a separate loss payable endorsement in favor of the mortgagee or mortgagees of each apartment, if any, and further, a separate loss payable clause in favor of the condominium mortgagee, if any. All insurance shall be obtained from an insurance carrier rated Triple A and rated as in Class VI or better financial category by Best's Insurance Reports or equivalent rating services, and licensed to do business in the state of Washington. All such policies shall be reviewed at least annually by the insurance carrier and the Board to continuously reflect the full replacement value, with an agreed amount endorsement or its equivalent, if available, or an inflation guard endorsement.

Policies shall comply with the requirements of Section 14(a) (i) of Appendix 24 of HUD handbook 4265.1, Home Mortgage Insurance - Condominium Units, Section 234(c), dated December 1980. Certificates of insurance shall be issued to each owner and mortgagee upon request.

24.01.02 Comprehensive general liability insurance insuring the Board, the Association, the owners and Declarant against any liability to the public or to the owners of apartments and the common areas, and their invitees or tenants, incident to the ownership or use of the common areas, limited common areas, and apartments, (including but not limited to owned and nonowned automobile liability, water damage, host liquor liability, attractive nuisance liability, employment contract liability and garagekeeper's liability and such other risks as shall customarily be covered with respect to buildings similar in construction, location and use) with a severability of interest endorsement or equivalent, the liability under which insurance shall not be less than one million dollars for any one person injured; one million dollars for any one accident; and one million dollars for property damage (such policy limits to be reviewed at least annually by the Board and increased in its discretion).

24.01.03 Workmen's compensation insurance to the extent required by applicable laws.

8910271156

31

OCT 27 1989

8910271156

- 24.01.04 Fidelity bonds naming the members of the Board, all officers and employees of the Association, the manager or such other persons as may be designated by the Board as principals, and the Board in trust for apartment owners as obligees. In an amount equal to at least one and one-half times the total annual assessments for operating expenses, insurance and reserves. Such bonds shall include as principals all employees of any professional manager employed by the Association and all other persons handling or responsible for funds of (or, administered by) the Association, and also shall contain an endorsement waiving any defense by the insurer to liability based upon exclusion of an uncompensated person or officer from the definition of "employee" or similar definition limiting the scope of coverage.
- 24.01.05 Insurance against loss of personal property of the Association by theft, fire, or other casualty with such deductible provision as the Board deems advisable.
- 24.01.06 Coverage in the nature of business interruption insurance to assure the payment to the Association of assessments for common expenses owing on account of ownership of an apartment which has been made uninhabitable by fire or other casualty.
- 24.01.07 Such other insurance as the Board deems advisable.
- 24.01.08 If the condominium project is located in any area designated by the United States Department of Housing and Urban Development (or its successor) as a special flood hazard area, then the Board also shall obtain and maintain flood hazard insurance on the common areas, limited common areas and all apartments insuring the Board as trustee for the benefit of owners and mortgagees as their interest may appear in an amount equal to the aggregate of all outstanding principal balances on purchase money apartment mortgages or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.
- 24.02 **Owner's Additional Insurance.** Each owner may obtain additional insurance respecting his apartment as contemplated under RCW 64.220 at his own expense. Each owner shall attempt to obtain insurance which will not decrease the amount which the Board, or any trustee for the Board, on behalf of all of the owners and their mortgagees, will realize under any insurance policy which the Board may have in force on the apartment at any particular time. Each owner is required to and agrees to notify the Board of all improvements to his apartment the cost of which either alone or together with prior improvements not previously reported, exceed \$1,000.00. Any owner who obtains individual insurance policies covering any portion of the condominium other than personal property belonging to such owner hereby is required to file a copy of such individual policy or policies with the Board within 30 days after purchase of such insurance. The Board shall immediately review the effect of such insurance upon the Board's insurance policies and if such policy will decrease the coverage of the Board, the Board shall attempt to find a comparable replacement policy which will not decrease such coverage, which replacement policy shall be substituted for the original policy at no extra cost to the individual owner.
- 24.03 **Insurance Trustee; Payment of Insurance Proceeds.** The Board may designate a bank or trust company as the Board's agent for negotiating insurance claims over \$15,000.00 and receiving payment of insurance pursuant to such claims. The designated bank or trust company shall have the exclusive right and authority to negotiate, settle, compromise and receive payment upon any insurance claim over \$15,000.00 and the insurer may accept a release and discharge of liability from such bank or trust company on behalf of the named insureds under the policy, including mortgagees. Except as its appointment may be revoked by substitution of a different bank or trust company, or otherwise, the right and authority of the designated bank or trust company is not subject to control by the Board, the Association or any other named insured.
- 24.04 **Additional Policy Provisions.** The insurance policies required under Section 24.01 shall:
- 24.04.01 Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution; by reason of any other insurance obtained by or for any apartment owner;
- 24.04.02 Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any apartment owner or any other person under the direction of either of them;

32

OCT 27 1989

8910271156

- 24.04.03 Provide that such policy may not be cancelled or its coverage reduced (whether or not requested by the Board and whether or not for premium non-payment) except by the insurer giving at least 30 days' prior written notice thereof to the Board and every other person in interest who shall have requested such notice of the insurer including, without limitation, Mortgage Insurers and those who service loans on behalf of FNMA;
- 24.04.04 Contain a waiver by the insurer of any right of subrogation to any right of the Board, the Association or any owner, their guests, agents or servants against the owner or lessee of any apartment, their guests, agents, servants, the Board or the Association;
- 24.04.05 Provided that, notwithstanding any provisions thereof which give the insurer the right to elect to repair damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law;
- 24.04.06 In addition, the insurance policy required under Section 24.01 shall contain a standard mortgagee clause which shall:
- (a) provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease of the project, 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 apartment owners or any persons under any of them;
  - (c) waive 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 over \$15,000.00 shall be payable to the Insurance trustee, if any, or if none and in any event if under \$15,000.00, shall be payable to the Board as trustees for the owners and their mortgagees.
- 24.05 FNMA. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by the Federal National Mortgage Association, so long as it is a mortgagee or owner of a condominium within the project, except to the extent such coverage is not available or has been waived in writing. (F) This paragraph shall not be amended without the consent of all the institutional holders of mortgages of record.

