

Declaration and Covenants, Conditions, and Restrictions for
USELESS BAY CONDOMINIUMS DIVISION FOURTEEN, USELESS BAY
BEACH & COUNTRY CLUB, INC., recorded October 13, 1971, under
Auditor's File No. 244779

1. DESCRIPTION OF LAND...

2. DESCRIPTION OF BUILDING

The apartment buildings located on the above described land contain ten residence apartments. The apartment buildings have one story and are principally of frame construction. Building A is located in the southeast portion of the described realty and contains six apartments. Building B is located in the northeast portion of the described realty and contains four apartments, all as indicated in the Survey Map and Plans filed in connection with this Declaration.

3. DESCRIPTION OF APARTMENTS

The following described contains the location, approximate area, number of rooms and apartment number for each apartment. The figures for area are approximations only, as provided for by statute, and are not precise computations of apartment area.

Apartments A 101, A 102, A 103, A 104, A 105, and A 106 are located side by side in numerical order in Building A, commencing with Apartment A. Each of these apartments has six rooms including a living-dining area, kitchen, two bathrooms, two bedrooms, a utility area, storage closets, and entry hall, and contains approximately 1013 square feet, including storage area.

Apartment B 201, B 202, B 203, and B 204, are located side by side in numerical order in Building B, commencing with Apartment B 201 as the easternmost unit in Building B and B 204 as the western-most unit in Building B. Each of these apartments has seven rooms, including a living-dining area, kitchen, two bedrooms, den, two bathrooms, a utility area, storage closets, and entry hall, and contains approximately 1392 square feet, including storage area.

4. ACCESS

Each apartment has access from its north entryway to the common walks, lawns, and landscaped areas, thence to the common parking spaces and driveways, and thence to the roadway system, and thereby to the public highway. Each apartment also has access from its living room area through sliding doors facing south to the common lawns and landscaped areas.

5. DESCRIPTION OF COMMON AREAS AND FACILITIES: DISPOSITION OF PARKING SPACES NOT ASSIGNED TO APARTMENTS OR AS GUEST PARKING RESERVED TO DECLARANT

The common areas and facilities consist of those specified in RCW 64.32.010(6), as well as the following:

a. The land above described.

b. The roofs, walls, foundations, studding, joints, beams, supports, main walls (excluding only non-bearing interior partitions of apartments, if any), pipes, conduits, and wires, wherever they may be located whether in partitions or otherwise, and any awnings, and all other structural parts of the buildings, to the interior surfaces of the apartments' perimeter walls, floors, ceilings, windows, and doors; that is, to the boundaries of the apartments as defined in the Act, in RCW 64.32.010(1).

c. The roadways and driving areas which provide access to the limited common areas for parking and to the apartment.

d. The greens, landscaped areas and walkways which surround and

provide access to the buildings or are used for recreational purposes.

e. Certain items which would ordinarily be considered common areas, such as but not limited to screen doors, window screens, awnings, storm windows, planter boxes, antennae, and the like, may, if so specified in the Bylaws, be designated as private or individual items to be furnished and maintained at individual expense in good order according to standards set and requirements set by the Board by rule or regulation.

f. Parking spaces assigned as guest parking. These common area parking spaces include only those specifically designated for guest parking. Spaces not assigned as guest parking or to a specific apartment are reserved by the Declarant and will be assigned as parking for apartments or guest parking for condominium apartments located on adjoining parcels of realty. Declarant shall determine use, assignment, and eventual disposition of all unassigned parking spaces.

6. DESCRIPTION OF LIMITED COMMON AREAS

The limited common areas and facilities consist of

a. The lanais, decks, or patios, adjacent to each apartment;

b. The parking space or spaces assigned to each apartment in this Declaration and the Plans and identified by the number shown in the plans. These parking spaces are located in two lots, Lot 100 being related to building A for its use, and Lot 200 being related to Building B for its use. Each of the limited common areas is reserved for the exclusive use of the apartment to which it is adjacent, or to which it is assigned.

It is possible but not warranted that at some future point in time some form of covering may be desired for some of the parking spaces by the owners of the apartments for which such spaces are limited common areas. If so desired and if feasible the covering may be added at the additional expense of the apartment owner who desires such covered parking and to whose unit the parking space is assigned. Such addition shall not affect the percentage of interest of such apartment, but the cost of maintaining such covered parking shall be paid by a special assessment levied by the Board only against those apartment owners having such covered parking. Excepting that it is levied against only certain apartments, this assessment shall have all the characteristics, priorities and conditions of, and may be enforced in the manner provided for, normal monthly assessments in this Declaration. The decision whether or not to add such covering to parking spaces, their feasibility, how many may be covered, the location thereof, and the structure, design and combination of such coverings is hereby reserved to the Declarant, or this decision may, at the Declarant's option, in whole or in part, be relinquished to by Declarant to the Managing Agent or to the Board of the Association of Apartment Owners. Maintenance of such parking space covering shall fall within the authority of the Board, or the Managing Agent of the condominium.

7. VALUE AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS; ASSIGNMENT OF PARKING SPACES

The value of the entire property is \$308,500.00. The value of each apartment, including all the limited common areas appertaining thereto, and the percentage of undivided interest in the common and limited common areas appertaining to each apartment, is stated in the following table. These values are scheduled to establish the percentages required by the Act, also shown in the table, and do not reflect, necessarily, the amount for which an apartment will be sold, from time to time, by Declarant or others.

This table also shows the assignment of parking spaces to apartments.

<u>Apartment Number</u>	<u>Value</u>	<u>Percentage</u>	<u>Parking Allotment</u>
Unit # 101	\$27,950.00	9.06	Space No. 1-2
# 102	28,950.00	9.38	Space No. 3-4
# 103	28,950.00	9.38	Space No. 5-6
# 104	28,950.00	9.38	Space No. 7-8
# 105	28,950.00	9.38	Space No. 9-10
# 106	28,950.00	9.38	Space No. 11-12
# 201	33,950.00	11.01	Space No. 22-23
# 202	33,950.00	11.01	Space No. 24-25
# 203	33,950.00	11.01	Space No. 17-18
# 204	33,950.00	11.01	Space No. 20-21
Total:	\$ 308,500.00	100.00%	

8. USE; REGULATION OF USES; ARCHITECTURAL UNIFORMITY

a. The buildings and apartments shall be used for single family residential purposes and for common, social, recreational or other reasonable uses incident to such use, and also for such other additional or entirely different uses or purposes as are from time to time determined appropriate by the Board of the Association of Apartment Owners, or Managing Agent. Apartments of the buildings may be used for the purposes of operating the Association of Apartment Owners and for the management of the Condominium if required. This section 8a is subject to section 23h of this Declaration.

b. Parking spaces are restricted to use of parking of motor vehicles; other items and equipment may be parked or kept therein only subject to the rules or regulations of the Board, or Managing Agent.

c. Common drives and walks shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board, or Managing Agent.

d. Limited common areas, although the use thereof may be regulated by this Declaration, are for the sole and exclusive use of the apartment for which they are reserved. Apartment owners will be responsible for care and maintenance of the lanais, decks, or patios adjacent to their apartment, and their assigned parking, as well as other limited common areas assigned to their apartment. Owners may not, however, modify, paint or otherwise decorate, or in any way alter their respective limited common areas without prior approval of the Board, or Managing Agent.

e. In order to preserve a uniform exterior appearance to the building, the Board or Managing Agent may require the painting of the buildings and lanais, decks, or patios and prescribe the type and color of paint, and may prohibit, require, or regulate any modification or decoration of the buildings and lanais, decks, or patios undertaken or proposed by any owner. This power of the Board or Managing Agent extends to screens, doors, awnings, or other visible portions of each apartment and apartment building. The Board or Managing Agent may also require use of a uniform color of draperies or drapery lining for all apartments.

f. Nothing shall be done or kept in any unit or in the common area which will increase the rate of insurance on the common area or buildings without the prior written consent of the Board, or Managing Agent. No owner shall permit anything to be done or kept in his unit or in the common areas which will result in the cancellation of insurance on any unit or any part of the common areas, or which would be in violation of any law.

No waste will be committed in the common area or any Apartment.

g. No sign of any kind shall be displayed to the public view on or from any unit or the common area without the prior consent of the Board, or Managing Agent.

h. No animals, livestock or poultry of any kind shall be raised, bred, or kept in any unit or in the common area, whether as pets or otherwise, except subject to rules and regulations adopted by the Board, or Managing Agent, or Bylaws adopted by the Owners Association.

i. No noxious or offensive activity shall be carried on in any apartment or common area, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

j. Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Board, or Managing Agent.

k. The Board of the Apartment Owners Association, or the Managing Agent, is empowered to pass, or state detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this section, and to regulate the general conduct of Owners in their use of the apartments. There shall be no violation of such rule furnished in writing to the owners.

9. ENTRY FOR REPAIRS OR EMERGENCY

The Board or Managing Agent and their agents or employees, may enter any apartment when necessary in connection with any maintenance, landscaping or construction for which the Board or Managing Agent is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Board or Managing Agent out of the common expense fund if the entry was due to an emergency or for the purpose of maintenance, or repairs, to common areas or another apartment where the repairs to the other apartment were undertaken by or under the direction or authority of the Board, or Managing Agent. The Board or Managing Agent may retain a key to each apartment for the purpose of facilitating such access.

10. SERVICE OF PROCESS

Howard F. Seivers at Seacrest, Langley, Washington is the individual upon whom process may be served as provided for in the Act. After organization of the Association of Apartment Owners, service of process for the purposes provided in the Act may also be made upon the president of the Association. Such service may also be made upon the person who is, from time to time, the general manager of H. and H. Properties, Inc., so long as H. and H. Properties Inc., is the manager or Managing Agent for the condominium. Government agencies having authority for the control of housing, sanitation or the like may contact the Owners' Association through the parties named in this paragraph. The Board of the Apartment Owners Association may at any time designate a new or different person or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then President of the Association of Apartment Owners.

11. VOTING AND OWNERS ASSOCIATION

a. The total voting power of all owners shall be 100 votes and the total number of votes available to owners of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to such apartment.

b. All of the fee owners and contract purchasers of apartments shall

constitute the Association of Owners as defined in the Act and be considered Owners for purposes of this Declaration, the Association and the Bylaws.

c. There shall be one (1) "voting owner" of each apartment. The voting owner shall be designated by the owner or owners of each apartment by written notice to the Board of Directors, or Managing Agent, and need not be an owner. The designation shall be revocable at any time by actual notice to the Board or Managing Agent of the death or judicially declared incompetence of any party with an ownership interest in the apartment or by written notice to the Board or Managing Agent by any such owner of the apartment. This power of designation and revocation may be exercised by the guardian, administrators or executors of an owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting owner of each apartment shall be the group composed of all of its owners; any or all of such owners may be present at any meeting of the voting owners and, if those present act unanimously, the several owners may vote or take any other action as a voting owner. Declarant shall be the voting owner with respect to any apartment or apartments owned by Declarant.

d. If a person, partnership or corporation owns more than one apartment, he or it shall have the votes for each apartment owned. In the event the record owner or owners have pledged their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendor under a duly recorded real estate contract only the vote of such mortgage, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this paragraph shall only be effective upon the written consent of all the voting owners and their respective mortgagees, deed of trust beneficiaries, and vendors, if any.

