5058

### 227387

### EASEMENT FOR UNDERGROUND ELECTRIC SYSTEM

POPE & TALBOT DEVELOPMENT, Inc., a Washington corporation
("Grantor" herein), grants, conveys and warrants to PUGET SOUND POWER & LIGHT COMPANY, a Washington corporation ("Grantee" herein), for the purposes hereinafter set for the perpetual essement under, across and over the following described real property (the "Pruperty" herein)
The East half of Section 20 and the West half of Section 21 all in Township 28 North, Range 1 East, W.M.
Port Ludlow Golf Course
Except as may be otherwise set forth herein Grantee's rights shall be exercised upon that portion of the Property (the "Right-of-Way" herein described as follows:
A Right-of-Way <u>8eventy (70)</u> (set in width having <u>thirty-five</u> (35) feet of such width on each aids of a centerline described as follows:
No Monetary Consideration
(SEE EMHIBIT "A" ATTACHED)
This easement shall be valid until such time as a plat is recorded ore the light- of-way width provisious included.
It remove. Grantee shall have the right to construct, operate, maintain, repetr, replace and enlarge an underground electric transmission and/or distribution system upon and under the Right-of-Way together with all necessary or convenient appurtenances therefor, which may include but are not limited to the following: underground conduits, cables, communication lines; vanits, macholes, switches, and transformers; and semi-buried or ground mounted facilities. Following the initial construction of its facilities. Grantee may from time to time construct such additional facilities as it may require.
<ol><li>Access. Grantee shall have the right of access to the Right-of-Way over and across the Property to enable Grantee to exercise its rights bereatder, provided, that Grantee shall compensate Grantor for any damage to the Property caused by the exercise of said right of access.</li></ol>
J. Obstructions: Landacaping. Grantee may from time to time remove trees, bushes, or other obstructions within the Right-of-Way and may level and grade the Right-of-Way to the extent reasonably necessary to carry out the purposes set forth in paragraph i hereof, provided, that following any such work forantee shall, to the extent reasonably practicable, restore the Right-of-Way to the condition it was immediately prior to such work Following the installation of Grantee's underground facilities. Grantor may undertake any ordinary improvements to the landscaping of the Right-of-Way, provided that no trees or other plants shall be placed thereon which would be unreasonably expensive or impractical for Grantee to remove and reasonab.
4. Grantor's Use of Right-of-Way. Grantor reserves the right to use the Right-of-Way for any purpose not inconsistent with the rights herein granted, provided; that Grantor shall not construct or maintain any building or other structure on the Right-of-Way which would interfere with the exercise of the rights herein granted; that no digging, tunneling or other form of construction activity shall be done on the Property which would disturb the compaction or unearth Grantee's facilities on the Right-of-Way, or endanger the lateral support to said facilities; and that no blasting shall be done within 15 feet of the Right-of-Way.
B. Indemnity. By accepting and recording this easement, Grantee agrees to Indemnity and hold harmless Granter from any and all claims for damages suffered by any person which may be caused by Grantee's exercise of the rights herein granted; provided, that Grantee shall not be responsible to Grantor for any damages resulting from injuries to any person caused by acts or omissions of Grantor.
8. Abandonment. The rights herein granted shall continue until such time as Grantee ceases to use the Right-of-Way for a period of five (5) successive years, in which event this easement shall terminate and all rights hereundar shall revert to Granter, provided that no abandonment shall be deemed to have occurred by reason of Grantee's failure to initially install its facilities on the Right-of-Way within any period of time from the date hereof.
7. Seccessive and assigns. The rights and obligations of the parties shall inure to the benefit of and be binding upon their respective seccessors and assigns.
DATED this 10Ellis of January 19 75
SELLE TALBOT DEVELOPMENT Inc.
TO BE HOTARIZED ON BACK  BY: Selle 3-1
Asst. Secretary

<del>ORMEN</del>	•
STATE OF TANKEN DON	
COUNTY OF	
On this day personally appeared before me	
described in and who executed the within and foregoing instrument, and and voluntary set and deed for the uses and purposes therein mentions	
GIVEN UNDER MY HAND AND OFFICIAL SEAL due day ut _	
	·
	NOTARY PUBLIC in and for the State of Washington, realding at
BREGON	•
STATE OF WASHINGTON	
COUNTY OF HULTN OMAH	
On this (1 day of) ANUA RY, 18 75, before me, the un	dersigned, personally appeared RDBRUCE
respectively, of Pone & Talbot Development Code corporation	
edged the said heatrument to be the free and voluntary act and deed of	
monthcome, tend on onth mated that THEY ARE.	chorized to execute the said instrument and that the
and surpay (d Bladdiblough sant of said conbountour	
WITHEST MY HAND AND OFFICIAL SEAL hereto silland the day of	yeer-ficet above written.
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	residing at Astron

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PAGET SO -D POWER & LIGHT CO.
TO DE EOX 379

GREM TECH, WASHINGTON

BEGINNING at the Northwest corner of Section 21, Township 28 North, Range 1 East, W.M., Jefferson County, Washington, from which the North one quarter corner of said Section bears South 88°21'29" East; thence South 73°04'42" East 2012.90 feet to a point on the centerline of the Teal Lake Road and the true Point of Beginning of the centerline of the golf course "A" Road, known as the "A" Road for these purposes, and the right-ofway will be 35 feet on each side of the "A" Road centerline; thence North 67°58'50" West 200.00 feet to the beginning of a curve to the left, the center of which bears. South 22°01'10" West, having a central angle of 91°24'53" and a radius of 300 feet; thence along the arc of the curve to the left 478.65 feet to the end of curve; thence South 20°36'17" West 574.17 feet to the beginning of a curve to the right, the center of which bears North 69°23'43" West, having a central angle of 176°46'24" and a radius of 180 feet; thence along the arc of the curve to the right 555.35 feet to the end of a curve; thence North 17°22'41" East 97.75 feet to the beginning of a curve to the left the center of which bears North 72°37'19" West, having a central angle of 136°57'21" and a radius of 180 feet; thence along the arc of the curve to the left 430.26 feet to the end of curve; thence South 60°25'20" West 279.25 feet to the beginning of a curve to the left the center of which bears South 29°34'40" East, having a central angle of 40°58'56" and a radius of 200 feet; thence along the arc of the curve to the left 143.05 feet to the end of curve; thence South 19°26'24" West 563.90 feet to the beginning of a curve to the right the center of which beers North 70°33'36" West having a central angle of 12°39'25" and a radius of 300 feet; thence along the arc of the curve to the right 66.27 feet to the end of curve; thence South 32°05'49" West 142.20 feet to the beginning of a curve to the left the center of which bears South 57°54'11" East, having a central angle of 41°40'09" and a radius of 180 feet; thence along the arc of the curve to the left 130.91 feet to the end of curve; thence South 09°34'20" East 59.02 feet to the beginning of a curve to the right the center of which bears South 80°25'40" West having e central angle of 58°37'11" and a radius of 180 feet; thence along the arc of the curve to the right 184.16 feet to the end of curve; thence South 49°02'51" West 91.34 feet to the beginning of a curve to the left the center of which bears South 40°57'09" East, having a central angle of 34°55'53" and a radius of 180 feet; thence along the arc of the curve to the left 109.74 feet to the end of curve; thence South 14°06'58" West 331.50 feet to the beginning of a curve to the right the center of which bears North 75° 53'02" West, having a central angle of 62°17'35" and a radius of 200 feet; thence along the erc of the curve to the right 217.44 feet to the and of curve; thence South 76°24' West 128.65 feet to the beginning of a curve to the left the center of which bears South 13°35'27" East having a central angle of 10°25'00" and a radius of 300 feet; thence along the arc of the curve to the left 54.54 feet to the end of curve; thence South 65° 59'33" West 229.81 feet to the beginning of a curve to the left the center of which bears South 24°00'27" East, having a central angle of 64°37'47" and a radius of 250 feet; thence along the arc of the curve to the left 282.00 feet to the end of curve and the end of this description.