SECTION 25 --- DAMAGE AND RECONSTRUCTION

- 25.01 **Initial Board Determinations.** In the event of damage or destruction to any part of the property, the Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, make the following determinations with respect thereto employing such advice as the Board deems advisable:
- 25.01.01 The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.
- 25.01.02 An estimate of the cost to repair and restore the damage and destruction, which estimate shall, if practicable, be based upon two or more firm bids obtained from responsible contractors.
- 25.01.03 The anticipated insurance proceeds, if any, which will be available from insurance covering the loss, based on the amount paid or initially offered by the insurer.
- 25.01.04 The amount, if any, that the estimated cost of repair and restoration will exceed the anticipated insurance proceeds, and the amount to any special assessment which will be necessary in such event.
- 25.01.05 The Board's recommendations as to whether such damage or destruction should be repaired or restored.

33

OCT 27 1989

8910271156

- 25.02 **Notice of Damage or Destruction.** The Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, provide each unit owner, and each mortgagee and Mortgage Insurer with a written notice summarizing the initial Board determinations made under Section 25.01. If the Board fails to do so within thirty (30) days, then any unit owner or mortgagee may make the determinations required under Section 25.01 and give the notice required under this Section 25.02.
- 25.03 **Definitions.** As used in this Section 25, the words "repair", "reconstruct", "rebuild" or "restore" mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each unit and the common and limited common areas having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations or available means or construction may be made. As used in this Section 25, the term "emergency work" means that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the unit owners from liability from the condition of the site.
- 25.04 **Restoration.** Unless prior to the commencement of repair and restoration work (other than emergency work) the unit owners and holders of first mortgages shall have decided not to repair and reconstruct in accordance with the provisions of Section 25, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense which shall be specially assessed against all units in proportion to their percentages of interest in the common areas and facilities.
- 25.04.01 The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to accomplish the repair and restoration. The Board may in its discretion authorize the insurance carrier involved to proceed with the repair and restoration work.
- 25.04.02 The Board may authorize an agreement with any reputable financial institution or trust or escrow company to act as an insurance trustee to adjust and settle claims for losses exceeding \$50,000.00, to collect the insurance proceeds, and to carry out the provisions of this Section.
- 25.05 **Limited Damage--Assessment under \$3,500.** If the amount of the estimated assessment determined under Subsection 25.01.04 does not exceed \$3,500 for any one unit, the following provisions shall apply:
- 25.05.01 Either the Board or a requisite number of unit owners, within fifteen (15) days after the notice required under Section 25.2 has been given, may, but shall not be required to, call a special meeting of the Association to consider such repair and restoration work.
- 25.05.02 Except for emergency work, no repair and restoration work shall be commenced until after said 15-day period and until after the conclusion of said special meeting if such meeting is called within said 15 days.
- 25.05.03 A unanimous decision of the unit owners and approval of the holders of first mortgages on units to which at least 25% of the votes of units subject to mortgages held by such holders are allocated will be required to avoid the provisions of Subsection 26.04.01 and to determine not to repair and restore the damage and destruction; provided, that the failure of the Board or the unit owners within said 15-day period to call for said special meeting shall be conclusively deemed a unanimous decision to undertake such work.
- 25.06 **Major Damage--Assessment over \$3,500.** If the amount of the estimated assessment determined under Subsection 25.01.04 exceeds \$3,500 for any one unit, the following provisions shall apply:
- 25.06.01 The Board shall promptly, and in all events within thirty (30) days after the date of damage or destruction, call a special meeting of the Association to consider repair and restoration of such damage or destruction. If the Board fails to do so within said 30-day period, then any unit owner or mortgagee may convene and conduct the meeting required under this Subsection 25.06.01.
- 25.06.02 Except for emergency work, no repair and restoration work shall be commenced until the conclusion of the special meeting of the Association required under Subsection 25.06.01.

34

OCT 27 1989

8910271156

- 25.06.03 A concurring vote of two-thirds (2/3) or more of the total voting power of unit owners and approval of the holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such holders are allocated will be required to avoid the provision of 25.04 and to determine not to repair and restore the damage and destruction; provided, that failure of the Board, the unit owners, or mortgagees to convene the special meeting required under Subsection 25.06.01 within ninety (90) days after the date of damage or destruction shall be deemed unanimous decision to undertake such repair and restoration work.
- 25.07 **Decision Not to Restore--Disposition.** In the event of a decision under either Subsection 25.05.03 or 25.06.03 not to repair or restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and common expense 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 or destroyed buildings, and clearing, filling and grading the land), and any remaining funds and the property shall thereafter be held and distributed as follows:
- 25.07.01 The property shall be owned in common by the unit owners and shall no longer be subject to this Declaration or to condominium ownership;
- 25.07.02 The undivided interest in the property owned in common which appertains to each unit shall be the percentage of undivided interest previously owned by such unit owner in the common areas and facilities;
- 25.07.03 Any mortgages or liens affecting any of the property shall be deemed transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property as provided herein; and
- 25.07.04 The property shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund; such fund shall be divided into separate shares, one for each unit owner in the property; then, after first paying out of the respective share of each unit owned, to the extent sufficient for the purpose, all mortgages and liens on the undivided interest in the property owned by such unit owner, the balance remaining in each share shall then be distributed to each unit owner respectively.
- 25.08 **Miscellaneous.** The provisions of this Section 25 shall constitute the procedure by which a determination is made by the unit owners to repair, restore, reconstruct or rebuild as provided in the act. By the act of accepting an interest in the property, each unit owner and party claiming by, through or under such unit owner hereby consents and agrees to the provisions hereof. In the event that any provision of this Section 25 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect the validity of any other provision of this Declaration. The purpose of this Section 25 shall be to provide a fair and equitable method of allocating the costs of repair and restoration and making a determination of repair and restoration if all or a portion of the improvements are damaged or destroyed, and the provisions hereof shall be liberally construed to accomplish such purpose. The dollar amounts specified in this Section 25 may, in the discretion of the Board, be increased proportionately by the increase, if any, in the Consumer Price Index for "All Items" prepared by the United States Department of Labor for the year 1989, preceding for the year in which the damage occurred over the year 1989, to adjust for any inflation in the value of the dollar. By unanimous vote taken within ninety (90) day after the damage or destruction, the unit owners may determine to do otherwise than provided in this Section 25.