12. MEETINGS, AUDITS, NOTICES OF MEETINGS

a. Annual Meetings. There shall be an annual meeting of the owners in the first quarter of each year at such reasonable place and time as may be designated by written notice of the Board or Managing Agent 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 an audit of the common expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each owner, and the estimated common expenses for the coming calendar year. The Board at any time, or twenty percent of the owners by written request, may require that an audit of the owners' Association and management books be presented at any special meeting. An apartment owner, at his own expense, may at any reasonable time make an audit of the books of the Board, and Managing Agent.

b. 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 Act or of this Declaration require the approval of all or some of the owners, or for any other reasonable purpose. Such meetings shall be called by written notice, from the president or chairman, at the request of the Managing Agent, a majority of the Board, or owners having one-third of the total votes, and the notice must 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.

13. NOTICES FOR ALL PURPOSES

a. Any notice permitted or required to be delivered under the

provisions of this Declaration or the By-laws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered twenty-four hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, or Managing Agent, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the owner or owners of an apartment shall be sufficient if mailed to the apartment of such person or persons if no other mailing address has been given to the Managing Agent or Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board, or the Managing Agent. Notice to be given to the Managing Agent or the Board may be given to Declarant until the Association and Board have been constituted, or a Managing Agent employed, and thereafter shall be given to such Managing Agent or to the chairman or secretary of the Board.

b. Upon written request therefor, and for a period of three years after such request, a vendor, mortgagee, or deed of trust beneficiary of any apartment unit shall be entitled to be sent a copy of any notices respecting the apartment covered by his security instrument until the request is withdrawn or the security right discharged. Such written requests may be renewed an unlimited number of times.

14. BYLAWS OF ASSOCIATION OF APARTMENT OWNERS; ADMINISTRATION OF PROPERTY DECLARANT'S AUTHORITY, MANAGING AGENT.

Bylaws for the administration of the Association of Apartment Owners, and the property, and for other purposes not inconsistent with the Act or with the terms or intent of this Declaration, shall be adopted by the Association of Apartment Owners by concurrence of those voting owners holding sixty percent of the voting power at a regular or special meeting. Notice of the time, place and purpose of such meeting shall be delivered to each apartment owner at least ten days prior to such meeting. Amendments to the bylaws may be adopted by the same vote at a regular or special meeting similarly called. Administration of the Association shall be by a Board of three directors elected from among the apartment owners. This Board shall elect a chairman or president from among its members who shall preside over meetings of the Board, and the meetings of the Owners' Association.

Until a date three years from the date of recording this Declaration, the Declarant, or a Managing Agent selected by the Declarant, shall have the power and authority to exercise all management functions for the property and to exercise all 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. This requirement is made in order to insure that the property and condominium will be adequately administered in the initial phases and while condominiums are first being developed for Useless Bay. Such Managing Agent shall have the exclusive right to contract for all goods, and services, payment for which is to be made from any common or maintenance funds. At the expiration of such three years, all such power shall vest in the Board, but the Board may delegate all or any portion of such power to a Manager, managing agent, or an officer of the Association, or in such manner as may be provided in the bylaws of the Owners' Association. Until the expiration

of the said tree years, the Board, as soon as constituted, shall be kept fully advised of all matters affecting the condominium by Declarant or Managing Agent and may act as an advisory body to the Managing Agent. The Board shall at all times make the decisions or take the actions required under the following Declaration provisions:

Designation of a new agent for service of process as provided in Section 10, calling of Special Meetings of the Association as provided in Section 12, election of officers as provided in Section 14, whether to utilize the power contained in Section 17(e) to foreclose an assessment lien, or 17(f) to terminate utility service, approval of settlements as provided in Section 21, exercise of the option and right of first refusal provided in Section 22, and the determinations related thereto in Section 23, determination of the compatibility of owners insurance policies as provided in Section 25, the powers respecting damage or destruction provided in Section 26, the determination required of the Board under Sections 30 and 31.

All other powers, shall, under this Declaration, as provided, be exercised by the Managing Agent unless referred to the Board, during the initial three year period from the date of recording this Declaration.

The bylaws shall contain provisions respecting the Managing Agent identical to those provided in this section 14, or as may be required to carry out the intent of this section, and may contain supplementary, not inconsistent provisions regarding the Managing Agent.

The bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the property.

15. AUTHORITY OF THE BOARD OR MANAGING AGENT

The Board or Managing Agent for the benefit of the condominium and the owners shall enforce the provisions of this Declaration and of the Bylaws and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the condominium, including but not limited to the following:

a. Water, sewer, garbage collection, electrical, telephone, gas and other necessary utility service for the common area. If one or more apartments are not separately metered the utility service for such apartment shall be paid as a common expense, and the Board may by reasonable formula allocate a portion of such expense to each such apartment as a portion of its common expense.

b. Policies of insurance providing coverage for fire and other hazard, public liability and property damage and fidelity bonding as the same are more fully set forth in the Bylaws.

c. The services of persons or firms as required to properly manage the affairs of the condominium to the extent deemed advisable by the Board or Managing Agent, as well as such other personnel as the Board or Managing Agent shall determine are necessary or proper for the operation of the common area, whether such personnel are employed directly by the Board or Managing Agent or are furnished by the manager or management firm or agent.

d. Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the common area, or the enforcement of this Declaration.

e. Painting, maintenance, repair and all landscaping and gardening

work for the common area, and such furnishings and equipment for the common area as the Board or Managing Agent shall determine are necessary and proper, and the Board or Managing Agent shall have the exclusive right and duty to acquire the same for the common area; provided however, that the interior surfaces of each unit shall be painted, maintained and repaired by the owners thereof and such maintenance to be at the sole cost and expense of the particular owner.

f. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board or Managing Agent is required to secure by law 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 for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular apartments or their owners, the cost thereof shall be specially assessed to the owner of such apartment.

g. Maintenance and repair of any apartment, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board or Managing Agent to protect the common area or preserve the appearance and value of the condominium development, and the owner or owners of said unit 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 delivered by the Board or Managing Agent to said owner or owners, provided that the Board or Managing Agent shall levy a special assessment against the apartment of such owner or owners for the cost of said maintenance or repair.

h. The Board or Managing Agent may also pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which is claimed to or may, in the opinion of the Board, or Managing Agent, constitute a lien against the property or against the common areas, rather than merely against the interest therein of particular owners. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board or Managing Agent by reason of such lien or liens shall be assessed against the owners and the apartments responsible to the extent of their responsibility.

16. COMMON EXPENSES: ASSESSMENTS, ESTABLISHMENT

a. Within thirty (30) days prior to the beginning of each calendar year the Board or Managing Agent shall estimate the net charges to be paid during such year, to cover all aspects of operation of the condominium provided for in this declaration or reasonably required, which may include a reasonable provision for contingencies and replacement and acquisition and operating reserves, less any expected income and any surplus available from the prior year's fund; provided, that the Managing Agent or the initial Board may at any suitable time establish the first such estimate. Said estimated requirement shall be assessed to apartments and the owner or owners thereof pursuant to the percentage set forth in this Declaration. If the sum estimated proves inadequate for any reason, including nonpayment of any owner's assessment, the Board or Managing Agent may at any time levy a further assessment, which shall be assessed to the owners in like proportions. Each owner shall be obligated to pay assessments made pursuant to this paragraph to the treasurer or Managing Agent for the Association in equal monthly installments on or before the first day of each month during such year, or in

such other reasonable manner as the Board shall designate, and any unpaid assessments shall bear interest at the rate of ten percent per annum from due date until paid; Provided, that the Declarant is not required to pay any portion of any assessment covering replacement, painting or property acquisition for vacant apartments held by Declarant for sale if Declarant elects not to do so.

b. All funds collected hereunder shall be expended for the purposes designated herein.

c. The Board or Managing Agent shall require that the Association maintain separate accounts for current operations, reserves, and a special separate reserve account for payment of insurance. Each month the Board or Managing Agent shall first deposit to the insurance reserves account that portion of the common expenses assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided regarding the condominium and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance premiums. Thereafter the remainder of the common expenses collected may be utilized for payment of other expenses or deposited or credited to other accounts.

d. The omission by the Board or Managing Agent before the expiration of any year, to fix the estimate and assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

e. The Board or Managing Agent shall cause to be kept detailed accurate records in the form established by the Association accountant of the receipts and expenditures of the Association, and affecting the common area, 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 at convenient hours of week days.

f. The Board or Managing Agent may establish special assessments as required, and may provide for the Board or Managing Agent to receive and utilize any special assessments provided for in this Declaration or the By-laws.

17. ASSESSMENTS: NOTICE OF INDEBTEDNESS, LIEN, DEFAULT IN PAYMENT OF ASSESSMENTS, COLLECTION, FORECLOSURE, NOTICE OF OBLIGATION

a. Each monthly assessment and each special assessment shall be joint and several personal debts and obligations of the owner or owners and contract purchasers of apartments for which the same are assessed as of the time and assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special, assessed to the owner and/or purchaser of any apartment and the apartment, plus interest at the legal rate, and costs, including reasonable attorney's fees, shall be a lien upon such apartment. The said lien for payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, as provided in RCW 64.32.200(2). Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosure or waiving the lien securing the same.

b. A certificate executed and acknowledged by the treasurer or the president of the Board or by the Managing Agent or an authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments or lack thereof secured by the lien upon any apartment created hereunder 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, and such certificate shall be furnished to any owner or any encumbrancer of an apartment within a reasonable time after request, in recordable form, at a reasonable fee, not to exceed Ten Dollars (\$10.00). Unless otherwise prohibited by law any encumbrancer holding a lien on an apartment may pay any unpaid common expenses payable with respect to such apartment unit and upon such payment such encumbrancer shall have a lien on such apartment for the amounts paid of the same rank as the lien of this encumbrance.

c. Security deposit. An apartment may be required, by the Board of the Association of Apartment Owners or by the Managing Agent from time to time, to make a security deposit not in excess of three months' estimated monthly assessments, which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such member, and resort may be had thereto at any time when such member is ten (10) days or more delinquent in payment his monthly or other assessments.

d. Foreclosure of assessment lien attorney's fees and costs. The Declarant, Managing Agent, Manager, or Board of Directors on behalf of the Association of Apartment Owners may initiate action to foreclose the lien of any assessment. In any action to foreclose a lien against any apartment for nonpayment of delinquent assessments, any judgment rendered against the owners of such Apartment in favor of the Association of Apartment Owners shall include a reasonable sum for attorney's fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.

e. From the time of commencement of any action to foreclose a lien against an apartment for nonpayment of delinquent assessments, the owner or purchaser of such apartment shall pay to the Association of Apartment Owners the reasonable rental value of said apartment to be fixed by the Board of Directors of the Association of Apartment Owners, and the plaintiff in any such foreclosure shall be entitled to the appointment of a receiver to collect the same, who may, if said rental is not paid, obtain possession of the apartment, refurbish it for rental up to a reasonable standard for rental units in this type of building, rent the Apartment or permit its rental to others, and apply rents first to costs of the receivership and attorney's fees thereof, then to costs of refurbishing the unit, then to costs, fees and charges, of the foreclosure action, then to the payment of the delinquent assessment charges.

f. Termination of utility service. In addition to and not by way of limitation upon other methods of collecting any assessments, the Board of the Association of Apartment Owners shall have the right, after having given ten (10) days' notice to any apartment owner who is delinquent in paying his assessments, to cut off any or all utility services to the delinquent owner's apartment until such assessments are paid.

g. If an apartment is rented by its owner, the Board or Managing Agent may collect and the tenant or lessee shall pay over to the Board or Managing Agent so much of the rent for such Apartment as is required to pay any amounts due the Board hereunder, plus interest and costs, if the same are in default over thirty days. The renter or lessee shall not have the right to question payment over to the Board, or Managing Agent, and such payment will discharge the lessee's or renter's duty of payment to the owner but will not operate to discharge the continuing obligations of the owner under this Declaration for assessments, or operate as an approval of the lease. The Board or Managing Agent shall not exercise this power where a receiver has been appointed.

h. The remedies are cumulative and the Board or Managing Agent may pursue them concurrently, as well as any other remedies which may be

available under law although not expressed herein.

