

March 23, 2023

RE: Passed Insurance Shifting Amendment

Dear Owner,

We are the Community Manager and Board Representative for the Garden Grove Condominium. Please note that the insurance shifting amendment that was proposed to all owners in August 2022 has passed and been recorded with the County. It is now effective upon receipt of this letter.

This proposed amendment provides that the individual unit owners are responsible for the Association insurance deductible if the source of the damage is located in their unit or is something they are responsible to maintain, regardless of whether there is negligence or a failure to maintain. It is hoped that this amendment along with responsible maintenance and periodic inspections will form a good plan to manage and limit water damage events.

Attached is a copy of the amendment for your records.

I strongly encourage you to contact your insurance agent to make sure that you have appropriate coverage as you will be responsible for the cost of repairs up to the Association's deductible for events that originate in your unit.

If you have any questions, please don't hesitate to contact me.

Sincerely,



Thomas A. Gish, Jr.
Community Manager,
tgish@portgardnermgmt.com

When recorded, return to:

Condominium Law Group, PLLC
10310 Aurora Avenue North
Seattle, Washington 98133
(206) 633-1520

**22ND AMENDMENT TO THE DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR GARDEN GROVE, A CONDOMINIUM**

GRANTOR: GARDEN GROVE, A CONDOMINIUM OWNERS ASSOCIATION

GRANTEE: GARDEN GROVE, A CONDOMINIUM OWNERS ASSOCIATION

LEGAL DESCRIPTION: GARDEN GROVE, A CONDOMINIUM AS DESCRIBED IN
THE CONDOMINIUM DECLARATION RECORDED UNDER
SNOHOMISH COUNTY RECORDING NUMBER
9707150511, AS AMENDED THEREAFTER; THE SURVEY
MAP AND PLANS RECORDED UNDER SNOHOMISH
COUNTY RECORDING NUMBER 9707155002, AS
AMENDED THEREAFTER.

REFERENCE #: 9707150511

**22ND AMENDMENT TO THE DECLARATION AND COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS FOR GARDEN GROVE, A CONDOMINIUM**

THIS AMENDMENT to The Declaration for Garden Grove, a Condominium is made as of the date it is recorded.

RECITALS

The Declaration and Covenants, Conditions, Restrictions and Reservations for Garden Grove, a Condominium (the "Declaration") was recorded on July, 15 1997 in Snohomish County, Washington under recording number 9707150511, together with the Survey Map and Plans recorded in Snohomish County, Washington under recording number 9707155002.

The Declaration was previously amended under Snohomish County Recording Nos. 9707300169, 978260534, 9709220595, 9712040046, 9801150310, 9802120486, 9803090780, 984080004, 9805070136, 9806100100, 9808030048, 980923452, 9812280805, 9903110636, 9903230133, 9904230492, 199906301250, 199911030536, 200003160179, 200007170088, and 200305150663.

They Survey Map & Plans were previously amended under Snohomish County Recording Nos. 9708265008, 9709225003, 9712045001, 9801155011, 9802125001, 9803095010, 9804085001, 9805075002, 9806105001, 9808035009, 9809235003, and 9812285002.

Garden Grove, A Condominium Owners Association desires to amend the Declaration regarding insurance requirements and responsibility for damage or destruction.

The Declaration at Section 21.1 provides that the consent of owners holding at least sixty-seven percent (67%) of the votes in the Association shall be required to amend the Declaration. Owners holding at least sixty-seven percent (67%) of the votes in Garden Grove, A Condominium Owners Association duly consented to the adoption of this Amendment.

Garden Grove, A Condominium Owners Association does not have any Eligible Mortgagees, so their approval is not require..

The President and Secretary of the Board of Directors of Garden Grove, A Condominium Owners Association certify that the procedures for amendment to the Declaration have been followed and acknowledge and attest, by their signatures below, the adoption of the following Amendment to the Declaration:

A. Article 13 is hereby deleted and replaced with the following new Article 13:

ARTICLE 13: INSURANCE

13.1 Association Insurance.

The Association shall maintain, to the extent reasonably available, insurance that complies with the requirements of FNMA and the secondary mortgage market, including:

(a) Property insurance on the condominium, which shall include equipment, improvements, and betterments in a Unit installed by the declarant or the Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than the replacement cost of the Common Elements and the Units, exclusive of land, excavations, foundations, and other items normally excluded from property policies. At the discretion of the Board, the Association may obtain insurance for earthquake, flood and terrorism;

(b) Liability insurance, including medical payments insurance, in an amount determined by the Board of directors but not less than two million dollars (\$2 million), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, Ownership, or maintenance of the Common Elements;

(c) Fidelity bonds naming the members of the Board, the manager and such other Persons as may be designated by the Board in amount equal to at least the amount of all bank accounts, plus three months estimated cash to be collected as Assessments each year;

(d) Directors and Officers liability insurance;

(e) Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable; and

(f) Such other insurance as the Board deems advisable.