BEGINNING at the Northwast corner of Section 21, Township 28 North, Range 1 East, W.M., Jefferson County, Washington, from which the North one quarter corner of said section bears South 88°21'29" East; thence South 40°03'16" East 1694.39 feet to a point on a curve of the "A" Road and True Point of Beginning of the "C" Road centerline, known as the "C" Road for these purposes, and the right-of-way will be 35.00 feet on each side of the "C" Road centerline; thence South 39°14'27" East 323.51 feet to the beginning of a curve to the right the center of which bears South 50°45'33" West, having a central angle of 32°09'24" and a radius of 200 feet; thence along the arc of the curve to the right 112.25 feet to the end of curve; thence South 07°05'03" East 211.43 feet to the beginning of a curve to the left the center of which bears North 82°54'57" East, having a central angle of 11°12'11" and a radius of 300 feet; thence along the arc of the curve to the left 58.66 feet to the end of curve; thence South 18°17'14" East 694.24 feet to the beginning of a curve to the right the center of which bears South 71°42'46" West, having a central angle of 32°44'06" and a radius of 200 feet; thence along the arc of the curve to the right 114.27 feet to the end of curve; thence South 14°26'52" West 245.00 feet to the end of this description.

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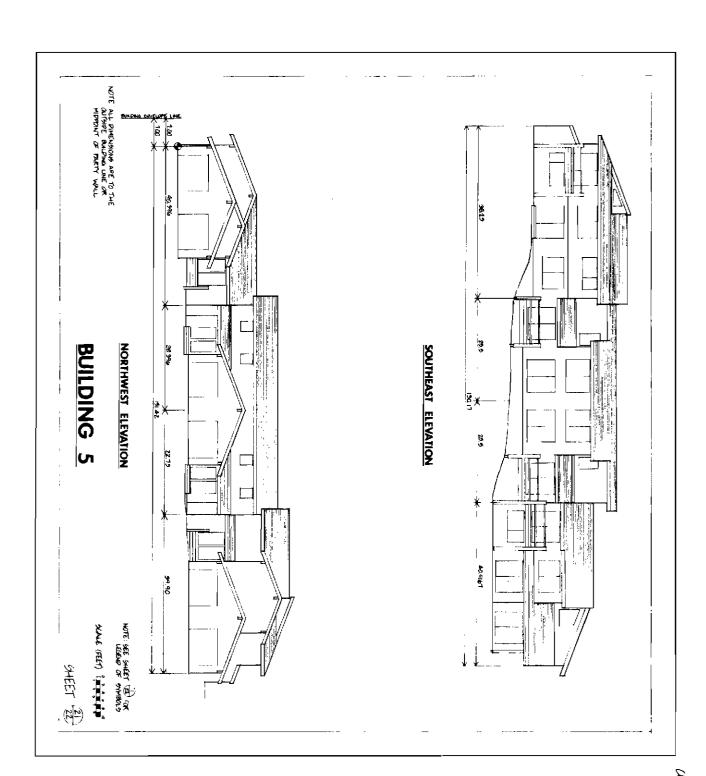
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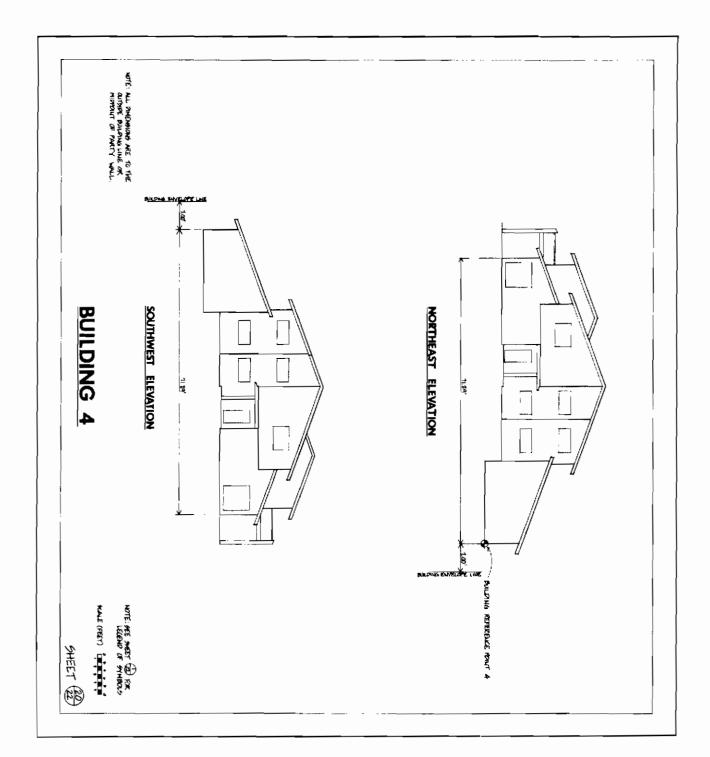
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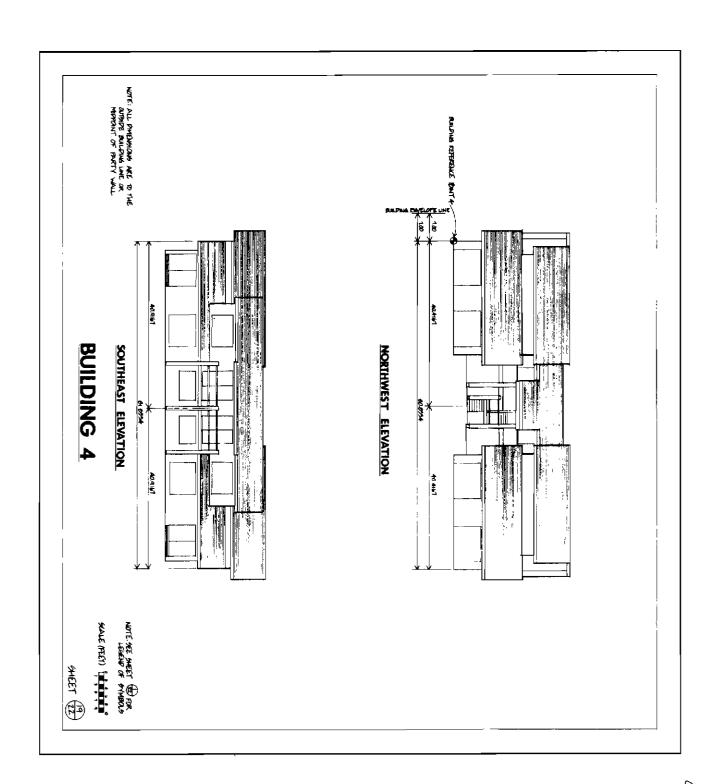
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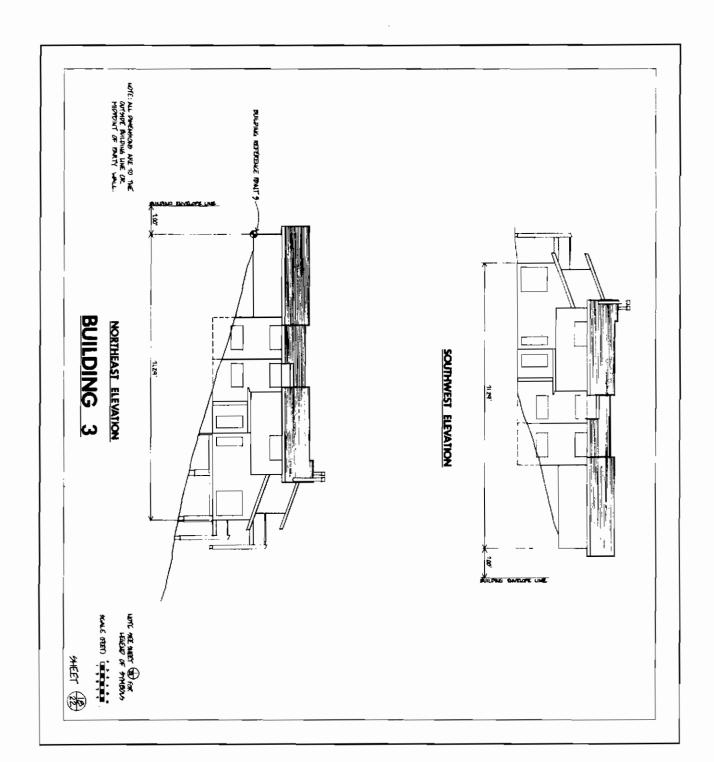