**SECTION 26 -- CONDEMNATION**

- 26.01 **Consequences of Condemnation.** If at any time or times during the continuance of condominium ownership pursuant to this Declaration, all or any part of the property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Section 26 shall apply. The Board shall promptly notify all unit owners and mortgage holders of any condemnation proceedings.
- 26.02 **Proceeds.** All compensation, damages, or other proceeds obtained in connection with a condemnation, (the "Condemnation Award") shall be payable to the Association.

35

OCT 27 1989

8910271156

- 26.03 **Complete Taking.** If the entire property is taken, condemned, sold or otherwise disposed of, the condominium ownership shall terminate, and the Condemnation Award shall be apportioned among the owners in proportion to their respective undivided interest in the common area, provided, however, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining the apportionment the same standard shall be employed to the extent possible. The Board shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. After first paying out of respective share of each apartment owner all mortgages and liens on the undivided interest in the property owned by such owner (to the extent sufficient for the purpose), the balance remaining in each share, if any, shall be distributed to the respective apartment owners.
- 26.04 **Partial Taking.** If less than the entire property is taken, condemned, sold, or otherwise disposed of, the condominium ownership hereunder shall not terminate, and each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:
- 26.04.01 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award among compensation, damages, or other proceeds.
- 26.04.02 The Board shall apportion the amounts so allocated to taking of or injury to the common areas which in turn shall be apportioned among the owners in proportion to their respective undivided interests in the common areas.
- 26.04.03 The total amount allocated to severance damages shall be apportioned among those apartments which were not condemned.
- 26.04.04 The respective amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within his own apartment shall be apportioned to the particular apartment involved.
- 26.04.05 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable under the circumstances.
- 26.04.06 If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Board shall employ that allocation to the extent it is relevant and applicable.
- 26.04.07 Distribution of apportioned proceeds shall be made to the respective owners and their respective mortgagees in the manner provided in Section 26.03.
- 26.05 **Reductions of Condominium Upon Partial Taking.** The provisions of this Section 26.05 shall take effect immediately upon the condemning authority's taking possession of an apartment or apartments in the event that
- (a) such a partial taking occurs, which pursuant to Section 26.04, does not result in a termination of condominium ownership hereunder, and
  - (b) at least one (1) apartment is taken or condemned, and
  - (c) the condemning authority elects not to hold, use, and own the apartment as a condominium apartment owner subject to and in accordance with this Declaration.
- 26.05.01 The apartments subject to this Declaration shall be reduced to those apartment(s) not taken or condemned (or not sold or otherwise disposed of in lieu of or in avoidance thereof).
- 26.05.02 The general common areas subject to this Declaration shall be reduced to the common area not so taken or condemned.
- 26.05.03 The limited common areas, which were not taken or condemned, but which were appurtenant to apartments that were taken or condemned, shall be deemed part of the general common areas remaining subject to this Declaration.
- 26.05.04 The percentage of undivided interest in the common areas appurtenant to each apartment not taken or condemned shall be recalculated on a basis so that the relative value of each apartment remains the same as set forth in Section 9 and the value of the entire property not so taken or condemned shall be the aggregate of the value of each such apartment.

36

OCT 27 1989

- 26.05.05 Except with respect to the share of proceeds apportioned pursuant to Section 26.04, no owner or mortgagee of an apartment taken or condemned shall have any right, title, interest, privilege, duty or obligation in, to, or with respect to the Association, or any apartment, common area or limited common area which remains subject to this Declaration.
- 26.05.06 Except as otherwise expressly provided in Section 26.05, the rights, title, interests, privileges, duties and obligations of an owner or mortgagee in, to, or with respect to an apartment not taken or condemned (and in, to, or with respect to the Association and the common areas and limited common areas appurtenant to said apartment) shall continue in full force and effect as provided in this Declaration.
- 26.05.07 The provisions of Section 26.05 shall be binding upon and inure to the benefit of all owners and mortgagees of (and other persons) having or claiming to have any interest in all apartments which are, as well as all apartments which are not, so taken or condemned. All such owners, mortgagees, and other persons agree to execute and deliver any documents, agreements, or instruments (including, but not limited to, appropriate amendments to the Declaration, Survey Map and Plans) reasonably necessary to effectuate the provisions of this Section 26.05.
- 26.05.08 **Reconstruction and Repair.** Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 25 above, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge an owner from liability for any special assessment arising from the operation of Section 20.