13.2 Unavailability of Insurance. If the insurance described in subsection (1) of this section is not reasonably available, or is modified, canceled, or not renewed, the Association promptly shall cause Notice of that fact to be delivered to all Unit Owners and to each Eligible Mortgagee.

13.3 Insurance Required. Insurance policies carried pursuant to subsection (1) of this section shall provide that:

(a) Each Unit Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Unit Owner, member of the Owner's household, and lessee of the Owner; and

(c) No act or omission by any Unit Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

13.4 Loss Adjustment through Association. Any loss covered by the Association's property insurance must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored or the condominium is terminated. Owners may not make a claim upon the Association's property insurance directly.

13.5 Certificate of Insurance. An insurer that has issued an insurance policy under this section shall issue certificates insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of chapter 48.18 RCW pertaining to the cancellation or nonrenewal of contracts of insurance.

13.6 Policy Requirements. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance policies shall be obtained from insurance carriers that are generally acceptable for similar projects, licensed to do business in the state of Washington, and meet the specific requirements of FNMA, FHLMC, VA and HUD regarding the qualifications for insurance carriers. All such policies shall meet the specific requirements of FNMA, FHLMC, VA, and HUD for condominium projects. All such insurance policies and fidelity bonds shall provide that coverage shall not lapse and may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written Notice to any and all insureds named therein.

13.7 Unit Owner Insurance

13.7.1 Owner's Additional Insurance. Each Unit Owner shall obtain and maintain an individual insurance policy which provides coverage for the Owner's Unit (in an amount at least equal to the Association's deductible) and personal belongings therein, and, to the extent reasonably available:

- A) Loss of use, loss of rental income, and loss Assessment exposures;
- B) Comprehensive Personal Liability coverage for any damage to other Units or Common or Limited Common Elements arising or resulting from the Owner's negligence, carelessness, or acts or omissions, or from damage caused by fixtures or appliances maintained by the Owner; and
- C) The minimum Real Property coverage for an Owner policy shall not be less than the amount of the deductible for the Association's policy of Property insurance, or any greater amounts as may be established by the Board.
- D) The minimum Loss Assessment coverage shall be the amount of the deductible for the Association's policy of Property insurance.

13.7.2 Proof of Coverage. Unit Owners shall file a certificate of insurance for such individual policy or policies with the Board within thirty (30) days of any request by the Board. The Association shall have the right but not the obligation to monitor the maintenance of such insurance by Owners.

13.7.3 Unit Owner Obligations. The Association's obligation to insure shall not relieve Unit Owners of their obligations under any other Article of the Declaration, including, but not limited to, the obligation to perform and pay for repairs, maintenance, care and replacement of the Unit and/or Limited Common Elements for which the Owner is responsible.

13.7.4 Tenant or Occupant Insurance. Unit Owners shall require any Tenants, Related Parties, or other Occupants to obtain Renter's Insurance to protect their personal property, provide for loss of use, and to provide general liability insurance for acts and omissions by the Occupants and their guests, agents, pets and invitees.

13.7.5 Owner's or Occupant's Insurance Deductible. Under no circumstances shall the Association pay any insurance deductible due under a Unit Owner's individual insurance policy or any Tenant's or Occupant's policy of insurance.

The Board may require a Unit Owner to file a claim under the Owner's policy if the Owner is responsible for damage and has not otherwise paid their obligations for the necessary repairs.

13.7.6 Allocation of Repair Costs for Property Damage. In accordance with the provisions of this Declaration, including but not limited to the subparagraphs of this section, the costs for repair or damage events are apportioned as follows:

13.7.6.1 Damage Covered by Association Insurance. For damage events that are covered by the Association's insurance, repair costs over the Association's standard insurance deductible are paid for by Association insurance, or by the Association if the Board decides not to file a claim. Repair costs within the Association's standard insurance deductible are the responsibility of the Unit Owner and are allocated:

(a) to the Owner if the damage resulted from neglect or misconduct of the Owner, the Owner's Tenants or Occupants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, agents, or pets;