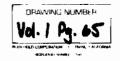
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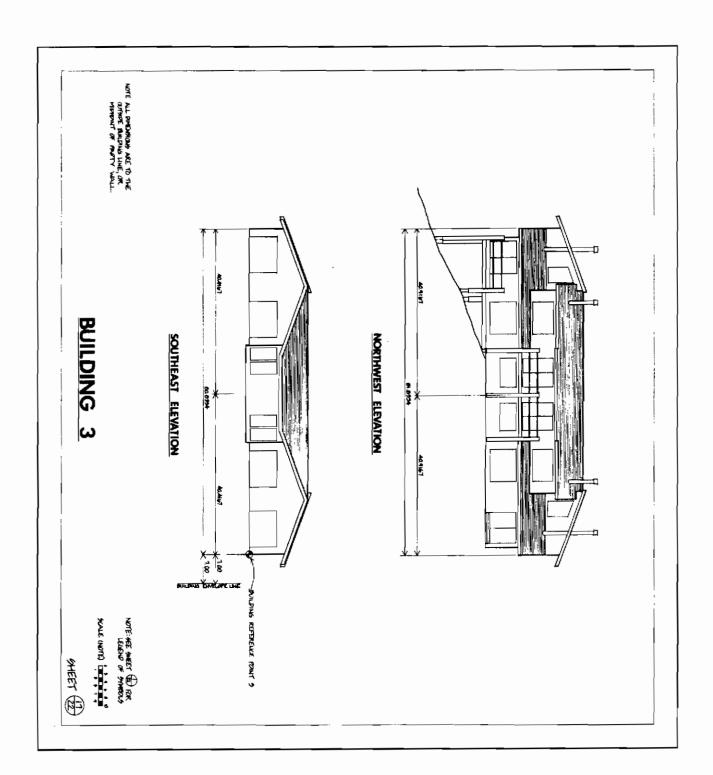
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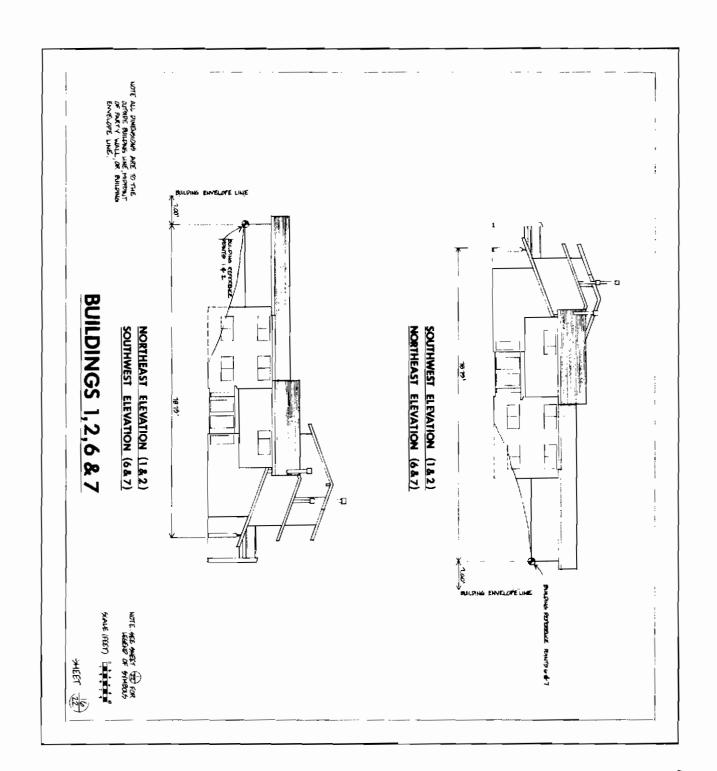