**SECTION 27 -- EASEMENTS**

8910271156

- 27.01 **General.** Each apartment has an easement in and through each other apartment and the common areas and facilities for all support elements and utility, wiring, heat, and service elements, and for reasonable access therefor, as required to effectuate and continue proper operation of the condominium. In addition, each apartment and all the common areas and facilities are specifically subject to easements as required for the electrical wiring and plumbing for each apartment. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.
- 27.02 **Encroachments.** Each apartment and all common areas and facilities are hereby declared to have an easement over all adjoining apartments and common areas and facilities 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 improvements, or any other similar cause, and encroachment due to building overhead or projection. There shall be valid easements for the maintenance of the encroaching apartments, areas, and facilities so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachments; provided, however, that in no event shall a valid easement for encroachment be created in favor of an apartment if the encroachment was caused by the willful act with full knowledge of the apartment owner. The encroachments described in this Section 27.02 shall not be construed to be encumbrances affecting the marketability of title to any apartment.
- 27.03 **Easement Specifically Reserved by Declarant.** Declarant reserves an easement over, across, and through the common areas and facilities of the condominium for the purpose of completing any unfinished apartments or other improvements and exhibiting and preparing apartments for sale.

**SECTION 28 -- PROCEDURES FOR SUBDIVIDING OR COMBINING**

- 28.01 **Procedure.** Subdivision and/or combining of any apartment or apartments, common areas and facilities, or limited common areas and facilities are authorized as follows:
- 28.01.01 Any owner of any apartment or apartments may propose any subdividing or combining of an apartment or apartments, and appurtenant common areas or limited common areas in writing, together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration, Survey Map and Plans covering the subdividing or combining, to the Board, which shall then notify all other apartment owners of the requested sub-division or combination.

37

OCT 27 1989

28.01.02 Upon (1) written approval of such proposal by the Board and (2) written approval by seventy-five percent (75%) of the owners, and (3) written approval of seventy-five percent (75%) of the first mortgagees of all the apartments, and (4) unanimous approval of the owners and the first mortgagees of the apartment(s) to be combined or subdivided, then and only then may the owner making the proposal proceed according to such plans and specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that provisions for the protection of other apartments or common areas or reasonable deadlines for completion of the work be inserted in the contracts for the work.

28.01.03 The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be places of record as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of Section 30.

28.02.04 Notwithstanding the provisions of this Section, the Declarant may alter the configuration of unsold apartments to add, subtract, or modify rooms, provided that the percentage of interest of apartments already sold is not modified, their assessments increased or voting rights affected. The Declarant may at any time record for purposes of this Subsection an amendment to this Declaration and any required amendments to the Survey Map and Plans and to the extent, if any, that the same is required by statute, the owners and any mortgagees agree not to unreasonably withhold their consent to any such amendments.

28.02 Undivided Interest in Common Areas and Facilities. Any plan of combination or subdivision shall provide that the space combined or subdivided shall have, after such combination or subdivision, the same percentage of total value and total undivided interest in the common areas and facilities that the space involved had prior to such combination or subdivision.

**SECTION 29 -- SURVEY MAP AND PLANS**

The Survey Map and Plans referred to herein were filed with the recorder of King County, Washington, simultaneously with the recording of this Declaration under King County recorder's No. 8910271156, in volume 92 of condominiums, pages 21 through 26

**SECTION 30 -- AMENDMENT OF DECLARATION, SURVEY MAP AND PLANS**

30.01 **Declaration Amendment.** Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. If an amendment is proposed by owners of 20% or more of the apartments in the condominium, 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 may 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 mortgagees) entitled to receive notice of a meeting of the Association. Amendments may be adopted at a meeting of the owners if seventy-five (75%) of the owners vote for such amendment, or without any meeting if all owners have been duly notified and seventy-five percent (75%) of the owners consent in writing to the amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. Any decision changing (1) the values and percentage of interest expressed herein, (2) a decision that the property be removed from condominium status, or (3) an amendment to this Section 30, except as provided herein, shall require the unanimous consent of the apartment owners and their mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions, and restrictions contained herein which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the Section being amended or the amendment itself.

38  
**OCT 27 1989**

8910271156

- 30.02 **Map and Plans Amendment.** Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions or revised portions thereof, referred to and described in an amendment to the Declaration adopted as provided for herein. Copies of any proposed amendment to the Survey Map and Plans shall be made available for the examination of every owner. Such amendment to the Survey Map and Plans shall also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.
- 30.03 **Requirement of Mortgagee Approval.** In addition to other provisions of this Declaration and of the act, the prior written approval of each institutional holder of a first mortgage and approval of holders of first mortgages which have requested notice pursuant to Section 18.02 on units to which at least 51% of the votes of units subject to a mortgage appertain will be required for any material amendment of this Declaration or by Bylaws, including, but not limited to, any amendment that would change the percentages of undivided interest in the common areas and facilities of the apartment owners.

**SECTION 31 -- SEVERABILITY**

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

**SECTION 32 -- EFFECTIVE DATE**

This Declaration shall take effect upon recording with the King County Recorder.

**SECTION 33 -- ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS**

It is further specifically covenanted that any decision or failure to act by the owners under this Declaration or any applicable provision of law which intends or requires discontinuance of this condominium or removal of the property from the provisions of the act, shall, if such decision or failure to act is sufficient as respects Horizontal Property Regimes under the act, also terminate and discontinue the effect of any and all of the covenants, conditions and restrictions set forth herein, and all provisions of the Survey Map and Plans, unless other specific provision is made by recorded amendments to the Declaration, and, if required, to the Survey Map and Plans.