18. MORTGAGE PROTECTION

Notwithstanding all other provisions hereof, the liens created under this Declaration upon any apartment for assessments shall be subject to the provisions of RCW 64.32.200 in their effect upon the rights of the holder of any indebtedness secured by mortgages or deeds of trust upon the apartment made in good faith and for value.

19. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE NO WAIVER

The failure of the Board or Managing Agent 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 the By-laws, 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 terms, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or Managing Agent 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 or Managing Agent of any provision hereof shall be deemed to have been made unless expressed written, and signed by the Board or Managing Agent.

20. LIMITATION OF LIABILITY

The Board or Managing Agent shall not be liable for any failure of any utility or other service to be obtained and paid for hereunder, or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common area, or from any action taken to comply with any law, ordinance or orders of a government authority. This exemption and limitation of liability extends to the entire Association as well as the Board and Managing Agent. This section shall not be interpreted to impose any form of liability by any implication upon the Board or the Association, or Managing Agent. This section also extends to the Declarant exercising the powers of the Board during the initial period of operation of the condominium development.

21. INDEMNIFICATION OF BOARD MEMBERS AND MANAGING AGENT

Each member of the Board and the Managing Agent 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 or it may be a party, or in which he or it may become involved, by reason of being or having been a member of the Board, or acting as Managing Agent, or any settlement thereof, whether or not he is a member of the Board or the Managing Agent at the time such expenses or liabilities are incurred, except in such cases wherein the member of the Board or Managing Agent 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 of Apartment Owners. This section shall extend to and apply also to the Declarant during the initial period of operation of the

condominium development.

22. SALE OR LEASE, RIGHT OF FIRST REFUSAL, OPTION

a. In the event any owner of an apartment shall wish to sell, rent or lease the same, and has received any bona fide offer therefor from a prospective purchaser or tenant, the Board shall be given written notice of all terms thereof and, if it has been so signed, a copy of such offer executed only by the offeror containing all the terms thereof, together with the name and address of the contemplated lessee, renter or purchaser, and such credit, character and other references as the Board may request. Such notice, copy, and references shall be given to the Board for all of the owners. The owners through the Board, or an assignee of the Board for such assignee's own behalf, shall have the irrevocable option or right to purchase or lease or rent the subject apartment upon the same terms and conditions as set forth in the offer, provided written notice of such election to purchase, rent or lease is given to the selling, renting, or leasing owner, and a matching down payment or deposit is provided to the selling, renting, or leasing owner during the 21 day period immediately following the delivery of the notice of the bona fide offer to the Board. After the Board or its assignee shall have elected to exercise the option it shall have ninety days from the date of such election to close the transaction. In the event the Board shall not elect to exercise this option or right of first refusal within the period prescribed the owner may proceed with his proposed transaction, but he shall not be entitled to proceed with any different or other transaction without first again complying with this right of first refusal.

b. The Board shall not exercise this option on behalf of all owners without the prior written consent of all owners or contract purchasers. Acquisitions by the Board of apartments or interests therein under the provisions of this section shall be made from the maintenance fund. If the fund is insufficient, the Board may levy a special assessment against each apartment in proportion to the interest of the owners thereof in the common areas. The Board in its discretion may borrow money to finance the acquisition of an apartment unit or interest therein, which acquisition is authorized by this section; provided, however, that no financing may be secured by an encumbrance of any portion of the property other than the apartment or interest therein to be acquired, and shall not permit a deficiency judgment against the Association. Apartment or interests therein acquired pursuant to the terms of this section shall be held of record in the name of the Board in trust for all the owners. Such apartments or interests therein shall be leased, rented, held or sold by the Board for the benefit of the owners. The net proceeds of such leasing, renting or sale shall be deposited in the Association funds, or distributed to the owners as the Board determines.

c. In the event any owner shall attempt to sell, rent, or lease his apartment without complying with the right of first refusal and option provided for herein, such sale, rental, or lease shall be wholly null and void and shall confer no right, title or interest whatsoever upon the intended purchaser, renter, or lessee.

d. The assignment or subleasing or subrenting of an apartment shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under these covenants shall continue for subsequent transactions, notwithstanding the fact that he may have one or more times assigned, leased or rented said unit and complied herewith.

e. In no case shall the right of first refusal reserved herein affect the right of an owner to subject his apartment to a trust deed,

mortgage or other security instrument in a transaction which is not a sale or lease.

f. The failure or refusal of the Board to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

g. The Board may proceed to purchase the apartment or interest therein of any deceased owner which shall be offered for sale upon the prior written consent of all the apartment owners, which consent shall set forth a maximum price which the Board is authorized to bid and pay for the apartment or interest therein.

h. The restrictions on sale, conveyance, leasing or rental of apartments contained in this section shall not apply to Declarant, the developer, original owner, and seller of each of the condominium apartments created hereby. Acceptance of deeds to or contracts for purchase or any interest whatsoever respecting apartments hereunder is a recognition by the owner or purchaser of such apartment that Declarant may continue to own and lease or rent some or all of the other apartments herein.

23. TRANSACTIONS NOT AFFECTED BY RIGHT OF FIRST REFUSAL (See also Sec. 22h)

In the event of any default on the part of any owner under any mortgage or deed of trust made in good faith and for value, which entitled the holder thereof to foreclose same, any sale under such foreclosure or deed of trust, or any delivery of a deed to the mortgagee or beneficiary in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 22, and the purchaser (or grantee under such deed in lieu of foreclosure) of such apartment shall be thereupon and thereafter subject to the provisions of this Declaration. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) or sale under deed of trust shall be the holder of the mortgage or the deed of trust beneficiary, or its nominee, the said holder or nominee may thereafter sell and convey the apartment free and clear of the provisions of paragraph 22, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interest to a devisee by will, under a community property agreement, or his heirs at law under intestate laws shall not be subject to the provisions of paragraph 22.

If an owner of an apartment can establish to the satisfaction of the Board that a proposed transfer is not a sale or lease or rental, then such transfer shall not be subject to the provisions of paragraph 22.

24. CERTIFICATE OF SATISFACTION OF RIGHT OF FIRST REFUSAL

Upon written request of any owner or purchaser, or any prospective transferee, purchaser, tenant or an existing or prospective mortgagee of any apartment, the secretary of the Board, the President, or four board members, or the Managing Agent if the secretary and President are unavailable, shall be rapidly as reasonably possible, issue a written and acknowledged certificate in recordable form, for a reasonable fee not to exceed \$10.00, evidencing that:

a. With respect to a proposed tenancy, lease or sale under paragraph 22, that proper notice was given by the selling or leasing owner and that the remaining owners did not elect to exercise their option to purchase, lease or rent;

b. With respect to a deed to a vendor, first mortgagee or deed of trust beneficiary or its nominee in lieu of foreclosure or forfeiture, and a deed from such vendor, first mortgagee or beneficiary or its

nominee, pursuant to paragraph 23, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 22;

c. With respect to any contemplated transfer, that it is not in fact a sale or lease or rental such that the transfer is not or will not be subject to the provisions of paragraph 22;

d. Such a certificate shall be conclusive evidence of the facts contained therein.

25. INSURANCE

The Board or Managing Agent shall obtain and maintain at all times insurance against loss to the property from fire and other hazard, and against loss from liability for personal injury and property damage. The insurance shall be of the type and kind and in at least the amounts provided for in the By-laws, and may also provide coverage for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium developments similar in construction, design and use. The insurance policies shall insofar as reasonably possible be governed by the minimum provisions, set forth in the By-laws, and such insurance shall be on a master policy basis covering the entire condominium development.

Each owner may obtain additional insurance respecting his apartment as contemplated under RCW 64.32.220 and 64.32.010(1) at his own expense; no owner shall, however, be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board, in behalf of all of the owners, will realize under any insurance policy which the Board may have in force on the condominium at any particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner of his apartment, the value of which is in excess of One Thousand Dollars (\$1,000.00). Any owner who obtains individual insurance policies covering any portion of the condominium other than personal property belonging to such owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance, and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

26. DAMAGE AND DESTRUCTION

In case of fire, or any other occurrence covered by the insurance policies, causing any damage or destruction to any apartment or common areas, the insurance proceeds shall be applied toward the reconstruction of the buildings damaged. Reconstruction, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, or other occurrence with each apartment and the common area having the same vertical and horizontal boundaries as before. Modifications to conform to then applicable governmental rules and regulations may be made. Such reconstruction shall be accomplished by the Board, or the Managing Agent at the Board's direction and the Board or Managing Agent shall have the authority to employ an architect, advertise for bids and let contract to contractors and others as required to effect the reconstruction. The Board may authorize the insurance company to proceed with the reconstruction upon satisfaction of the Board that such reconstruction will be appropriately carried out.

If the insurance proceeds are insufficient to repair or reconstruct the building or buildings, damage to or destruction of the buildings shall nevertheless be promptly repaired and restored by the Board, utilizing available insurance funds, and all apartment owners shall be liable

equally for assessment for any deficiency as a common expense.

A unanimous decision of the apartment owners will be required to avoid the provisions of this section and determine not to rebuild the buildings. In the event of a decision not to rebuild the Board may nevertheless expend such of the insurance proceeds as may be necessary to remove the remains of buildings and place the site in condition required by any applicable governmental rule or regulation, or in such condition as the Board may determine is necessary to reasonably protect the owners from liability from the condition of the site, and the funds shall thereafter be held and distributed as provided by statute.

The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or trust or escrow company, or with the Managing Agent, that such firm or institution shall act as Insurance Trustee to adjust and settle any claims for such loss in excess of \$50,000.00 or for such firm or institution to collect the insurance proceeds and carry out the provisions of this section.

27. ENFORCEMENT

Each owner shall comply strictly with the provisions of this Declaration and with the By-laws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration and the By-laws and administrative rules and regulations. 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 or Managing Agent on behalf of the owners, or by an aggrieved owner, on his own behalf.

28. ASSOCIATION PROPERTY

The Board or Managing Agent may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in any or all such property shall be owned by the owners in the same proportion as their respective interests in the common area, 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 real property or personal property valued in excess of One Thousand Dollars (\$1,000.00) by lease or purchase except upon a majority vote of the apartment owners.

29. INTERPRETATION

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Horizontal Property Regime.

30. PROCEDURES FOR SUBDIVIDING OR COMBINING

Subdivision and/or combining of any apartment or apartments, common areas and facilities or limited common areas and facilities are authorized only as follows: Any owner of an apartment or apartments may propose any subdividing and/or combining of an Apartment, apartments, or common areas together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration, Survey Map, and Plans covering such subdividing or combining, to all other apartment owners. Upon written approval of such proposal and signature of the amendment to

the Declaration by all other owners, the owner making the proposal may proceed according to such plans and specifications; provided that the Board may (it is not mandatory that the Board exercise this authority) require that the Board or Managing Agent 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. The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Survey Map, Plans and Declaration of Condominium.