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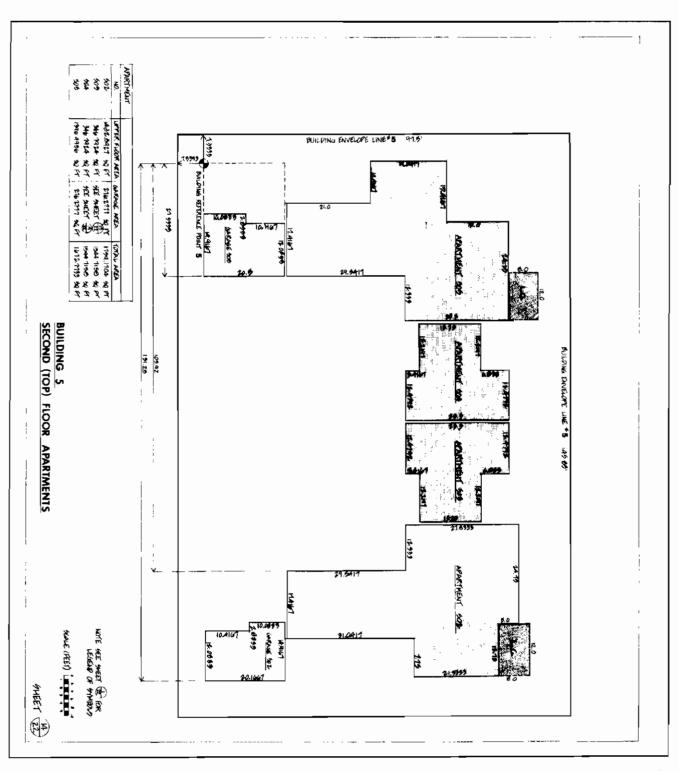


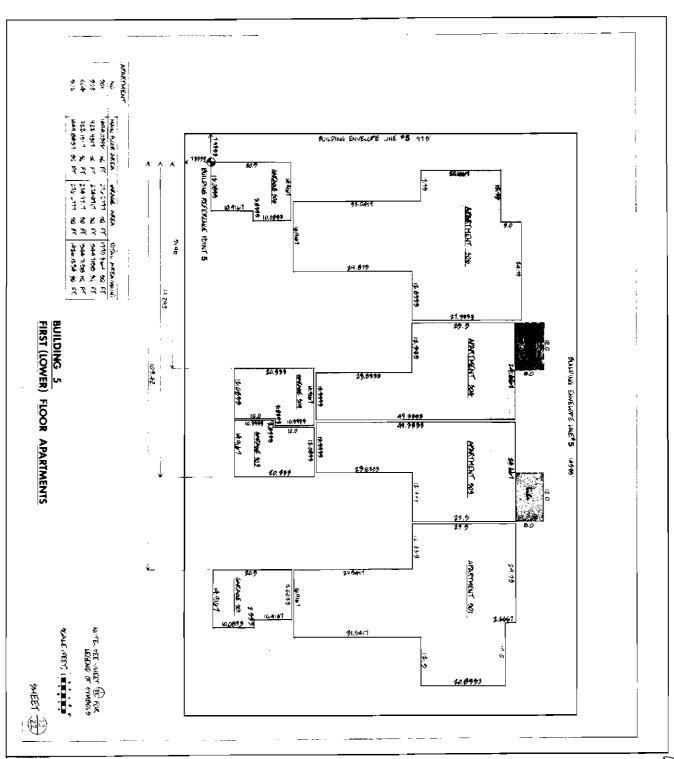




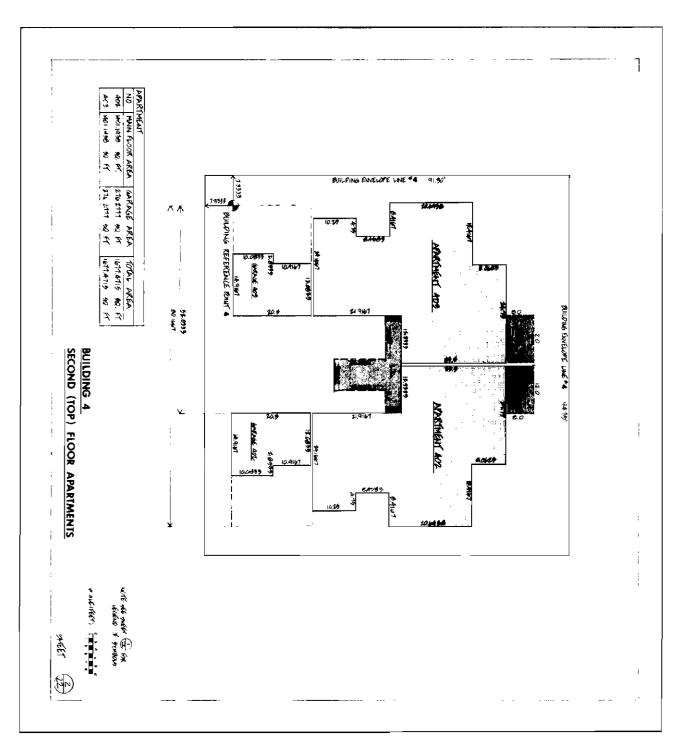
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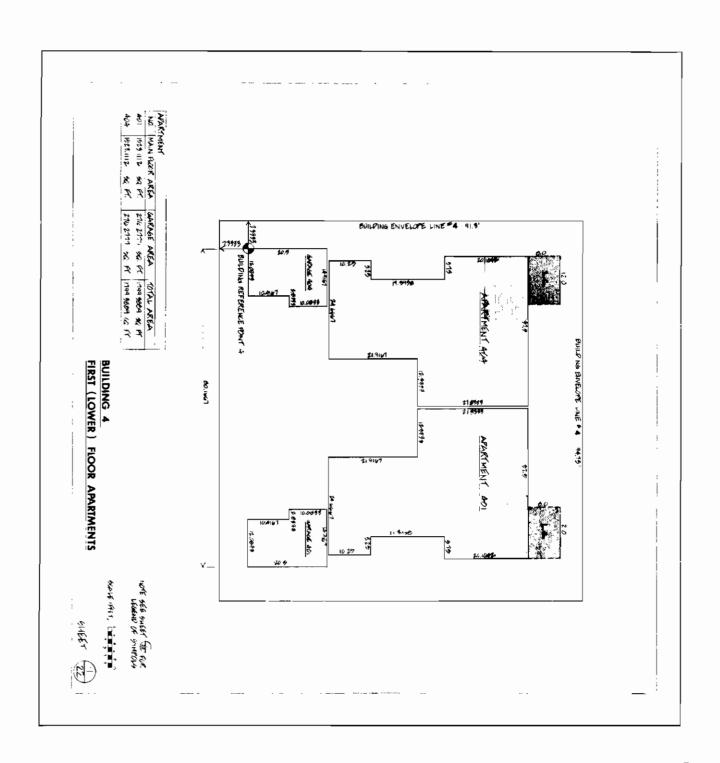
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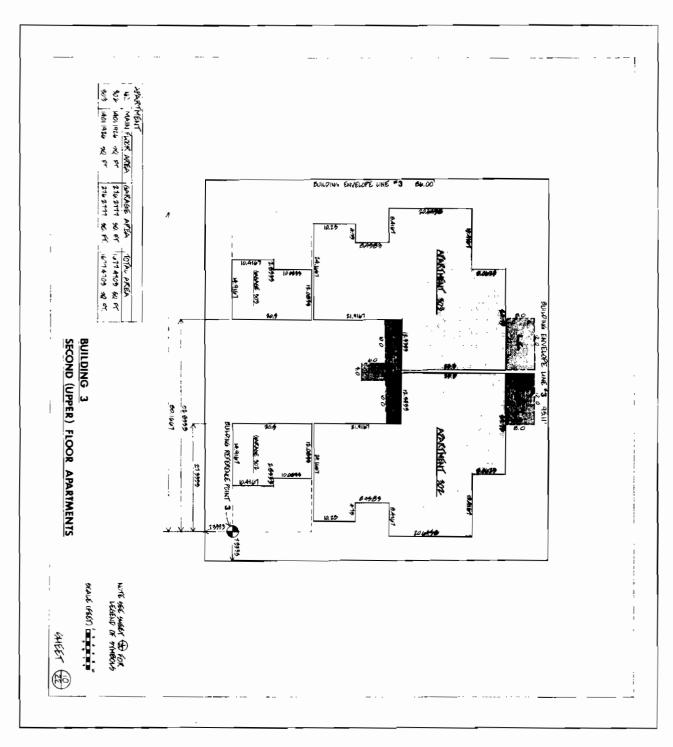