**SECTION 34 -- PROVISIONS RELATING TO DECLARANT**

- 34.01 **Powers and Duties.** Until the first meeting of the apartment owners has been held, the Declarant or the Temporary Board, as the case may be, shall serve as, and shall have all of the powers and duties of, the Board of the Association and shall act as and for all of the members of the Association. Notwithstanding the foregoing, Declarant may amend this Declaration and the Survey Map and Plans under its sole signature and without the consent or approval of the Board of directors or apartment owners, as follows:
  - 34.01.01 To correct or revise the boundaries, including minor revisions to any future phases, descriptions of the buildings, easements, units and common areas and facilities to reflect their locations as built.
  - 34.01.02 Changing the person who is to receive service of process on behalf of the Park Place Townhomes Association.
  - 34.01.03 To make such reasonable changes as may, from time to time, be required by a mortgagee, including Declarant's construction lender; provided that any such changes shall not affect the values and percentages of interest stated in Section 9 hereto nor shall they materially adversely affect the rights of the apartment owners or other mortgagees.
- 34.02 **Warranties.** Declarant herein makes no warranty or representation in connection with the property or the condominium documents except as specifically provided in such warranty documents, if any; and no person shall rely upon any warranty or representation not so specifically made therein. Declarant's estimates of common expenses and of assessments are intended by Declarant to be accurate within reasonable limits, but no warranty or guaranty of the accuracy of such estimates is made or intended, nor may one be relied upon.

39

OCT 27 1989

**SECTION 35 -- INTERPRETATION**

The provisions of this Declaration shall be construed liberally to effectuate their purpose of creating a uniform plan for the development and operation of this horizontal property regime. It is intended also that, insofar as it affects this Declaration of condominium, the provisions of the act referenced herein under which this Declaration is operative be liberally construed to effect the intent of this Declaration insofar as is reasonably possible. If there are conflicts or inconsistencies within this Declaration or between this Declaration and the Bylaws of the Association, the more restrictive language or terms and provisions of this Declaration shall prevail respectively, and the apartment owners hereby covenant to vote in favor of such amendments in the Bylaws as will remove such conflicts or inconsistencies.

**SECTION 36 -- MORTGAGE PROTECTION**

- 36.01 **Construction Mortgage Lender.** Seattle First National Bank has financed the construction of the buildings and improvements on the property and holds a Deed of Trust on the property dated August 18, 1989 under King County Recording No. 8908211093, and a Subordination Agreement signed by Betty Lou Fish, Recording No. 8908211094. Seattle First National Bank does not waive or consent to any modification of its rights thereunder, and retains all security interests against the buildings, the units, the common areas and facilities, and all other portions of the property and the improvements thereon, except insofar as the same may be specifically relinquished by written partial release of the Deed of Trust signed by Seattle First National Bank from time to time, for each unit and its percentage of interest in the common areas, as each unit is sold and conveyed, pursuant to agreement for such releases made apart from the Declaration.
- 36.02 **Retention and Extension of Developer's Powers.** In the event that the developer's obligation to any mortgagee or Deed of Trust financing construction of the condominium has not been paid in full at the time the developer's management power has expired, then said powers conferred upon the developer in this Declaration shall be extended for an additional two (2) years if the construction mortgagee so requests in writing; provided, however, that said powers extended under this Section shall not be extended, or if previously extended shall terminate, when units are sold, and sales closed, accounting for seventy-five percent (75%) of the total percentage of undivided interest; and provided further that the construction lender will not unreasonably refuse to permit the Declarant to relinquish the management powers, nor insist on retention should such retention at any time conflict with provisions of law or if the relinquishment thereof be required by any proposed institutional first mortgagee of a unit or by a mortgage insurer, or corporation or agency administering any program creating any form of market for mortgages.
- 36.03 **Rights of Construction Mortgagees After Foreclosure.** Although no such rights are warranted to such mortgagee by any party, the following rights shall be accorded to the construction lender of the condominium to the extent permitted by law.
- 36.03.01 **Obtaining Developer's Powers.** If the construction lender of the condominium forecloses its mortgage or Deed of Trust or acquires a deed in lieu of foreclosure, and obtains possessory rights, legal title, or certificates of sale of the unsold units and appurtenant common areas to which the Deed of Trust or mortgage liens extend, then the construction lender of the condominium may succeed to and assume, to the exclusion of the developer, the rights, powers and privileges of the developer as set forth in this Declaration, and may further assign and transfer such rights or the right to have or obtain such rights to any other person.
- 36.03.02 **Appointment of Receiver.** The construction lender of the condominium shall be entitled to appointment of a receiver during the pendency of any foreclosure of its security instruments, if it accelerates its indebtedness, and said receiver shall immediately, upon appointment, succeed to and assume the rights and powers of the developer as set forth in this Declaration, and the receiver shall be entitled to sell unsold units during the pendency of said foreclosure, and said sales shall be subject to confirmation by court order. All proceeds of such sales shall be accounted for and, after reasonable receiver's fees and costs of sale approved by the court, shall be applied in reduction of the indebtedness to the construction lender.