31. AMENDMENT OF DECLARATION, SURVEY MAP, PLANS

a. Amendments to the Declaration shall be made in an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, notice of any proposed amendment must be given to all owners of apartments and any proposed amendment must be approved prior to its adoption by a majority of the Board of Directors of the Apartment Owners Association. Amendments may be adopted at a meeting of the owners if sixty percent (60%) of the owners vote for such amendment, or without meeting if all owners have been duly notified and sixty percent (60%) of the owners consent in writing to such amendment. In all events, the amendment shall bear the signature of the president of the Board of the Association of Apartment Owners 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 office of the Island County. Any decision changing the values and percentage of interest expressed herein shall require the unanimous consent of the apartment owners. 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 unless otherwise specifically provided in such clause.

b. Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions thereof referred to and described as to effect in an amendment to the Declaration adopted as provided for herein. Copies of any such 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 office of the Island County Auditor.

c. The Declarant may at any time record an amendment to the documents showing, correcting, or revising the assignment of parking spaces to apartments, and such amendment need be acknowledged only by the Declarant and need not otherwise comply with the requirements of this section.

32. COVENANTS, CONDITIONS, AND RESTRICTIONS: COORDINATING DIVISION 14 CONDOMINIUMS WITH THE REMAINING DIVISIONS OF USELESS BAY BEACH AND COUNTRY CLUB

Although other Useless Bay Condominium developments, and development of lots or tracts adjacent to the portion of Division 14 upon which this Declaration is established, may be of different size or nature, it is intended that a certain continuity of architecture, landscaping, and use be maintained, and made possible for the entire Useless Bay Development. Accordingly, the following provisions are included in this Declaration and are analogous to the covenants affecting other Divisions of Useless Bay, but are modified as appropriate for this Declaration.

These provisions affect each apartment owner, or purchaser, the Association, the Board, and all parties affected or restricted by this Declaration.

a. Streets and easements. All streets, lanes, parking areas, and places shown in the plans filed in conjunction herewith are subject to a utilities easement extending five feet on each side thereof, and projected to plat lines.

b. Building restrictions and limitations. Set back lines for condominium structures shall be at least thirty (30) feet from any other lot line, unless an exception to this requirement is specifically granted by H and H Properties, Inc., or its nominees. If additional construction or reconstruction occurs which is different from the plans filed in conjunction herewith, plans therefore will be submitted first for approval to H & H Properties, Inc., or its nominee as designated, showing particularly, all elevations, outside construction materials, exterior color or colors and the location of such construction or buildings on the property. Approval will be presumed unless within thirty (30) days after the submission of the plans and specifications said H & H Properties, Inc., or its nominee, gives notice in writing of its disapproval thereof.

Prior to any changes in or additional landscaping, a plan of the overall landscaping theme showing all plantings shall be submitted to H & H Properties, Inc., or its nominee for approval. All unimproved areas shall be kept in a manner which would prevent fires and be in keeping with the overall esthetic appearance of the Useless Bay Community.

No building, trailer, tent or structure of any kind shall be erected without written permission of H & H Properties, Inc., or its nominee. Any building, trailer, tent or structure, other than a permanent dwelling structure and appurtenances which conform to these covenants, shall be removed upon written notice and request of H & H Properties, Inc., or its nominee.

Current Island County Building Codes will be followed.

The work of construction, erection, or reconstruction of all buildings and structures shall be prosecuted diligently from commencement thereof and at least the exterior shall be completed within twelve (12) months after construction is started.

Fences and hedges may be installed, erected, or planted only subject to the approval of H and H Properties, Inc.

c. Noxious use of Property. No noxious, illegal or offensive activity shall be carried on nor shall any thing be done which may be or become an annoyance or nuisance to the neighborhood.

No goods, equipment, trucks, vehicles or paraphernalia used or designated for use in connection with any business, service or trade shall be kept or stored on the property. No commercial signs, including "For Sale" signs, shall be placed on any lot or structure. The Board and H and H Properties, Inc. may authorize exceptions to this clause.

d. Animals. No fowl, rodents, hogs, cattle, horses, sheep, goats or similar livestock shall be maintained at any time. Household pets shall be permitted subject to the provisions of this declaration, which extend to the complete prohibition thereof.

e. Electrical and telephone service entrance. Telephone or any other service wires shall be located underground from the street utilities to the entrance of the private buildings. No overhead lines will be permitted.

f. Useless Bay Beach and Country Club, Inc. Each fee owner or contract purchaser of any apartment shall become a member of Useless Bay Beach and Country Club, Inc., a nonprofit Washington Corporation,

(hereinafter, in this paragraph called the Corporation) on the following terms and conditions:

(i) Each membership in the Corporation shall be governed by the Articles of Incorporation, By-laws and Rules and Regulations of the Corporation, including any amendments or revisions thereof, which may hereafter be effected from time to time.

(ii) Each fee owner or contract purchaser shall maintain his membership in the Corporation in good standing, subject to the aforesaid Articles, By-laws and Rules and Regulations, as long as he shall continue to have a fee owner's or contract purchaser's interest in said apartment. The membership shall cease and terminate upon the legal transfer of ownership of said apartment by the member (it being understood that the sale of the realty under a real estate contract or assignment of a vendee's interest in a real estate contract shall constitute a transfer of ownership for the purpose of termination of Membership).

(iii) Each member shall pay when due all fees, dues, charges or assessments which may from time to time become payable to the said Useless Bay Beach and Country Club Corporation; any default or defaults on such obligations or otherwise with regard to the member's duties and obligations as a member of the Corporation, shall subject said defaulting member and/or the apartment owned or being purchased by said defaulting member to such claims, damages, liens, mortgages, penalties and/or other liabilities as may now or hereafter be provided for by law or in the aforesaid Articles, By-laws and Rules and Regulations of the said Corporation.

g. Amendments to this section. The provisions of this section may be amended, revised or terminated, in whole or in part, only by the approval of 65% of the combined total of all of the owners of all residential lots situated within Useless Bay Beach and Country Club, Divisions 1 through 14 inclusive, and all residential lots situated within such additional real property as may hereafter be platted on Whidbey Island, Island County, Washington, by said H & H Properties, Inc., by plats designating such additional real property as a division of Useless Bay Beach and Country Club. The term owners as used in this paragraph shall be deemed to include persons purchasing residential lots or apartments under real estate contracts but shall exclude sellers under real estate contracts (and a-signors of vendee's interests, etc.) When voting on any proposed amendment, revision or termination, each owner shall be entitled to one vote for each residential lot or apartment owned or being purchased by him. These amendment provisions shall control for this section, notwithstanding any other provision of this Declaration or amendment of any other provision of this Declaration.

h. Violation. In the event of the violation of any of the conditions, covenants, restrictions, reservations or easements set forth in this section it shall be lawful for an owner (including contract sellers and purchasers) of any real property situated within any of the Useless Bay Beach and Country Club Divisions, or of any additional real property hereafter platted on Whidbey Island, Island County, Washington, by said H & H Properties, Inc., by plats designating such additional real property as a division of Useless Bay Beach and Country Club, to prosecute any proceedings at law or in equity or under this Declaration against such persons or person causing or attempting to cause any such violations, and to prevent him or them from so doing or to recover damages arising from any such violation, or both.

i. Invalidation. Invalidation of any of the conditions, covenants, restrictions, reservations or easements set forth in this section by a judgment of any court of competent jurisdiction shall in no wise affect any of the other provisions of this section or this Declaration all of which

shall remain in full force and effect.

j. Streets. All streets, roadways, sidewalks, lanes, lots or places shown in the Survey Map and Plans filed in conjunction herewith shall be maintained at the expense of the Apartment Owners Association, or alternatively as provided under the Articles and By-laws of the Useless Bay Beach and Country Club, Inc., in at least as good a condition as they were initially placed in by Declarant.

k. Other Easements. In addition to the easement previously stated there shall be such easements reserved in the common area as may be reasonably required to bring any form of utility service to the apartments. In addition, all utility or other easements shown in the Survey Map and Plans and the reservation hereof are hereby confirmed and ratified for the benefit of adjacent properties as developed by H & H Properties, Inc., or their successors or assigns. The easements herein granted shall not be subject to modification except by agreement of the interested parties.

33. SEVERABILITY

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

34. EFFECTIVE DATE

This Declaration shall take effect upon recording.

35. REFERENCE TO SURVEY MAP AND PLANS

The map and plan of the buildings referred to herein are filed with the Auditor of Island County, Washington, simultaneously with the recording of this Declaration under Auditor's File No. _____ in Volume _____ of Condominiums, pages _____.

Executed by:

USELESS BAY COMPANY

157876

ARTICLES OF INCORPORATION
OF
USELESS BAY BEACH AND COUNTRY CLUB, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, FLOYD E. HOWARD, BARBARA L. HOWARD, CHRISTIAN H. SIEVERS, SHIRLEY J. SIEVERS and HOWARD F. SIEVERS, residing in the State of Washington, and being citizens of the United States, each being over the age of twenty-one years, and being desirous of forming a corporation under Title 24 Revised Code of Washington, relating to non-profit corporations, do hereby associate ourselves together for the purpose of forming a non-profit corporation and make, subscribe, execute and adopt, in triplicate, the following Articles of Incorporation, and certify as follows:

ARTICLE I.

The name of the corporation shall be

USELESS BAY BEACH AND COUNTRY CLUB, INC.

ARTICLE II.

The purpose for which this corporation is formed are:

1. To purchase or otherwise acquire, construct, improve, develop, repair, maintain, operate, care for and/or

dispose of streets, roadways, easements, parkways, playgrounds, open spaces and recreational areas, tennis courts, beaches, boat landings, mooring basins, floats, piers, clubhouses, swimming pools and/or swimming areas, bath houses, places of amusement, community buildings, community clubhouses and in general community facilities appropriate for the use and benefit of its members and of any and all realty hereafter platted on Whidbey Island, Washington, by H & H Properties, Inc., a Washington corporation.

2. To build, improve and maintain roadways, culverts, bridges and drainage areas and to provide for the improving, cleaning and sprinkling of streets, and for collection and disposal of the street sweepings, garbage, ashes, rubbish and the like; to prevent and suppress fires, to provide police protection, and to make and collect charges to cover the costs and expenses therefor.

3. To improve, light and/or maintain streets, roads, alleys, courts, walks, gateways, fences and ornamental features now existing or hereafter to be erected or created, and shelters, comfort stations and/or buildings and improvements ordinarily appurtenant to any of the foregoing; to improve, plant and maintain grass plots and other areas, trees and plantings within the lines of the street immediately adjoining the properties of its members and of said H & H Properties, Inc.

4. So far as it can legally do so, to grant franchises, rights-of-way and easements for public utilities or other purposes.

5. To acquire by gift, purchase, lease or otherwise, and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of real and/or personal property and interests therein wherever situate.

6. To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment, and/or enforcement of covenants, reservations, restrictions, liens and charges imposed upon the realty referred to in Article II, Section I, hereof, and as may be vested in, delegated to, or assigned to this corporation and such duties with respect thereto as may be assigned to and assumed by this corporation.

7. To appropriate, purchase, divert, acquire and store water from streams, water courses, wells or other source, and to distribute the water so appropriated and acquired to its members for use upon the lands of said members and for domestic purposes; to acquire, own, construct, hold, possess, use and maintain such pumping plants, tanks, pipe lines, reservoirs, ditches, buildings, roads, trails, and appliances, and such

other property, including water rights and shares of stock in other corporations as this corporation may from time to time desire to acquire or purchase for furnishing and supplying water to its members; provided that this corporation shall not use or dispose of such water as a public utility, but solely for the use and benefit of its members and for the irrigation of lands and domestic and other useful and beneficial purposes.