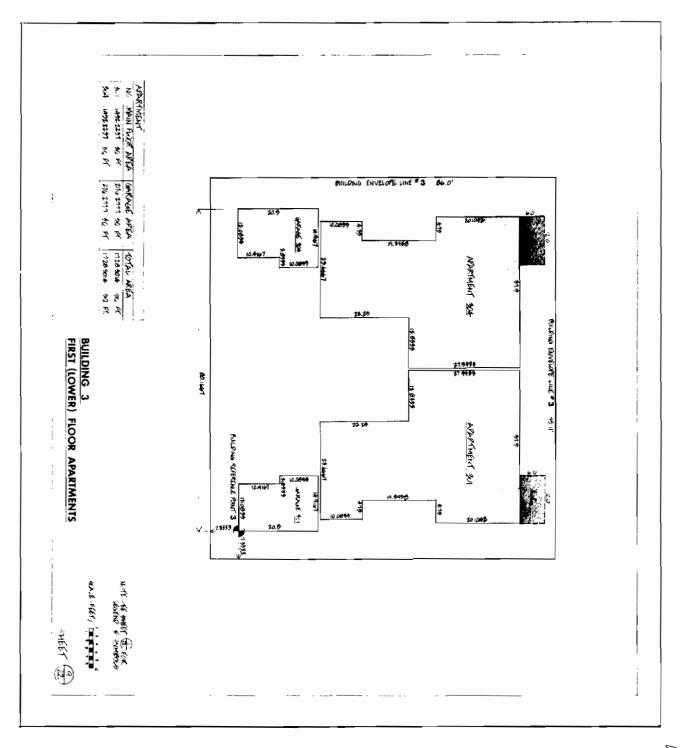


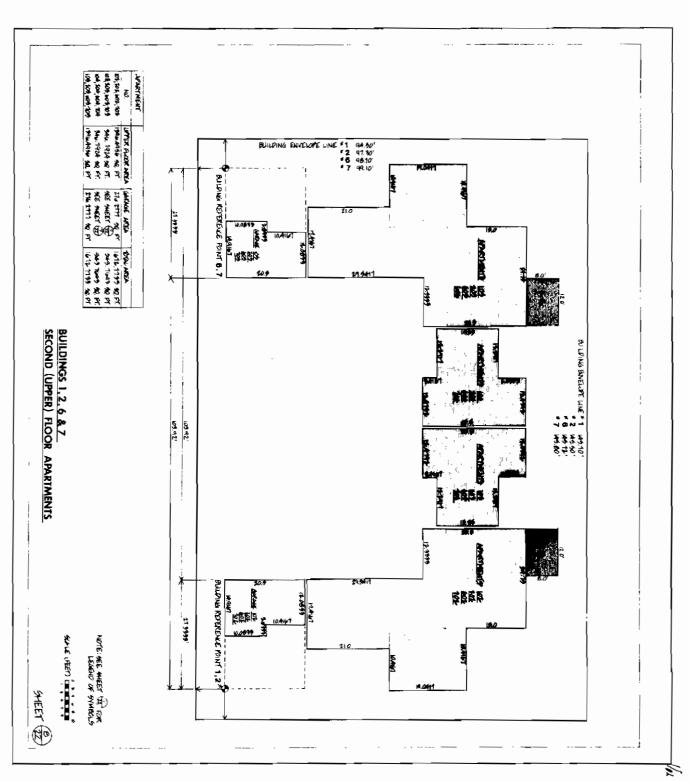
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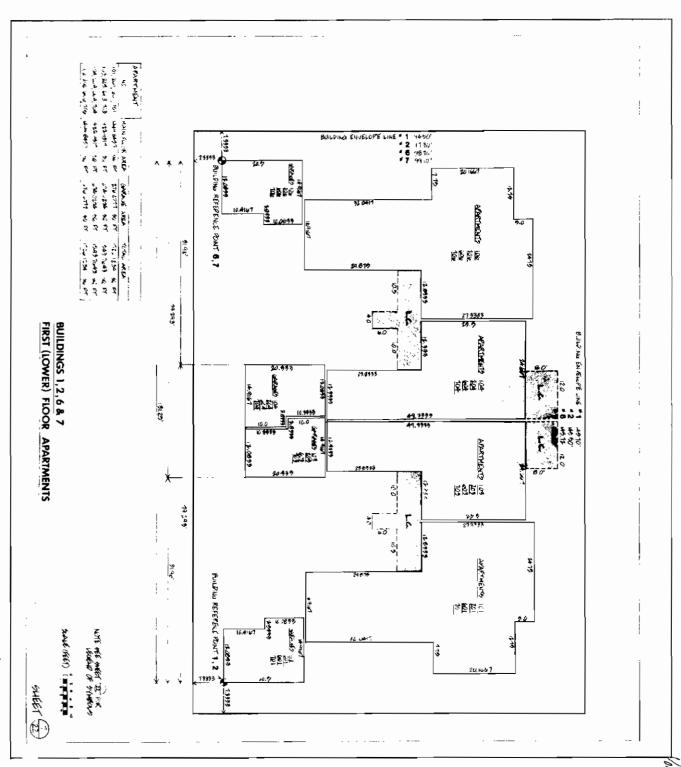