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OCT 27 1989

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- 36.03.03 **Liability of Construction Lender.** In the event the construction lender of the condominium obtains possessory rights, or any rights which may subject it to liability for common expense assessments for any unit, in any way as a result of the foreclosure of the mortgage or deed of trust financing construction of the condominium, or by taking of a transfer in lieu of foreclosure, then said construction lender will be liable for only that portion of any assessments against any unit to which said construction lender is so entitled for which developer is liable under law and this Declaration; provided, that in no event will the construction lender be liable for any past due assessments which accrued or became due prior to the time the construction lender obtained possession by foreclosure or by deed in lieu of foreclosure except as provided in this Declaration or the Bylaws.
- 36.03.04 **Signature by Construction Lender.** If this Declaration is signed by the construction lender of the condominium, such signature indicates that arrangements have been made to release units for sale, and that upon the first such release, the said construction lender accepts the condominium status of the project, but until such first release the rights of the construction lender against the entire property and each unit are superior to the rights of any purchaser of the project or of any portion or unit thereof.
- 36.04 **Past Due Assessments.** Notwithstanding all other provisions of this Declaration and as provided in the act, the liens created under this Declaration upon any unit for assessment shall be subject to the rights of the secured party in the case of any indebtedness secured by mortgages made in good faith and for value of the unit or of all or a part of the property which extend to the unit. Where a mortgagee of a mortgage of record or other purchaser obtains possession of a unit as a result of mortgage foreclosure (including sale under deed of trust), such possessor and his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit which became due prior to such possession, but will be liable for the common expenses and assessments coming due after such possession. Such unpaid share of common expenses or assessments shall be an additional common expense collectible from all of the unit owners including such possessor, its successor and assigns. In any form of foreclosure of a mortgage, the Association lien subject to such mortgage will be automatically extinguished as to the foreclosing mortgagee to the extent provided herein upon completion of the foreclosure without requirement that it be specified and extinguishment called for in the foreclosure proceedings.
- 36.05 **Option to Pay Past Due Assessments.** Unless otherwise prohibited by law, any mortgagee may pay any unpaid common expenses payable with respect to the unit on which he has a mortgage, and upon such payment the mortgagee shall have a lien on the unit for the amounts paid of the same rank as the lien of his encumbrance.
- 36.06 **Abandonment or Change of Condominium Status--Use of Hazard Insurance.** Except for consequences provided by the act for certain situations involving damage or destruction, or in cases of condemnation effected by judicial action, neither the Association nor the Board, nor the owners shall, without prior written approval of holders of first mortgages on units to which at least seventy-five percent (75%) of the votes of units subject to a mortgage appertain seek by act or omission to abandon or terminate the condominium status of the property; partition or subdivide any unit; seek to abandon, partition, subdivide, encumber or sell the common elements--but easements or grants to public utilities or governmental agencies, or for utility or public purposes, are permitted if they are required or if they are consistent with the use of the property for purposes of this condominium; use hazard insurance proceeds from losses to any condominium property for other than repair, restoration, rebuilding, reconstruction, or replacement of the property; or seek to change the single family residential or related uses as defined and limited in this Declaration to which any unit or portion of the common area is restricted.
- 36.07 **Additional Rights and Privileges of Mortgagees.** Any mortgagee shall be entitled to the following rights and privileges:
- 36.07.01 In the event a unit owner shall have pledged his vote to a mortgagee, to cast the vote pursuant to the authority given under the terms of the pledge involved; provided, however, that a unit owner may only pledge his vote to a mortgagee during the period of foreclosure.

91

OCT 27 1989

- 36.07.02 To receive written notice contemporaneous with notice sent to the unit owner at the address designated by the mortgagee of:
- (a) All annual or special meetings of the Association;
  - (b) Any default by the unit owner in the performance of any obligations under this Declaration, the Bylaws or the act which is not cured within thirty (30) days;
  - (c) Any condemnation or eminent domain proceeding affecting the property; and
  - (d) All other matters for which the unit owner is entitled to written notice under the terms of this Declaration, the Bylaws, the act, or other applicable laws, ordinances or administrative rules and regulations.
- The notices required under subparagraphs (a) and (c) shall be given to the mortgagee on or before the time or times that comparable notices are to be given to the unit owners. The notice rights available pursuant to this subsection shall also be available to Mortgage Insurers.
- 36.07.03 To examine the books and records of the Association and to be given a copy of the annual financial statement and report of the Association, as provided in Section 15.10.
- 36.07.04 To be given the endorsements of insurance policies and the notices, and to exercise all other rights and privileges with respect to insurance matters which are specified in Section 24 for the benefit of mortgagees.
- 36.07.05 To be permitted to designate a representative to attend all meetings of the Association.
- 36.08 **Amendments of Declaration and Bylaws.** Notwithstanding any other provision contained in this Declaration, no amendment of this Section or of any other provision of this Declaration or of the Bylaws shall affect the rights of the holder of any mortgage recorded prior to the recordation of such amendment, unless the holder shall have consented to such amendment in writing.

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**SECTION 37 -- MISCELLANEOUS**

- 37.01 **Conveyances; Notice Required.** The right of an owner to sell, transfer, or otherwise convey his 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 sell a unit shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: the unit being sold; the name and address of the purchaser, of the closing agent, of the lender financing the purchase, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. Provided, however, the failure of an owner to provide such notice shall not nullify or otherwise adversely affect any unit sale. 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, if any, whether or not such information is requested.
- 37.02 **Remedies Cumulative.** The remedies provided are cumulative, and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.
- 37.03 **Successors and Assigns.** This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, leasees, sublessees and assignees of the owners.
- 37.05 **Joint and Several Liability.** In the case of joint ownership of a lot, the liability of each of the owners thereof in connection with the liabilities and obligations of owners, set forth in or imposed by this Declaration, shall be joint and several.

**SECTION 38 -- CAPTIONS**

Captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text hereof.

4/3

**OCT 27 1989**

**SECTION 39 -- COVENANTS RUNNING WITH THE LAND**

All provisions of this Declaration shall be construed to be covenants running with the land and with every part thereof and interest therein including but not limited to each apartment and the appurtenances thereof; and each apartment owner and claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors, lessees, tenants and assigns shall be bound by all of the provisions therein. It specifically is covenanted that any discontinuance of this condominium or removal of the property from the provisions of the act also shall terminate and discontinue the effect of any and all of the covenants, conditions and restrictions set forth herein and all provisions of the Survey Map and Plans, unless otherwise specifically provided for by recorded amendment to this Declaration and, if required, to the Survey Map and Plans.

**SECTION 40 -- INFLATIONARY INCREASES IN DOLLAR LIMITS**

The dollar limits specified in Sections 9, 24 and 25 may, at 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, 1989, to adjust for any inflation in the value of the dollar.