(b) if there is no neglect or misconduct, then to an Owner, if the damage resulted from any vehicle, equipment, appliance or fixture (or wiring or pipes related thereto) within the Owner's Unit or belonging to the Owner, the Owner's Occupants or Tenants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, or agents;

(c) if neither (a) nor (b) apply, then to an Owner whose Units or Limited Common Elements were damaged or benefited by the repairs;

(d) if the damage is to more than one Unit and/or the Common or Limited Common Elements, and neither (a) nor (b) apply, the deductible is prorated between the Unit(s) and/or Common or Limited Common Elements based on the total benefit to each, as follows: (i) repairs to Units and Limited Common Elements that benefit only one Unit will be assessed solely to the individual Unit Owners; (ii) repairs to Limited Common Elements that benefit more than one Unit will be assessed to the Unit Owners benefitted; and (iii) repairs to Common Elements will be assessed as Common Expenses, divided among Owners in accordance with the formula specified for other Common Expenses.

13.7.6.2 Damage Not Covered by Association Insurance. For damage events that are not covered by the Association's insurance, repair costs shall be assessed:

(a) to the Owner if the damage resulted from neglect or misconduct of the Owner, a Related Party, the Owner's Tenants or Occupants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, agents, or pets;

(b) if there is no neglect or misconduct, then to an Owner, if the damage resulted from any vehicle, equipment, appliance or fixture (or wiring or pipes related thereto)

within the Owner's Unit or belonging to the Owner, the Owner's Occupants or Tenants, or any of the Owner's, Tenant's, or Occupant's guests, invitees, visitors, or agents;

(c) if neither (a) nor (b) apply, then to an Owner whose Units or Limited Common Elements were damaged or benefited by the repairs; or

(d) to the extent that the damage to the Property is not insured, and not the responsibility of an individual as noted above, then the Association shall restore all Common Elements and Limited Common Elements as a common expense, and Owners shall restore their Units at their own expense.

13.7.7 Maximum Damage Assessment. Except to the extent covered by an Owner's or Tenant's insurance policy, the maximum one Unit can be assessed for any one damage event is the deductible under the Association's standard Property policy. Amounts within deductibles for earthquake or flood damage in excess of the standard Property deductible, combined with contributions required of Owners as provided for in this Declaration, shall be a common expense. This maximum shall not apply to Owners who cause damage through negligence or misconduct, or for their responsibility for equipment failure.

B. Article 14 is hereby deleted and replaced with the following new Article 14:

ARTICLE 14: DAMAGE AND DESTRUCTION

14.1 Application. Any portion of the condominium for which insurance is required that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Condominium is terminated, in which case RCW 64.34.264 applies;
- (b) Repair or replacement would be illegal; or
- (c) Eighty percent of the Unit Owners vote not to rebuild.

14.2 Costs. The cost of repair or replacement not paid from insurance proceeds or due from individual Owners is a common expense.

14.3 Failure to Restore Common Elements. If all of the damaged or destroyed portions of the common interest community are not repaired or replaced:

- (a) The insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the common interest community; and
- (b) Except to the extent that other persons will be distributees:

(i) The insurance proceeds attributable to Units and Limited Common Elements that are not repaired or replaced must be distributed to the Unit Owners of those Units and the Unit Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all the Units.

14.4 Failure to Restore Units. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned under RCW 64.34.060(1), and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, RCW 64.34.268 governs the distribution of insurance proceeds if the condominium is terminated.

EXCEPT AS MODIFIED AND AMENDED HEREBY, the Declaration shall remain in full force and effect. 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 Bylaws of the Association.

DATED and ATTESTED this 2nd day of March, 2023.

By Edmund S. Gauthier
Edmund S. Gauthier, President

By Linda Davey
LINDA DAVEY, Secretary

STATE OF WASHINGTON)
) ss.:
COUNTY OF Snohomish)

On this 2nd day of March, 2023, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ed Gauthier to me known to be the President of the Garden Grove, A Condominium Owners Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged that instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of said Association.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.

Tom Gish Jr.
Tom Gish Jr. (Print name)

Notary Public in and for the State of
Washington, residing at Burset, WA
My commission expires: 4-11-2026



STATE OF WASHINGTON)
) ss.:
COUNTY OF Snohomish)

On this 2nd day of March, 2023, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Linda Davey to me known to be the Secretary of the Garden Grove, A Condominium Owners Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged that instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of said Association.

WITNESS my hand and seal hereto affixed the day and year in this certificate above written.

T. Gish Jr.
Tom Gish Jr. (Print name)

Notary Public in and for the State of
Washington, residing at Everett, WA
My commission expires: 4-11-2026