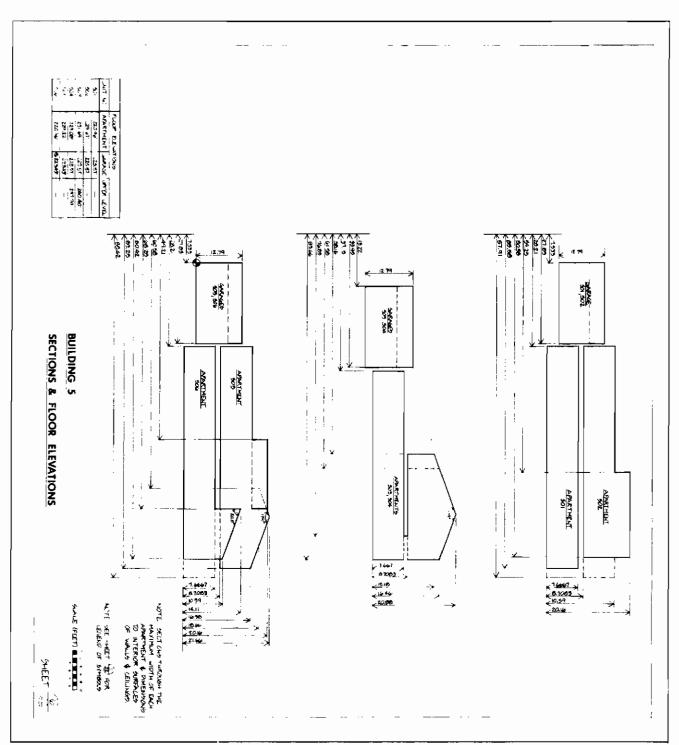








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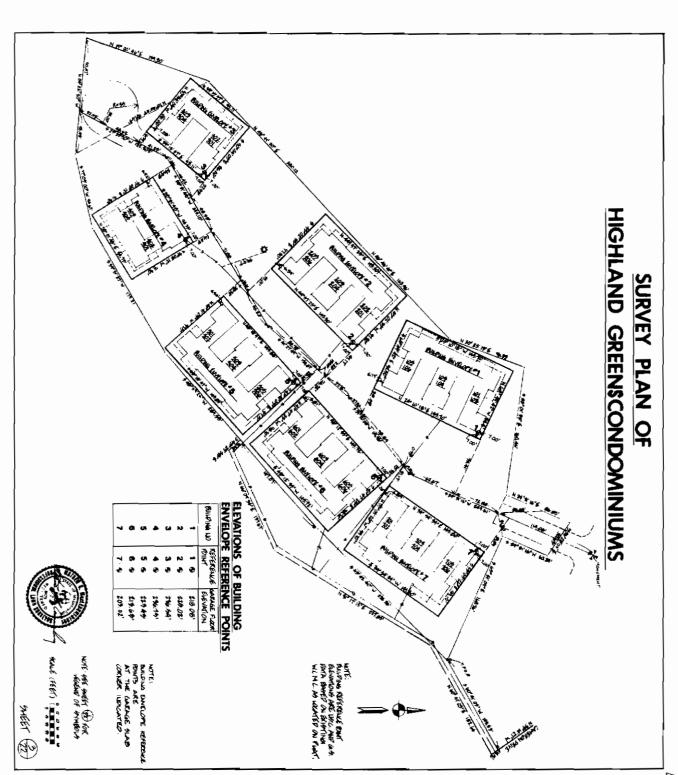
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# **ACKNOWLEDGEMENTS & CERTIFICATES**



## declaration of condominium

NOW ALL HEN BY THESE PRESENTS THAT HE INDERSHINES ON THE SHAPE OF THE PROPERTY HEREIN DESCRIBED. HEREISY PELINEE THE SAME AS A CHARDMHUMH PURSHANT TO THE PROVISIONS OF THE HORIZONTAL PROPERTY RESINES ACT OF THE STATE OF WASHINGTON, THE COMMON ACENS SHOUNDER AND BENEFIT OF MAKTINENT OWNERS AS COMMON ACENS THE USE AND BENEFIT OF MAKTINENT OWNERS AS COMMON ACENS. 

WILLIAM J. WALDIT, ITS PRESIDENT FAIRGREEN, INC., A WASHINGTON CORPORATION, GENERAL PARTNER

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NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, RESPONDED AT PORT SHARE OF WASHINGTON,

STATE OF WASHINGTON

COUNTY OF ALEXANSAN

AN THE 17 TH MAY OF ANN 1979

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# SURVEY & SET OF PLANS OF HIGHLAND GREENS

A PROJECT OF THIRTY-EIGHY (38) CONDOMINIUM APARTMENTS IN SEVEN (7) YWO (2) STOREY BUILDINGS. TWO BUILDINGS OF FOUR (4) APARTMENTS EACH. AND FIVE (8) BUILDINGS OF SIX (8) APARTMENTS EACH.

# **JEFFERSON**

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DECLARATION

AND

COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS

FOR

HIGHLAND GREENS

A CONDOMINIUM

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### ARTICLE I.

### **DEFINITIONS**

- Section 1.1 <u>Words Defined</u>. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.
- 1.1.1 Apartment shall mean a residential unit composed of a suite of rooms and other enclosed spaces in a building. The boundaries of an apartment are the unfinished interior surfaces of its perimeter walls, floors, ceilings, windows, and doors, and the apartment includes both the portions of the huilding so described and the air space so encompassed.
- 1.1.2 Articles shall mean Articles of Incorporation of the Association defined below which may be adopted by the Board or Declarant.
- 1.1.3 Association shall mean the Association of Apartments Owners described in Article 14 of this Declaration.
- 1.1.4  $\underline{\text{Board}}$  shall mean the Board of Directors of the Association.
  - 1.1.5. Bylaws shall mean the Bylaws of the Association.
- 1.1.6 <u>Common Area</u> and <u>Common Areas and Facilities</u> shall mean the common areas and facilities described in Article 6 and in Article 7.
- 1.1.7 <u>Condominium</u> shall mean the horizontal property regime created by this Declaration.
- 1.1.8 <u>Condominium</u> <u>Statute</u> shall mean the Horizontal Property Regimes Act of the State of Washington, Laws of 1963, Chapter 156, presently codified in Chapter 64.32, Revised Code of Washington, and amendments thereto.
- 1.1.9 <u>Declarant</u> shall mean JMB, a Washington general partnership, its representatives, successors, and assigns.
- 1.1.10 <u>Declaration</u> shall mean this Declaration and Covenants, Conditions, Restrictions, and Reservations for High-land Greens, and as it may hereafter be amended.
- 1.1.11 First Mortgage and First Mortgagee shall mean, respectively, (a) a recorded mortgage on an apartment that has legal priority over all other mortgages thereon, and (b) the holder of a first mortgage.

- 1.1.12 <u>Institutional</u> <u>Holder</u> of a mortgage shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation in the business of owning or servicing real estate mortgages, or insurance company, or any federal or state agency.
- 1.1.13 <u>Managing Agent</u> shall mean the person designated by Declarant under Article 16.2 or by the Board under Article 17.4.
- 1.1.14 Mortgage shall mean a recorded mortgage or deed of trust that creates a lien against an apartment and shall also mean a real estate contract for the sale of an apartment.
- 1.1.15 Mortgagee shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on an apartment created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of an apartment.
- l.1.16  $\underline{\text{Owner}}$  shall mean the legal owner of an apartment.
- 1.1.17 Person shall mean an individual, corporation, partnership, association, trustee, or other legal entity.
- 1.1.18 <u>Property</u> shall mean the land and the buildings and all improvements and structures now or hereafter placed on the land described in Schedule A.
- 1.1.19 <u>Survey Map and Plans</u> shall mean the survey map and the plans recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.
  - 1.1.20 <u>Transition</u> <u>Date</u> is defined in Article 16.1.
- Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.
- Section 1.3 <u>Statutory Definitions</u>. Some of the terms defined above are also defined in the Condominium Statute. The definitions in this Declaration are not intended to limit or contradict the definitions in the Condominium Statute. If there is any inconsistency or conflict, the definition in the Condominium Statute will prevail.