The foregoing Declaration is adopted by Declarant effective this 24<sup>th</sup> day of October, 1989

DECLARANT:

PARK AVENUE ASSOCIATES

BY Drew D. Hall  
DREW D. HALL

8910271156

43

OCT 27 1989

SCHEDULE A  
PARK PLACE TOWNHOMES

Unit Parking Assignments, Areas, Values and Percentages of Undivided Interest

The table below shows the parking space assigned to each unit and the area value and percentage of undivided interest in the common areas and facilities for each unit in the condominium.

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Unit	Parking Space	Living Area sq. ft.	Garage Area sq. ft.	Total Area sq. ft.	Value	Percentage
A-1	28	1029	228	1257	\$74,950	3.412%
A-2	27	1031	230	1261	71,950	3.276
A-3	26	1032	229	1261	71,950	3.276
A-4	29	1029	231	1260	74,950	3.412
A-5	30	1031	229	1260	74,950	3.412
A-6	25	1038	231	1269	71,950	3.276
A-7	24	1039	230	1269	71,950	3.276
A-8	23	1039	229	1268	71,950	3.276
A-9	22	1041	231	1272	71,950	3.276
A-10	21	1029	231	1260	74,950	3.412
A-11	20	1028	229	1257	74,950	3.412
A-12	19	1034	229	1263	71,950	3.276
A-13	18	1042	231	1273	71,950	3.276
A-14	17	1045	229	1274	71,950	3.276
A-15	16	1037	229	1266	71,950	3.276
A-16	15	1027	228	1255	74,950	3.412
A-17	14	1034	231	1264	74,950	3.412
A-18	13	1040	231	1271	71,950	3.276
A-19	12	1062	231	1293	71,950	3.276
A-20	11	1030	231	1261	74,950	3.412
A-21	8	1025	231	1256	74,950	3.412
A-22	7	1035	232	1267	71,950	3.276
A-23	6	1040	232	1272	71,950	3.276
A-24	5	1037	231	1268	71,950	3.276
A-25	4	1035	232	1267	71,950	3.276
A-26	3	1029	232	1261	74,950	3.412
B-27	32	1120	236	1356	73,950	3.366
B-28	33	1118	234	1352	73,950	3.366
B-29	2	1121	237	1358	73,950	3.366
B-30	1	1119	236	1355	73,950	3.366
					<u>\$2,196,500</u>	<u>100.000%</u>

44

OCT 27 1989



**AMENDMENT TO THE DECLARATION**  
of the Park Place Townhomes Association  
Original Declaration Recorded Under #8910271155/6  
December 27, 1989

Upon consensus and approval of more than seventy-five percent (75%) of the homeowners constituting Park Place Townhomes Association, one hundred (100) votes total, the following amendment to the declaration and covenants, conditions, restrictions and reservations was adopted May 6, 1990 pursuant to Section 30, filed for record under King County Auditor's number 8910271155/6, December 27, 1989.

91008220220

Be it resolved that the declaration and covenants, conditions, restrictions and reservations for the Park Place Townhomes Association shall be and is hereby amended as follows:

90/08/22 #0220 1A  
RECD F 5.00  
REC FEE 2.00  
CASHSL \*\*\*\*\*7.00

SCHEDULE A

PARK PLACE TOWNHOMES

Unit Parking Assignments, Areas, Values and Percentages of Undivided Interest

The table below shows the parking space assigned to each unit and the area value and percentage of undivided interest in the common area and facilities for each unit in the condominium.

unit	parking space	living area sq. ft.	garage area sq. ft.	total area sq. ft.	value	percentage
A-1	1	1029	228	1257	\$ 74,950	3.412
A-2	27	1031	230	1261	71,950	3.276
A-3	26	1032	229	1261	71,950	3.276
A-4	4	1029	231	1260	74,950	3.412
A-5	5	1031	229	1260	74,950	3.412
A-6	25	1038	231	1269	71,950	3.276
A-7	24	1039	230	1269	71,950	3.276
A-8	23	1039	229	1268	71,950	3.276
A-9	22	1041	231	1272	71,950	3.276
A-10	21	1029	231	1260	74,950	3.412
A-11	20	1028	229	1257	74,950	3.412
A-12	19	1034	229	1263	71,950	3.276
A-13	18	1042	231	1273	71,950	3.276
A-14	17	1045	229	1274	71,950	3.276
A-15	16	1037	229	1266	71,950	3.276
A-16	15	1027	228	1255	74,950	3.412
A-17	14	1034	231	1264	74,950	3.412
A-18	13	1040	231	1271	71,950	3.276
A-19	12	1062	231	1293	71,950	3.276
A-20	11	1030	231	1261	74,950	3.412
A-21	8	1025	231	1256	74,950	3.412
A-22	7	1035	232	1267	71,950	3.276
A-23	6	1040	232	1272	71,950	3.276
A-24		1037	231	1268	71,950	3.276
A-25		1035	232	1267	71,950	3.276
A-26	3	1029	232	1261	74,950	3.412
B-27	2	1120	236	1356	73,950	3.366
B-28	28	1118	234	1352	73,950	3.366
B-29	29	1121	237	1358	73,950	3.366
B-30	30	1119	236	1355	73,950	3.366
					\$2,196,500	100.000%

RECEIVED THIS DAY  
Aug 22 9 22 AM '90  
BY THE CLERK OF  
RECORDS & DEEDS  
KING COUNTY

PARK PLACE TOWNHOMES ASSOCIATION

by: Steph Ardre *Steph Ardre*  
President

STATE OF WASHINGTON )  
)ss  
COUNTY OF KING )

On this day personally appeared before me Stephen Ardre, President of the Park Place Townhomes Association, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 16th day of Aug, 1990.