8. To fix, establish, levy and collect such fees, dues, charges and/or assessments as may be necessary, in the judgment of the Board of Trustees, to carry out any or all of the purposes for which this corporation is formed, but not in excess of the maximum from time to time fixed by the By-Laws.

9. To expend the moneys collected by this corporation from assessments, fees, dues and charges and other sums received for the payment and discharge of costs, expenses, and obligations incurred by this corporation in carrying out any of all of the purposes for which this corporation is formed.

10. Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by this corporation under or by virtue of any restrictions, conditions, and/or covenants or laws affecting the realty referred to in Article II, Section 1, hereof, or any portion thereof (including areas now or hereafter dedicated to public use); and to do and perform any and all acts which may be

either necessary for, or incidental to, the exercise of any of the foregoing powers or for the peace, health, comfort, safety, and/or general welfare of the members of this corporation.

11. To borrow money and mortgage, pledge or hypothecate any or all of the real or personal property of this corporation as security for money borrowed or debts incurred; and to do any and all things that a corporation organized under said laws of the State of Washington may lawfully do when operating for the benefit of its members or the property of its members, but without profit to this corporation.

12. Generally, to do and perform any and all acts which may be either necessary or proper for, or incidental to, the exercise of any of the foregoing powers and such powers granted by the provisions of Title 24, Revised Code of Washington, and other laws of the States of Washington relating to non-profit corporations.

13. Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting this corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of this corporation shall not be carried on for profit either to itself or for the benefit of its members, and wherever it is authorized to collect fee, dues, charges or assessments it shall

have no power or authority to use said fees, dues, charges or assessments except as necessary.

ARTICLE III.

This corporation shall at all times hereafter be a joint and mutual association of the above named incorporators and such other persons as may hereafter be admitted to membership in accordance with the By-Laws of the corporation. Membership in this corporation and certificates evidencing the same shall be inseparably appurtenant to the respective lots shown on all plats of realty on Whidbey Island, Washington, hereafter filed by said H & H Properties, Inc., and upon transfer of ownership or contract for sale of any such tract, the membership and certificate of membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser. No membership or certificate of membership may be transferred, assigned, or conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership and certificate of membership of such deceased member shall be and become the property of the personal representative of such deceased member upon appointment and qualification as such in a judicial proceeding and such personal representative shall have all of the rights, privileges and liabilities of such member until title shall be transferred or contracted to be transferred.

ARTICLE IV.

The number of trustees of this corporation shall not be less than five (5) nor more than eleven (11). The names of the initial trustees, who shall manage the affairs of the corporation for not less than two (2) months and not more than six (6) months and until their successors are elected by the members are:

<u>NAME</u>	<u>ADDRESS</u>
Floyd E. Howard	Langley, Washington
Christian H. Sievers	Langley, Washington
Howard F. Sievers	Langley, Washington
William H. Sievers	Langley, Washington
Robert B. Olson	Langley, Washington

ARTICLE V.

The time of the existence of this corporation shall be perpetual.

ARTICLE VI.

The principal place of business of this corporation shall be Langley, Washington.

ARTICLE VII.

The qualifications of the members of this corporation, and the property, voting and other rights and privileges, and the liabilities to charges and assessments, of the members, shall be set forth in the By-Laws of the corporation.

IN WITNESS WHEREOF, we, the undersigned, the

incorporators of this corporation have on this 15th day of
May, 1963, hereunto set our hands.

Signed

(Floyd E. Howard)

Signed

(Barbara L. Howard)

Signed

(Christian H. Sievers)

Signed

(Shirley J. Sievers)

Signed

(Howard F. Sievers)

162936

APPROVED
AS TO FORM AND FILED

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION
OF
USELESS BAY BEACH AND COUNTRY CLUB, INC. JUNE 15 1964

VICTOR A. MEYERS
SECRETARY OF STATE

By Jean C. Dunker
(MRS.) JEAN C. DUNKER
ASSISTANT SECRETARY OF STATE

THIS IS TO CERTIFY: That at a meeting of the members and trustees of USELESS BAY BEACH AND COUNTRY CLUB, INC., a Washington non-profit corporation, duly called and regularly held on the 20th day of July, 1963, at which meeting all of the members and trustees were present, a resolution was unanimously adopted upon the vote of all of said members and trustees of the corporation to amend Paragraph 1 of Article II as follows:

"1. To purchase or otherwise acquire, construct, improve, develop, repair, maintain, operate, care for and/or dispose of streets, roadways, easements, parkways, playgrounds, open spaces and recreational areas, tennis courts, beaches, boat landings, mooring basins, floats, piers, clubhouses, swimming pools and/or swimming areas, bath houses, places of amusement, community buildings, community clubhouses and in general community facilities appropriate for the use and benefit of its members and of any and all realty hereafter platted on Mid-bay Island, Washington, by M & H Properties, Inc., a Washington corporation, by plats designating such realty as a division of 'Useless Bay Beach and Country Club';

and to amend Article III of the Articles of Incorporation to read as follows:

III.

"This corporation shall at all times hereafter be a joint and mutual association of the above named incorporators and such other persons as may hereafter be admitted to membership in accordance with the By-laws of the corporation. Membership in this corporation and certificates evidencing the same shall be

USELESS BAY BEACH AND COUNTRY CLUB, INC. - 1 -

JUN 22 1964

inseparably appurtenant to the respective lots shown in all plats of realty on Whidbey Island, Washington hereafter filed by said H & H Properties, Inc. by plats designating such realty as a division of 'Useless Bay Beach and Country Club', and upon transfer of ownership or contract for sale of any such tract, the membership and certificate of membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser. No membership or certificate of membership may be transferred, assigned, or conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership and certificate of membership of such deceased member shall be and become the property of the personal representative of such deceased member upon appointment and qualification as such in a judicial proceeding and such personal representative shall have all of the rights, privileges and liabilities of such member until title shall be transferred or contracted to be transferred".

IN WITNESS WHEREOF, the President and Secretary of the corporation have executed these Articles of Amendment in triplicate and affixed the corporate seal thereto as of the 20th day of July, 1963.

Floyd E. Howard
 (Floyd E. Howard) President

Howard V. Sievers
 (Howard V. Sievers) Secretary

(CORPORATE SEAL)

STATE OF WASHINGTON)
) ss
 COUNTY OF KING)

I, the undersigned, a Notary Public, do hereby certify that on the 6 day of June, 1963, personally appeared before me FLOYD E. HOWARD and HOWARD V. SIEVERS, to me known to be the President and Secretary, respectively, of USELESS BAY BEACH AND COUNTRY CLUB, INC., and the individuals who executed

JUN 22 1964

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H.H. SMITH, CLERK
ISLAND COUNTY, WASH.

DEPUTY

AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of November, 1990, by and between USELESS BAY GOLF AND COUNTRY CLUB, a Washington nonprofit corporation, hereinafter referred to as the "Golf Club," and USELESS BAY COLONY, formerly known as USELESS BAY BEACH AND COUNTRY CLUB, a Washington nonprofit corporation, hereinafter referred to as "Colony Club."

RECITALS

- 1) The parties hereto have previously operated facilities for the mutual benefit of those persons who are owners of property, more particularly described in Exhibit A attached hereto and by this reference incorporated herein, or members of the Useless Bay Golf and Country Club.
- 2) The parties entered into a Joint Venture Agreement on May 7, 1973, and a subsequent amendment thereto, which agreement is being terminated concurrently herewith.
- 3) The parties desire to enter into an Agreement to determine the rights of parties with respect to the use of the Clubhouse, the swimming pool, and the tennis courts; and to clarify the relationship between the parties with respect to future development and costs.

NOW THEREFORE, the parties hereto agree as follows:

- 1. The Colony Club hereby transfers to the Golf Club all its right, title and interest in and to the real properties described in Exhibit B attached hereto, and by this reference incorporated herein.
- 2. The Golf Club hereby relinquishes any and all claims it has, or may have had, for reimbursement from the Colony Club for any claimed operating losses, maintenance, development expenditures, or any other charges which may have been due from the Colony Club to the Golf Club under the Joint Venture Agreement dated May 7, 1973, as amended.

3. The Golf Club agrees to bear all future costs, charges, or expenses for the operation, maintenance and development of the properties conveyed to the Golf Club, except as follows:

a. The Colony Club shall share a portion of the net operating expense relating to the swimming pool. The contribution paid by the Colony Club shall be proportionate, based on the ratio of the number of Colony Club members using the swimming pool to the number of Golf Club members, including social members of the Golf Club, using the swimming pool. (For example, in 1989 such contribution would have been approximately \$4,000.00, based on a ratio of 1:5.)

b. A swimming pool committee shall be established consisting of members of the Golf Club and the Colony Club, with the number of members from each Club to be determined in accordance with the ratio identified in paragraph 3.a.

4. The Colony Club members shall have access to and use of the facilities of the Golf Club under the same terms and conditions as have heretofore existed with respect to the use of the facilities by Colony Club members.

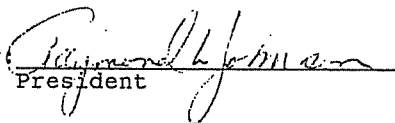
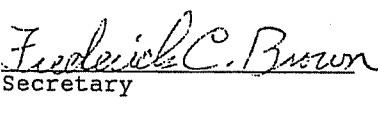
The Colony Club memberships, hereinafter referred to as "Colony memberships," shall be available to those who are owners of a lot or a condominium unit in one of the properties described in Exhibit A. The Colony memberships shall inure to the benefit of any subsequent owner of any lot or condominium unit as described herein, and as more particularly described as set forth in Exhibit A.

5. Colony members shall be charged \$2.50 each per month in order to maintain their Colony membership in good standing with the Golf Club. Colony membership dues shall correspond to charges set for "social memberships" as currently defined in the Bylaws of the Golf Club.

For a period of five (5) years from the date of signing this agreement, Colony membership dues shall remain at \$2.50 per month, to be collected annually by the Colony Club and paid to the Golf Club. After five years, such dues shall be subject to change on the same percentage as dues may increase for "social members" of the Golf Club: provided, however, that Colony membership dues shall not be increased so as effectively to exclude Colony Club members from the use of named facilities.

6. This Agreement has been ratified by vote of a simple majority of the membership of Useless Bay Beach and Country Club and by the Board of Directors of Useless Bay Golf and Country Club and is effective as of the date of signing of this agreement.

Useless Bay Beach and Country Club, Inc.

By:  President By:  Secretary

Useless Bay Golf and Country Club, Inc.

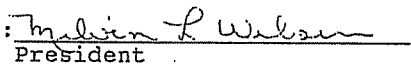
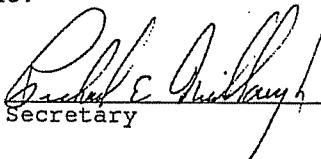
By:  President By:  Secretary

Exhibit A

Useless Bay Beach and Country Club Division No. 1, according to the plat recorded in Volume 7 of Plats, page 54, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 2, according to the plat recorded in Volume 7 of Plats, page 60, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 3, according to the plat recorded in Volume 7 of Plats, page 70, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 4, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 5, according to the plat recorded in Volume 8 of Plats, page 9, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 6, according to the plat recorded in Volume 8 of Plats, pages 41-45, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 7, according to the plat recorded in Volume 8 of Plats, pages 68-71, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 8, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 9, according to the plat recorded in Volume 10 of Plats, page 53, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 10, according to the plat recorded in Volume 10 of Plats, pages 72-75, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 11, according to the plat recorded in Volume 12 of Plats, page 64, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 12, according to the plat recorded in Volume 10 of Plats, page 59, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 14, according to the plat recorded in Volume 11 of Plats, pages 49-52, records of Island County, Washington.