### ARTICLE 2.

### SUBMISSION OF THE PROPERTY TO THE CONDOMINIUM STATUTE

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

### ARTICLE 3.

### DESCRIPTION OF LAND

The land on which the buildings and improvements provided for in this Declaration are located is described in Schedule A attached hereto.

### ARTICLE 4.

### DESCRIPTION OF BUILDINGS

The seven apartment buildings are separated structures, all of them of 2-floor construction of concrete, wood and glass with the exterior walls finished in cedar wood. Five buildings (Nos. 1, 2, 5, 6, and 7) contain six apartment units each and two buildings (Nos. 3 and 4) contain four apartments each. All apartments enjoy common areas and limited common areas described below. No buildings have basements but each building does have a crawl space.

### ARTICLE 5.

### APARTMENT NUMBERS, LOCATION, AND DESCRIPTION

Section 5.1 <u>Building Location</u>. Each apartment building is identified by Nos. 1, 2, 3, 4, 5, 6 and 7 as shown on the Survey Map filed in conjunction herewith.

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Section 5.2 Apartment Location. Each apartment is identified by a number, with the first digit representing the building; and individual unit numbers such as 01, 02 and 03, representing each apartment. Each garage which is appurtenant to a particular apartment is identified by a number corresponding to that identifying the appurtenant apartment.

Section 5.3 Apartment Description. In Schedule B attached hereto, each apartment is described by apartment number, floor location, kind and number of rooms in the apartment, deck, total square footage of floor area of apartment and garage. The street address of each apartment is derived by adding "Highland Court, Port Ludlow, Washington 98365", to the apartment number.

#### ARTICLE 6.

## COMMON AREAS AND FACILITIES

- Section 6.1 <u>Description</u>. The common areas and facilities consist of those specified in the Condominium Statute, as well as the following:
  - 6.1.1 The land described in Schedule A.
- 6.1.2 The roofs, foundations, studding, joists, beams, supports, main walls (excluding nonbearing interior partitions of apartments, if any), and all other structural parts of the building(s), to the unfinished interior surfaces of the apartments' perimeter walls, floors, ceilings, windows, and doors.
- 6.1.3 The pipes, wires, conduits, TV antennae, and other fixtures and equipment for utilities.
- 6.1.4 The grounds, trees, gardens, landscaped areas, exterior fixtures, walkways, and driveways.
- 6.1.5 The parking spaces not made limited common areas appurtenant to apartments pursuant to Article 10.
- 6.1.6 A storage area to be located in a portion of the crawl space of Building 7, to be used for storage of property belonging to the Association is a common area.
- Section 6.2 Use. Each apartment owner shall have the right to use the common areas and facilities (except the limited common areas and facilities reserved for other apartments) in common with all other apartment owners. The right to use the common areas and facilities shall extend not only to each apartment owner, but also to his agents, servants tenants, family members, invitees, and licensees. The right to use the common areas and

facilities, including the limited common areas and facilities, shall be governed by the provisions of the Condominium Statute, this Declaration, the Bylaws, and the rules and regulations of the Association. The owners shall not by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common areas and facilities and no other person shall have the right to have them partitioned or divided. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the apartment owners and occupants shall not be deemed a partition or division. A subdivision of a limited common area as an incident of an authorized subdivision of an apartment pursuant to Article 27 will not be deemed a violation of this provision.

#### ARTICLE 7.

# LIMITED COMMON AREAS AND FACILITIES

- Section 7.1 <u>Description</u>. Some common areas and facilities, called <u>limited</u> common areas and facilities, are reserved for the exclusive use of the apartment or apartments to which they are adjacent or assigned. They consist of the following:
- 7.1.1 The courtyard and entry porch area, and deck which is adjacent to each apartment as more particularly shown on the Survey Map and Plans.
- 7.1.2 Open parking space and garage assigned to each apartment as more particularly shown on the Survey Map and Plans.
  - 7.1.3 The attics and crawl spaces in the buildings.
- Section 7.2 Appurtenant to Apartments. Conveyance of an apartment includes the exclusive rights to the use of the limited common areas and facilities appurtenant to that apartment.

#### ARTICLE 8.

## ACCESS

- Section 8.1 Access to Common Areas. Each apartment has direct access to common areas, walks, parking areas and drive-ways.
- Section 8.2 Access to Public Streets. Such common areas have a direct access to a public street. The right to an egress from each apartment shall be perpetual and appurtenant to each apartment.

#### .ARTICLE 9.

# VALUE OF PROPERTY AND EACH APARTMENT AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS AND FACILITIES

For the purpose of meeting certain requirements of the Condominium Statute, the value of the property is established to be \$2,902,000. The value of each apartment and percentage of undivided interest in the common areas and facilities appurtaining to each apartment and its owner for all purposes, including voting, are set forth in Schedule C attached hereto. The values do not necessarily reflect the amount for which an apartment will be sold by Declarant, or others, and will not be altered by variations in selling prices.

# ARTICLE 10.

## PARKING

Section 10.1 Assignment to Apartments. Assignment of one open parking space to each apartment shall be made by Declarant. Declarant shall record as an amendment to this Declaration a schedule showing final assignment of parking and such amendment shall require only the signature of Declarant. The owner of each apartment has the unqualified right to use the garage attached to that apartment and one exterior open parking space in the condominium sufficient to accommodate one automobile.

Section 10.2 Use of Parking Spaces. Open parking spaces may be used for the parking of operable passenger motor vehicles, and use of such open parking spaces for parking trucks, trailers, or recreational vehicles, or for other purposes shall be prohibited. The Board may prohibit or restrict the parking of automobiles owned by apartment owners or their tenants in the parking spaces held for common parking. The Board may direct that any vehicle or other thing improperly parked or kept in a parking space be removed, and if it is not removed within ten (10) days the Board may cause it to be removed at the risk and cost of the owner thereof. This section does not apply to the use of a garage, provided the garage door is not left open when the garage is unattended. The Association may adopt a rule that no garage door is to be left open when the garage is unattended.

## ARTICLE 11.

# PERMITTED USES; MAINTENANCE OF APARTMENTS; CONVEYANCES

Section 11.1 Residential Use. The buildings and apartments are intended for and restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, and for the purposes of operating the Association and managing the condominium if required. In addition to the foregoing, Declarant may use apartments it owns as sales offices and models for sales of apartments.