*Steph Ardre*  
NOTARY PUBLIC, for the State of Washington  
residing at 1234 5th St NW

**AMENDMENT TO THE DECLARATION**  
of the Park Place Townhomes Association  
Original Declaration Recorded Under #8910271155/6  
December 27, 1989

Upon consensus and approval of more than seventy-five percent (75%) of the homeowners constituting Park Place Townhomes Association, one hundred (100) votes total, the following amendments to the declaration and covenants, conditions, restrictions and reservations was adopted May 6, 1990 pursuant to Section 30, filed for record under King County Auditor's number 8910271155/6, December 27, 1989.

Be it resolved that the declaration and covenants, conditions, restrictions and reservations for the Park Place Townhomes Association shall be and is hereby amended as follows:

**SECTION 14 -- SERVICE OF PROCESS**

James T. Hillman, 400 - 108th Avenue NE, Suite 308, Bellevue, WA 98004, is the person upon whom process may be served as provided for in the Condominium Statute. After organization of the Association, service of process for the purposes provided in the Condominium Statute shall be made upon the registered agent of the Association. The Board may, at any time, designate a different person for such purpose by filing an amendment to the Declaration limited to the sole purpose of making such change, and such limited amendment need be signed and acknowledged only by the president of the Association. The developer may, at any time before the Board is elected, change such designation by amendment to the Declaration signed and acknowledged only by the developer.

PARK PLACE TOWNHOMES ASSOCIATION

by: Stephen Ardire *Step L F. Ard*  
President 90/08/22 #0221 1A

RECD F	3.00	
REC FEE	2.00	
CASHSL		****7.00

91008220221

STATE OF WASHINGTON )  
)ss  
COUNTY OF KING )

On this day personally appeared before me Stephen Ardire, President of the Park Place Townhomes Association, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 11<sup>th</sup> day of Aug, 1990.

Walter J. Williams  
NOTARY PUBLIC for the State of Washington  
residing at 50th Ave NE  
My commission expires 11-29-92

FILED for Record at Request of

Name Hillman Co Inc  
Address 400 108th NE #308  
Bellevue WA 98004

**AMENDMENT TO THE DECLARATION**  
of the Park Place Townhomes Association  
Original Declaration Recorded Under #8910271155/6  
December 27, 1989

Upon consensus and approval of more than seventy-five percent (75%) of the homeowners constituting Park Place Townhomes Association, one hundred (100) votes total, the following amendment to the declaration and covenants, conditions, restrictions and reservations was adopted May 6, 1990 pursuant to Section 30, filed for record under King County Auditor's number 8910271155/6, December 27, 1989.

Be it resolved that the declaration and covenants, conditions, restrictions and reservations for the Park Place Townhomes Association shall be and is hereby amended as follows:

11.02 **Rentals.** No owner shall lease, rent or otherwise create any tenancy in his apartment except as provided herein.

No owner shall lease or rent an apartment for a period of less than thirty (30) days and no owner shall be permitted to lease or rent his apartment for transient or hotel purposes.

All leases and rental agreements shall be in writing and the tenant shall sign that they have received and read the excerpted Declaration and Bylaws and the House Rules of the Park Place Townhomes Association. A copy of this signed statement by the tenant shall be filed with the Board. Default by a tenant under Declaration, Bylaws or Rules will constitute default by the owner under said Declaration, Bylaws and Rules. The owner shall be notified by the Board (certified mail, return receipt requested) of any default by tenant.

Upon notification to the owner of a tenant's default, the owner shall have fifteen (15) days to notify the tenant in writing of the default and demand that the default be remedied. A copy of this letter shall be sent to the Board.

Should noncompliance continue another thirty (30) days past notice to tenant (fifteen [15] days for health and safety hazards), the Board shall demand that the owner pursue all remedies available to him, as provided for in the Washington Residential Landlord/Tenant Act. Notice shall be given by the owner to the Board of action taken by the owner.

In the event the owner shall fail to take action required in this section and the owner's failure shall continue for thirty (30) days, the Board shall have, and the owner hereby grants to the Board, all rights and remedies accorded the owner in law and equity (including, without limitation, the unlawful detainer statutes), and the Board may, in its sole discretion, exercise any or all of such rights and remedies against the tenant in possession of the owner's apartment. Waiver of any such default by the owner, whether express, by acceptance of rent or otherwise, shall not be binding upon the Board unless the Board expressly agrees in writing to such waiver. The owner shall indemnify and hold harmless the Board from and against any and all claims, costs and liabilities, including, without limitation, reasonable attorneys' fees, arising out of or in connection with the Board's exercise of such rights and remedies if the Board, in its reasonable judgement, believes the tenant to be in default in complying with the Declaration or Bylaws. Any such amount unpaid for more than thirty (30) days after the same has been billed to the owner shall be a special assessment on his apartment within the meaning of Article 12 of the Declaration.

9008220222

PARK PLACE TOWNHOMES ASSOCIATION

by: Stephen Ardire      #0222 1A  
President      RECD F      5.00  
                     REC FEE      2.00  
                     CASHSL      \*\*\*\*\*7.00

STATE OF WASHINGTON )  
                                          )ss  
COUNTY OF KING      )

On this day personally appeared before me Stephen Ardire, President of the Park Place Townhomes Association, to me known to be the individual described in and who executed within and foregoing instrument, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 16<sup>th</sup> day of Aug., 1990.

Wanda Leeves  
NOTARY PUBLIC, for the State of Washington  
residing at 4344 Hill St  
My commission expires 4-29-92

RECEIVED THIS DAY  
Aug 22 9 25 AM '90  
THE DIVISION OF  
COUNTY CLERK