Exhibit B

25
1. Beginning at the West quarter corner of Section 18, Township 29 North, Range 3 E.W.M.; thence North 01° 30' 30" East along the West line of said section a distance of 1394.80 feet; thence South 85° 00' 00" East a distance of 146.60 feet; thence along the arc of a curve to the right having a radius of 246.92 feet and subtending an angle of 57° 20' 00" for 247.08 feet; thence South 27° 40' 00" East for 186.26 feet; thence due South for 50.00 feet to the true point of beginning; thence continue due South for an additional 100.00 feet; thence East for 200.00 feet; thence North for 100.00 feet; thence West for 200.00 feet to the true point of beginning; being a portion of the Southwest quarter of the Northwest quarter of said Section 18 and containing 0.46 acres.

Situate in the County of Island, State of Washington.

2. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

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155
Commencing at the most southerly corner of Lot 60 in the Plat of Useless Bay Beach and County Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40° 48' 54" West for 16.37 feet; thence North 86° 15' 11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 179.55 feet; thence North 89° 25' 19" West for 178.00 feet to the Easterly right of way line of County Club Drive; thence North 27° 40' 31" West along said right of way for 106.48 feet; thence North 76° 36' 02" East for 178.86 feet; thence North 51° 50' 32" East for 67.98 feet to the true point of beginning and containing 0.60 acres.

Situate in the County of Island, State of Washington

3. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

Commencing at the most Southerly corner of Lot 60 in the Plat of Useless Bay Beach and Country Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40° 48' 54" West for 16.37 feet; thence North 86° 15' 11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 51° 50' 32" West for 67.98 feet; thence North 13° 54' 48" West for 144.00 feet; thence North 76° 05' 12" East for 85.00 feet; thence South 120.00 feet to the true point of beginning and containing approximately 0.24 acres.

Also an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying northerly of the following described line: commencing at above mentioned Point "A", the true point of beginning; thence South

51° 50' 32" West for 67.98 feet; thence South 76° 37' 02" West for 178.86 feet to an intersection with the easterly right of way line of Country Club Drive.

The grantor reserves an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying southerly of the following described line: commencing at above mentioned Point "A", the true point of beginning, thence South 51° 50' 32" West for 67.98 feet; thence South 76° 36' 02" West for 178.86 feet to an intersection with the easterly right of way line of Country Club Drive.

Situate in the County of Island, State of Washington

12/11/02



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Page: 1 of 8
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ISLAND COUNTY AUDITOR

AMO

AFTER RECORDING MAIL TO:

Useless Bay Colony, Inc.
Post Office Box 956
Freeland, WA 98249

Amendment No. 1

L48233-W \$26 November 24, 1990 Agreement
recorded under AFN 90022601

THIS AMENDMENT NO. 1 to the November 24, 1990 Agreement by and between USELESS BAY GOLF AND COUNTRY CLUB ("Club"), a Washington nonprofit corporation, and USELESS BAY COLONY ("Colony"), a Washington nonprofit corporation, incorporates:

- I. The changes to that Agreement approved by the membership of the Colony at its July 20, 2002 regular Annual Meeting.
- II. The December 16, 1999 Agreement between the parties.
- III. The March 25, 1998 Action by the Board of Directors of the Club.

I. Changes to November 1990 Agreement

As used in this section, the following definitions shall apply:
Additional Access – Use of clubhouse dining facilities
Additional Dues – Amounts paid by Colony members for such Additional Access

Section 4 of the Agreement is hereby amended to read as follows:

"4. The Colony members shall have access to and use of the facilities of the Club under the same terms and conditions as have heretofore existed with respect to use of said facilities by said members, EXCEPT THAT only those Colony members who have agreed to pay Additional Dues (as hereinafter described) shall have Additional Access to and use of the main floor activities and facilities.

The Colony members memberships, hereinafter referred to as "Colony memberships", shall be available to those who are owners of a lot or a condominium unit in one of the properties described in Exhibit A, as modified by the March 30, 1995 Addendum to this Agreement and the March 25, 1998 Action. The Colony memberships shall inure to the benefit of any subsequent owner of any lot or condominium unit as described herein, and as more particularly described and set forth in Exhibit A, as modified.

Colony members will have at least one participating member on the House Committee, or its successors, of the Club. Said member(s) shall not also be (a) Club member(s)."

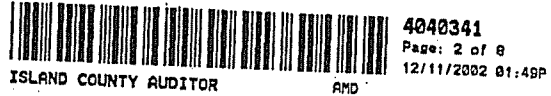
Section 5 is hereby amended to read as follows:

"5. Colony members shall be charged dues of \$38.50 each per year to compensate the Club for administrative and other support services provided by it to the Colony.

Colony members who wish to have Additional Access to the Club may do so upon election to pay Additional Dues of \$60 annually, effective the year beginning July 1, 2002. Colony members may elect such Additional Access at any time subsequent to July 1, 2002 and will be charged Additional Dues effective on the date of such election.

All dues shall be subject to change on the same percentage as dues may increase for "social members" of the Club: provided, however, that Colony member dues shall not be increased so as effectively to exclude Colony members from the use of Club facilities.

12/11/02



Proceeds from such Additional Dues shall be utilized solely to fund capital improvements to the Clubhouse."

All other terms of the Agreement shall remain in force as stated in the Agreement. These changes shall be effective July 1, 2002.

II. December 16, 1999 Agreement

This Agreement, executed on the indicated date, contains terms for Colony participation in use, operation and maintenance and sharing of costs for the tennis courts located proximate to the Club. It is incorporated in this Amendment No. 1 by reference. A copy is attached as Exhibit C.

III. March 25, 1998 Action

On this date, a Special Meeting of the Board of Directors of the Club was called. At which a motion was passed by said Board to grant owners of lots in Division 15 and 17 and along Fairway 12 the same privileges as present Club members. The minutes documenting this action are incorporated in this Amendment No. 1 by reference. A copy is attached as Exhibit D.

Agreed to and accepted on the 20th day of July, 2002

USELESS BAY GOLF & COUNTRY CLUB, INC.

By: Byron J. Vadset, President
Byron J. Vadset

USELESS BAY COLONY, INC.

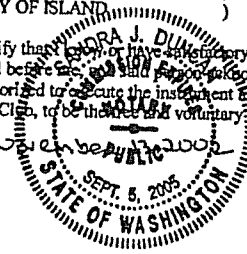
By: David P. Haworth, President
David P. Haworth

STATE OF WASHINGTON)

COUNTY OF ISLAND)ss

I certify that I know or have satisfactory evidence that Byron J. Vadset is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that was authorized to execute the instrument and acknowledged it as President of Useless Bay Golf & Country Club, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Nov 13, 2002



Laura J. Duncan
Notary Public in and for the State of Washington
Residing at 15 E Salmon St. Greenwood
My appointment expires: 9-5-05

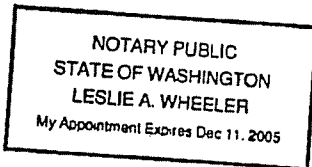
STATE OF WASHINGTON)

COUNTY OF ISLAND)ss

I certify that I know or have satisfactory evidence that David P. Haworth is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that was authorized to execute the instrument and acknowledged it as President of Useless Bay Colony, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Nov. 13, 2002

Leslie A. Wheeler
Notary Public in and for the State of Washington
Residing at LANGLEY
My appointment expires: 12-11-2005



12/11/02



Exhibit A

Useless Bay Beach and Country Club Division No. 1, according to the plat recorded in Volume 7 of Plats, page 54, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 2, according to the plat recorded in Volume 7 of Plats, page 60, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 3, according to the plat recorded in Volume 7 of Plats, page 70, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 4, according to the plat recorded in Volume 8 of Plats, page 8, records of Island County, Washington.

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Useless Bay Beach and Country Club Division No. 10, according to the plat recorded in Volume 10 of Plats, pages 72-75, records of Island County, Washington.

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Useless Bay Beach and Country Club Division No. 12, according to the plat recorded in Volume 10 of Plats, page 59, records of Island County, Washington.

Useless Bay Beach and Country Club Division No. 14, according to the plat recorded in Volume 11 of Plats, pages 49-52, records of Island County, Washington.

12/11/02



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ISLAND COUNTY AUDITOR

AMD

Exhibit B

Handwritten notes:
622
7/19/74
auditor
#2746
W.S.

1. Beginning at the West quarter corner of Section 18, Township 29 North, Range 3 E.W.M.; thence North 01°30'30" East along the West line of said section a distance of 1394.80 feet; thence South 85°00'00" East a distance of 146.60 feet; thence along the arc of a curve to the right having a radius of 246.92 feet and subtending an angle of 57°20'00" for 247.08 feet; thence South 27°40'00" East for 186.26 feet; thence due South for 50.00 feet to the true point of beginning; thence continue due South for an additional 100.00 feet; thence East for 200.00 feet; thence North for 100.00 feet; thence West for 200.00 feet to the true point of beginning; being a portion of the Southwest quarter of the Northwest quarter of said Section 18 and containing 0.46 acres.

Situate in the County of Island, State of Washington.

2. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

Handwritten note:
TRACT B
(QUIT CLAIM DEED)

Commencing at the most southerly corner of Lot 60 in the Plat of Useless Bay Beach and County Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40°48'54" West for 16.37 feet; thence North 86°15'11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 179.55 feet; thence North 89°25'19" West for 178.00 feet to the Easterly right of way line of County Club Drive; thence North 27°40'31" West along said right of way for 106.48 feet; thence North 76°36'02" East for 178.86 feet; thence North 51°50'32" East for 67.98 feet to the true point of beginning and containing 0.60 acres.

Situate in the County of Island, State of Washington

3. A portion of the Northwest quarter of Section 18, Township 29 North, Range 3 E.W.M., described as follows:

Handwritten note:
TRACT C

Commencing at the most Southerly corner of Lot 60 in the Plat of Useless Bay Beach and Country Club Division No. 10, as recorded in Island County Auditor's Office; thence continue on the Southeasterly line of said lot produced bearing South 40°48'54" West for 16.37 feet; thence North 86°15'11" West for 204.07 feet to the true point of beginning, hereinafter called Point "A"; thence South 51°50'32" West for 67.98 feet; thence North 13°54'48" West for 144.00 feet; thence North 76°05'12" East for 85.00 feet; thence South 120.00 feet to the true point of beginning and containing approximately 0.24 acres.

Also an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying northerly of the following described line: commencing at above mentioned Point "A", the true point of beginning; thence South

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51°50'32" West for 67.98 feet; thence South 76°37'02" West for 178.86 feet to an intersection with the easterly right of way line of Country Club Drive.

The grantor reserves an easement for road and utilities purposes described as follows: a strip of land being 20 feet in width measured at right angles and lying southerly of the following described line: commencing at above mentioned Point "A", the true point of beginning, thence South 51°50'32" West for 67.98 feet; thence South 76°36'02" West for 178.86 feet to an intersection with the easterly right of way line of Country Club Drive.

Situate in the County of Island, State of Washington



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ISLAND COUNTY AUDITOR

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12/11/02



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EXHIBIT C

ISLAND COUNTY AUDITOR AND

AGREEMENT BETWEEN USELESS BAY GOLF & COUNTRY CLUB, INC.,
AND USELESS BAY COLONY, INC.

Useless Bay Colony may have the use of the tennis courts on a first-come, first-served basis. Colony shall reimburse the Golf Club 50% of the reasonable costs incurred by the Golf Club in the course of such maintenance and improvements.

Golf Club shall provide the Colony by January 15 of each year with a written estimate of maintenance expenses that the Golf Club reasonably expects to incur during that calendar year. Before commencing any improvements, Golf Club shall provide Colony with a written estimate of the cost of such improvements. Total annual expenditures shall not exceed \$4,000 without prior approval by both Boards of Directors. If the Golf Club has a Committee to review the repair and maintenance of the tennis courts, Useless Bay Colony, Inc., shall be represented.

If lights are installed to permit use of the tennis courts in darkness, Golf Club shall ensure that such lights are directed downward toward the tennis courts and are turned off not later than 10:00 p.m. each day. The obligations of the preceding sentence are made for the benefit of and may be enforced by any Colony Member who owns one or more lots or condominium units in any of Division 14, Division 16 or Division 17, Useless Bay Colony, according to the plats thereof recorded in Island County, Washington.

In this Agreement, reference to being an owner of a lot or a condominium unit includes being a purchaser thereof under a real estate contract.

USELESS BAY GOLF & COUNTRY CLUB, INC.

By: *Gene Parnelee* President Date: 12-15-99
Gene Parnelee

By: *Jack Leengran* Secretary Date: 12-15-99
Jack Leengran

ACCEPTED AND AGREED BY
USELESS BAY COLONY, INC.

By: *Norm Woodard* President Date: 12/16/99
Norm Woodard

By: *Bill Cochran* Secretary Date: 12/16/99
Bill Cochran

12/11/02



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EXHIBIT D
Page 1 of 2

USELESS BAY GOLF & COUNTRY CLUB

MINUTES

BOARD OF DIRECTORS MEETING

March 25, 1998

.....
The meeting was called to order at 7:02 P.M. by President John Cooper.

MEMBERS PRESENT: John Cooper, Gene Parmelee, Hugh Barr, Tommie Byers, Roberta Pollard, Les Ross, Jack Leengran, Jim Sparling, Tom Anderson, and Lou Ekorenrud.

MEMBER EXCUSED: Mike Holmberg

MANAGERS PRESENT: Jack Petosa, Bill Davis, Fred Van Benschoten

MINUTES: The minutes of the January 28, 1998, meeting were approved on motion of Anderson and Sparling.

GUEST PRESENT:

*L-UN-0-4/5/98
a done deal*

Mel Wilson attended the Board meeting concerning an operating agreement with the Colony Club and H & H Properties. He recommended that we approve an agreement with H & H Properties concerning Divisions 15 and 17 to allow landowners to have the same privileges as the present Colony Club members (see attached letters and maps).

Motion by Parmelee and Sparling to grant owners the same privileges as present Colony Club members concerning Divisions 15 and 17 and along Fairway 12, total lots not to exceed 55 lots to be developed (see letter dated March 25, 1998). Motion passed - 6 yes 2 no.

CORRESPONDENCE: (See attached letters)

1. Bill Sievers & Robert B. Olson: Letter dated February 25, 1998.
2. Washington Junior Golf Association: Jerry Fehr letter dated March 10, 1998.
3. Letter dated January 30, 1998, from President John Cooper to Bill Smith.
4. Jan Stallbaum: Letter to Gene Parmelee dated January 27, 1998.

12/11/02



EXHIBIT D
Page 2 of 2

H & H Properties

INCORPORATED

Responsible development for people & nature since 1959

March 25, 1998

Mr. John Q. Cooper
President
Useless Bay Golf & Country Club
5725 S. Country Club Drive
Langley, Wa 98260

Dear John:

As requested by you at our meeting last Saturday, March 21, 1998, here is a map outlining the boundaries of Useless Bay Colony, Inc., as presently developed and as we contemplate developing.

Presently, two divisions of Useless Bay Colony, Inc., Divisions 15 and 17, have been developed and recorded by Island County and are on the market. Division 15 contains 4 lots and Division 17 contains 8 lots. Additionally, we have the potential for developing approximately 40 lots between Fairways 15 and 17 and along Fairway 12. Total lots to be developed will not exceed 55, including Divisions 15 and 17, assuming future land use laws do not encourage condominium development on any part of the remaining land.

Our Island County approved commercial development, "The Village Square", adjacent to our Office will contain eight buildings and have condominiums or apartments on the top floors. We are not requesting that these residents have Clubhouse or Colony privileges.

In summary, we request that the joint agreement be modified to allow use of the Clubhouse by owners of platted lots or condominium units created on the land available for development within the boundaries shown on this map, including Division 15 and 17. It may be a number of years, say 3-5, before the bulk of the remaining unplatted land will be developed. Thank you!

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", is written above the typed name.

William H. Sievers

A handwritten signature in cursive script, appearing to read "Bob", is written above the typed name.

Robert B. Olson

03/03/2010 01:44:26 PM
Recording Fee \$72.00 Page 1 of 11
Amendment
Island County Washington

4269788



AFTER RECORDING RETURN TO:

Leahy,ps

25 Central Way, Suite 310
Kirkland, WA 98033
(425) 889-8191

**FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR
USELESS BAY CONDOMINIUMS DIVISION FOURTEEN**

Grantor: USELESS BAY CONDOMINIUM ASSOCIATION,
an unincorporated RCW 64.32 condominium association

Grantee: USELESS BAY CONDOMINIUMS DIVISION FOURTEEN

Abbreviated
Legal Description: Useless Bay Condominiums Division Fourteen , with Declaration recorded
under Island County Recording No. 244779.

Tax Parcel IDs #:	S8340-14-00101-A	S8340-14-00201-B
	S8340-14-00102-A	S8340-14-00202-B
	S8340-14-00103-A	S8340-14-00203-B
	S8340-14-00104-A	S8340-14-00204-B
	S8340-14-00105-A	S8340-14-00100-0 (Info-only parcel)
	S8340-14-00106-A	

Reference # (if applicable): 244779.

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**FIRST AMENDMENT TO DECLARATION FOR
USELESS BAY CONDOMINIUMS DIVISION FOURTEEN**

The Declarant of Useless Bay Condominiums Division Fourteen (the "Condominium") created the Condominium through recording a Condominium Declaration (the "Declaration") filed under Island County Recording No. 244779. The Survey Map and Plans were filed under Island County Recording No. 244778.

To satisfy requirements of Declaration Article 31:

1. A majority of the Board of Directors of Useless Bay Condominium Association (the "Association") voted to submit this Amendment to Declaration ("the Amendment") to the Owners for their approval;
2. All Owners were duly notified of this proposed Amendment and were given a copy of the proposed Amendment before the Owners approved it; and
3. Not less than sixty percent (60%) of the Owners, by consenting in writing to this Amendment, have approved the Amendment.

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

A. The following is hereby added to Article 11 of the Declaration as Section 11.e.:

e. The Association of Owners described in Section 11.b. above shall be known as, "Useless Bay Condominium Association" an unincorporated RCW 64.32 condominium association. The term "Association of Owners" is synonymous with the terms "Association of Apartment Owners" and "the Association."

B. Section 17.g. is hereby deleted in its entirety.

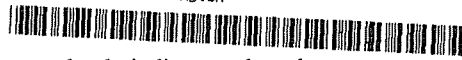
C. Article 36 of the Declaration is hereby added as follows:

36. DEFINITIONS

a. **Assessment** means all sums chargeable by the Association against a Unit and its Owner, including, without limitation (a) general and special Assessments for Common Expenses, charges, and fines imposed by the Association, (b) interest and late charges on any delinquent account, (c) costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Owner's account, (d) costs and attorney's fees incurred by the Association in connection with the enforcement of the Governing Documents, and (e) all other sums payable by an Owner to the Association as provided in the

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Governing Documents, unless the context clearly indicates otherwise.

b. **Governing Documents** means the Declaration, the Articles of Incorporation, the Bylaws, all properly adopted rules, policies, resolutions, and decisions, and all future amendments to any of these documents.

c. **Leasing** a Unit means (1) granting a right to use or occupy a Unit in exchange for receiving money or other goods or services of value and (2) allowing sole occupancy of a Unit, regardless of whether money or other goods or services of value are received in exchange. Co-ownership of a Unit is not Leasing. Co-habitation of a Unit with its Owner is not Leasing. Allowing a Related Party to occupy a Unit is not Leasing. "Lease" and "Rent", when used as verbs, are synonymous.

d. **Occupant** means anyone who (1) occupies a Unit as a permanent residence or who (2) stays overnight in any Unit more than fourteen (14) days in any calendar month or more than sixty (60) days in any calendar year.

e. **Owner** means any person or entity who owns a Unit, but does not include any person who has an interest in a Unit solely as security for an obligation. An Owner is the person(s) or entity identified in the recorded conveyance deed as the grantee(s) of the fee title interest in the Unit, except that the vendee, not the vendor, is the Owner under a real estate contract. "Owner" is synonymous with "Apartment Owner" as that term is used in the Declaration.

f. **Related Party** means a person who is related to the Owner by blood, marriage, domestic partnership, or lawful adoption. It includes an Owner's spouse/domestic partner, and the Owner's and/or spouse/domestic partner's parent, parent-in-law, sibling, sibling-in-law, or lineal descendant.

g. **Tenant** means a person who is Leasing a Unit. Synonyms for "Tenant" include "Renter" and "Lessee."

h. **Unit** is synonymous with "Apartment" as that term is used in the Declaration.

D. Article 22 of the Declaration is hereby deleted in its entirety and the following provision is substituted in its place:

22. **RENTAL UNITS.** The Leasing of a Unit by its Owner shall be subject to the following provisions:

a. **No Transient Purposes.** With the exception of a lender in possession of a Unit following a default under a Mortgage, a foreclosure proceeding or any deed or other

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arrangement in lieu of a foreclosure, no Owner shall be permitted to Lease its Unit for any period less than thirty (30) consecutive days. A Lease of a Unit shall have a minimum initial term of twelve (12) months.

b. **Entire Unit.** No Owner may Lease less than an entire Unit.

c. **Timesharing Prohibited.** No Unit may be subjected to or included in any timeshare program, whether in the nature of a "right to use" club or the sale of fractional fee interests.

d. **Written Leases.** All Leases of Units shall be in writing and shall be subject to the Governing Documents, such that a default by the Tenant in complying with the Governing Documents constitutes a default under the Lease.

e. **Rent Paid to Association.** If a Unit is Leased by its Owner, and that Owner is more than thirty (30) days delinquent in payment of assessments or other costs to the Association, the Board may collect, and the Tenant shall pay over to the Board, so much of the rent for that Unit as is required to pay any amounts due the Association hereunder. The Tenant shall not have the right to question payment to the Board, and such payment will discharge the Tenant's duty of payment to the Owner to the extent such rent is paid to the Association, but will not discharge the liability of any Owner. The Board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner, or in derogation of any rights which a Mortgagee of the Unit may have with respect to such rents.

f. **Declaration and Rules Binding Upon Tenants.** Each and every term, covenant, provision and restriction relating to the use of the Property that is imposed upon an Owner by this Declaration or any Governing Document shall also apply to the Owner's Tenant(s) and other Occupant(s).

g. **Limitations on Leasing.**

i. **Purpose.** This Section's Leasing framework strikes a balance between Owner and Tenant occupancies in order to:

1. Preserve buyer access to favorable purchase money loans that are not available for financing purchase of a unit in a condominium which has a significant number of investor-owned units;
2. Promote a sense of community among Owners, derived from a common belief that this condominium is a home they share;
3. Preserve the Owners' ability to self-govern, by maintaining a larger pool of Owner-occupants, for whom service on the Board or a committee is less burdensome, since they reside where official meetings of the Board and committees will typically be held; and

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4. Preserve the self-regulatory benefits of a shared understanding of, and commitment to, the duties which the Governing Documents impose.

ii. **Restriction On Leasing.** Except as provided in Section 22.g.iv. below, no Owner of a Unit may Lease the Unit after the date of the recording of this Amendment to the Declaration (the "Effective Date") if Leasing the Unit would result in more than two (2) of the Units in the Condominium being Leased at the same time. No Owner shall concurrently own more than one (1) Unit.

iii. **Authorization To Grant Waivers.** The Board may grant waivers of this Section 22.g.ii. Restriction On Leasing for up to one year at a time ("a Waiver") where:

1. The Section 22.g.ii. Restriction On Leasing results in a substantial hardship, not of the Owner's own making, such that a waiver is warranted in view of the Owner's particular circumstances; or
2. An Owner's particular circumstances result in the Owner's temporary absence from a Unit.

iv. **Exemptions.** This Section 22.g.ii. Restriction On Leasing shall not apply to the current Owner of any Unit that is being Leased on the Effective Date, as reflected on the list of such Units attached to this Amendment as Exhibit A, nor shall it apply to any Mortgagee that acquires fee title to a Unit through foreclosure or a deed in lieu of foreclosure, so long as that Owner or Mortgagee owns the Unit or until that Owner or Mortgagee becomes an Occupant of the Unit. This Section 22.g.ii. also shall not apply to Association actions taken pursuant to authority conferred on the Board by Section 17.e of this Declaration.

v. **Use Of Waiting List.** If an Owner of a Unit that is not exempt from this Restriction On Leasing under Section 22.g.iv. desires to Lease the Unit at a time when two (2) or more Units are being Leased, the Owner may place the Unit on a first-come, first-served waiting list to be used when fewer than two (2) Units are being Leased. An Owner who is Leasing the Owner's Unit shall, upon a Tenant's surrender of occupancy of the Unit at the end the Lease, have up to ninety (90) days from the date occupancy was surrendered within which to commence a Lease of the Unit to a different Tenant. (If the Owner does not intend to Lease the Unit to a different Tenant, the Owner shall promptly notify the Board in writing that, as of a date specified in such notification, the Unit will cease to be Leased.) If the Owner fails to Lease that Unit to a Tenant within the ninety (90) day period, then the Owner's name shall be placed at the bottom of the waiting list. The Association shall then offer the Owner of the Unit next in line on the waiting list ninety (90) days to Lease that Owner's Unit. If that Owner (1) waives its right to Lease at that time by written notice to the Board or (2) fails to Lease that Owner's Unit within the ninety (90) day period, then that Owner's name shall be placed at the bottom of the waiting list. This offer procedure shall then be repeated for the next Owner on the waiting list and shall be repeated until an Owner to whom the offer is extended Leases the Owner's Unit within the allowed ninety (90) day period.

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vi. **Board Authorized To Regulate Leasing.** The Board may adopt reasonable rules and regulations related to Leasing and to mitigating impacts Leasing may cause. The Board's rulemaking authority includes, without limitation, authority to create rules that:

1. Define what undefined words and phrases used in the Government Documents actually mean in the context of Leasing related activity;
2. Establish a reasonable fee, payable by an Owner prior to a Unit Occupant's move-in, to cover move-in and/or move-out damage to the Common Elements and facilities;
3. Require Tenant-screening, including, without limitation, establishing the nature of screening required, provided, however, that any such Tenant-screening rule shall (1) require that the Owner, and not the Association, shall be responsible for any required Tenant-screening and (2) provide that the Owner certify to the Association that any required Tenant-screening has been performed, but the Owner shall not be required to submit the results of such screening to the Association; and
4. Establish a criteria for Board use in acting on Waiver requests made under Section 22.g.iii.

E. Articles 19 and 27 of the Declaration are hereby deleted and the following provisions are substituted in their place.

19. ENFORCEMENT OF DECLARATION, BYLAWS AND RULES AND REGULATIONS.

a. **Rights of Action.** Each Owner, the Board and the Association shall comply strictly with the provisions of the Governing Documents and with all decisions adopted pursuant to the Governing Documents. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Association (through action by the Board), or by the aggrieved Owner on his or her own as further provided in Section 19.c. below. The Association is further entitled to recover from an Owner who has failed to comply with the Governing Documents all costs and attorneys' fees the Association has incurred in pursuit of restoring the Owner's compliance, whether or not the Association's pursuit of enforcement resulted in commencement of any lawsuit, and including any costs and reasonable attorneys' fees incurred in an appeal of, and in an enforcement of, any judgment entered in the lawsuit.

b. **Failure of Board to Insist on Strict Performance No Waiver.**

i. The Board shall exercise its business judgment in determining what actions to take when enforcing the Governing Documents and enforcing a Board Decision.

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ii. The failure of the Board or an Owner, in any one or more instances, to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not operate as a waiver or relinquishment for the future of that term, covenant, condition or restriction. There shall be no waiver of any provision of the Governing Documents by the Board unless the Board expressly makes such a waiver, in writing and signed by the appropriate officers on behalf of the Board.

iii. Receipt of any Assessment payment from an Owner by the Board, with knowledge of any breach of the Governing Documents, shall not be deemed a waiver of that breach.

c. **Judicial Enforcement.** The Governing Documents may be judicially enforced. Judicial enforcement includes declaratory relief, injunctive relief, award of damages, and any other legal or equitable remedy available to enforce a right or to remedy a wrong. Injunctive relief shall be available without a showing of irreparable harm or of the absence of a remedy at law. Upon a proper showing that the presence of an Occupant poses an unreasonable risk of injury to others or material damage to the Condominium, the Association may seek, and a court may grant, injunctive relief preventing that Occupant's continued occupancy of the Unit and presence at the Condominium. An enforcement action may be brought by the Association. The Board may, in its sole discretion, exercise its business judgment to determine what actions, if any, it will take to judicially enforce the Governing Documents. An Owner may bring an enforcement action if, after demand by the Owner, the Board fails or declines to bring the action. The prevailing party in an enforcement action shall be awarded its costs including reasonable attorneys' fees.

d. **Tenants.**

i. **Liability.** An Owner is responsible for the conduct of its Tenant, Occupant, Related Party, guest, invitee and pet. An Owner is liable to the Association for damage and expenses the Association incurs as the result of misconduct by the Owner, Tenant, Occupant, Related Party, family, guest, invitee or pet. The charges for repair or replacement of any damage to the Condominium, the Common Elements, the Limited Common Elements or any Unit in excess of actual insurance proceeds received by, or to be paid to, the Association under the Association's policies of insurance and the expenses the Association incurs as the result of any such misconduct shall (1) be specially assessed to the Unit, (2) be a lien upon the Unit, and (3) be a personal obligation of the Unit Owner and of the Tenant or Occupant who engaged in the misconduct.

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ii. **Eviction.** A Tenant or Non-Owner Occupant who, after notice and an opportunity to be heard by the Board, is determined to have violated the Governing Documents on two or more occasions may be evicted, as provided below:

1. When the Board has made a determination as described in Section i above, the Board shall notify the Tenant or Non-Owner Occupant, and the Owner, of the determination and demand that the violations described in the determination be remedied within ten (10) days. If the second or subsequent violation has not been remedied within the ten (10) days, the Owner shall promptly commence eviction proceedings.
2. If evicting a Tenant, the Owner shall do so through diligent prosecution of an unlawful detainer action. If evicting a Non-Owner Occupant, the Owner shall give notice terminating the tenancy-at-will and give the Non-Owner Occupant thirty (30) days to permanently vacate the Unit, after which time any entry by the Non-Owner Occupant into the Unit or on to the Property shall be a trespass.
3. If the Owner fails to commence eviction proceedings within thirty (30) days of Owner's actual or constructive receipt of the demand described in Section 19.d.ii.1. above, then the Association shall have the right, but not the duty, to evict the Tenant or Non-Owner Occupant as the Owner's attorney-in-fact. All Owners hereby irrevocably appoint the Association as their attorney-in-fact for purposes of performing evictions described in this Section 19.d.ii.
4. Eviction by the Board shall be at the Owner's expense, including all attorney fees actually incurred. The costs of the action, including attorneys' fees, shall be a personal obligation of the Owner and of the Tenant or Non-Owner Occupant and shall also be an Assessment secured by a lien on the Unit.

e. **Recovery of Attorney's Fees and Costs.** In addition to any attorneys' fees and costs recoverable in an action brought under this Article 19, the Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the enforcement of any provision in the Governing Documents, whether or not the enforcement activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees on appeal and in the enforcement of a judgment, whether in the State of Washington or a sister state. All such costs and attorneys' fees shall constitute an Assessment.

f. **Remedies Cumulative.** The remedies provided in this Article 19 are cumulative. The Board may pursue them, and any other remedies which may be available under law or elsewhere in the Governing Documents, concurrently, separately, or in any order.

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F. This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration shall control over and implicitly amend any inconsistent provision of the Declaration or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect.

Dated this 25 day of FEBRUARY, 2010.

USELESS BAY CONDOMINIUM
ASSOCIATION

By: Sarah B. Davis
Print Name: Sarah B. Davis
Its: President

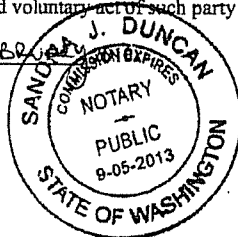
ATTEST: The above amendment
was properly adopted.

By: Mary Jean Duffin
Print Name: MARY JEAN DUFFIN
Its: Secretary

STATE OF WASHINGTON)
)ss.
COUNTY OF ~~FRING~~ ISLAND)

I certify that I know or have satisfactory evidence that SARAH B DAVIS is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as an officer of Useless Bay Condominium Association and as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 25 day of FEBRUARY



Sandra J. Duncan
Notary Public in and for the State of Washington.
My Appointment expires 9-5-13
Print/type name Sandra J. Duncan

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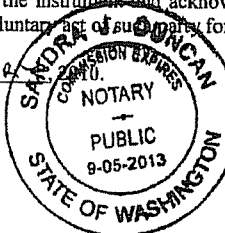
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STATE OF WASHINGTON)
)ss.
COUNTY OF ~~KING~~ ISLAND)

I certify that I know or have satisfactory evidence that MARY JEAN DUNCAN is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as an officer of Useless Bay Condominium Association and as the free and voluntary act of said party for the uses and purposes mentioned in the instrument.

Dated this 25 day of FEBRUARY



Sandra J. Duncan
Notary Public in and for the State of Washington.
My Appointment expires 9-13-13
Print/type name Sandra J. Duncan

ADF

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Exhibit "A"

None of the units in Useless Bay Condominiums Division Fourteen were being Leased at the time this Amendment was recorded.