Section 11.2 Leases. No apartment owner or other person shall be permitted to lease or otherwise rent an apartment for a term of less than thirty (30) days. No lease or rental of an apartment may be of less than the entire apartment. Any lease or rental agreement must provide that its terms shall be subject in all respects to the provisions of this Declaration and the Bylaws and rules and regulations of the Assocation and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements shall be delivered to the Association before the tenancy commences. Other than as stated in this Section 11.2, there is no restriction on the right of any apartment owner to lease or otherwise rent his apartment.

Section 11.3 Maintenance of Apartments and Limited Common Areas. Each apartment owner shall, at the owner's sole expense, keep the interior of the apartment and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his apartment. Each owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, heating equipment, electrical fixtures, or appliances which are in the apartment or portions thereof that serve that apartment only, and shall replace any glass in the windows and in the exterior doors of the apartment that becomes cracked or broken. Each apartment owner will be responsible for care, maintenance, cleanliness, and orderliness of the limited common areas that are appurtenant to the apartment, except that sweeping and maintenance of the parking areas shall be the responsibility of the Association. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective limited common areas without prior written approval of the Board.

Section 11.4 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Board shall

provide for the staining of the buildings and prescribe the type and color of stain. No owner may modify or decorate the exterior of the buildings, or screens, doors, awnings, or other portions of any apartment visible from outside the apartment without the prior written consent of the Board or in accordance with rules or regulations of the Board. No exterior radio or television antennae may be installed without the prior written consent of the Board.

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Section 11.5 <u>Effect on Insurance</u>. Nothing shall be done or kept in any apartment or in any common area which will increase the rate of insurance on the property without the prior written consent of the Board. Nothing shall be done or kept in any apartment or in any common area which will result in the cancellation of insurance on any part of the property, or which would be in violation of any laws.

Section 11.6 Alteration of Common Area. Nothing shall be altered or constructed in or removed from any common area or facility except upon the prior written consent of the Board.

Section 11.7 <u>Signs</u>. No sign of any kind shall be displayed to the public view on or from any apartment or common area or limited common area. This section shall not apply to Declarant.

Section 11.8 Pets. No animals, livestock, or poultry shall be raised, bred or kept in any apartment or in the common or limited common areas excepting only dogs, cats and other conventional household pets, provided, however, that such pets be kept subject to rules and regulations adopted by the Board, or Bylaws adopted by the Association. The Board may at any time require the removal of any pet which it finds is disturbing other owners unreasonably, and may exercise this authority for specific animals even though other pets are permitted to remain.

Section 11.9 Offensive Activity. 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.

Section 11.10 Conveyances; Notice Required. The right of an apartment owner to sell, transfer, or otherwise convey the apartment shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An owner intending to sell an apartment shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying the apartment being sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. The Board shall have the right to notify the purchaser, the title

insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the apartment, whether or not such information is requested.

Section 11.11 Miscellaneous Restrictions Concerning Golf e. No trailer of any kind, truck, camper or boat shall be kept, placed or maintained upon the condominium premises in any such manner as to be visible from neighboring property, roadways or golf course. Owners, families, tenants, guests or representatives of apartment owners have no proprietary interest or rights, as such, to enter upon or use the golf course for any purpose, nor will they interfere with the contours, levels, drainage courses or plantings upon such golf course, nor will they permit their pets to enter or be upon the golf course area. Entry upon and use of the golf course area may only be as patrons of the golf course, entering from the Club House and in compliance with the rules and fees of the course. It is recognized that the golf course is already in existence, and accordingly the purchasers and future owners and occupants of apartment units recognize and accept the exposure of such apartment units to the ordinary conditions of golf course operation, including, but not limited to stray golf shots and resulting damage therefrom, and the retrieval of the golfers of golf balls, ordinary conversational and recreational noise levels, passing golfers on foot or by cart, maintenance crew activities, watering, spraying, grading, and mowing, and accordingly the owners of units hold harmless the said golf course, its owners and agents from claims in respect thereof, but subject to rights which may exist against individual golfers for individual actions causing damage or injuries. No fence or obstruction shall be created between the "real setback line" as designated on the plat and the golf course boundary, such restrictions being for the mutual attractiveness of open space and with rights of retrieval of stray golf shots.

#### ARTICLE 12.

## ENTRY FOR REPAIRS

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

be repaired by the Association as a common expense unless the repairs or maintenance were necessitated by the acts or default of the owner or occupant of the apartment entered, in which event the costs of the repairs or maintenance shall be specially assessed to that Apartment.

#### ARTICLE 13.

#### SERVICE OF PROCESS

William J. Wolcott, 100 Harbor Drive, Port Ludlow, Washington 98365, is the person upon whom process may be served as provided for in the Condominium Statute. After organization of the Association, service of process for the purposes provided in the Condominium Statute shall be made upon the registered agent of the Association. The Board may at any time designate a different person for such purpose by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need be signed and acknowledged only by the president of the Association.

# ARTICLE 14.

# ASSOCIATION OF APARTMENT OWNERS

Section 14.1 Form of Association. The owners of apartments shall constitute an Association of Apartment Owners as defined in the Condominium Statute. Initially the Association may be an unincorporated association. The Board, or Declarant until such time as the Board is selected, may at any time if deemed advisable in the exercise of its sole discretion, without necessity of plat or approval or other action by the members being necessary, cause such unincorporated association to be converted to a non-profit corporation under the laws of the State of Washington; provided, that the rights and duties of the members of the Association shall always be governed by the provisions of the Condominium Statute and of this Declaration.

Section 14.2 Qualification for Membership. Each fee owner of an apartment (including Declarant) shall be a member of the Association and shall be entitled to one membership for each apartment owned; provided, that if an apartment has been sold on contract, the contract purchaser shall exercise the rights of the apartment owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of an apartment shall be the sole qualification for membership in the Association and Declarant shall be considered an "owner" as that term is used herein, and shall be the voting representative with respect to any apartment owned by Declarant.

Section 14.3 <u>Transfer of Membership</u>. The Association membership of each apartment owner (including Declarant) shall be appurtenant to the apartment giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the apartment and then only to the transferee of title to the apartment. Any attempt to make a prohibited transfer shall be void. Any transfer to title to an apartment shall operate automatically to transfer the membership in the Association to the new owner.

Section 14.4 Number of Votes. The total voting power of all owners shall be One Hundred (100) votes and the total number of votes available to the owner of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to the apartment. A person (including Declarant) who owns more than one apartment shall have the votes appertaining to each apartment owned.

Section 14.5 Voting Representative. An apartment owner may, by written notice to the Board, designate a voting representative for the apartment. The voting representative need not be an owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in an apartment, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the apartment, except in cases in which the person designated is a mortgagee of the apartment. This power of designation and revocation may be exercised by the guardian of an apartment owner, the attorney-in-fact for the owner under a durable power of attorney, and the administrators or executors of an owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each apartment shall be the group composed of all of its owners. If an apartment is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

Section 14.6 <u>Joint Owner Disputes</u>. The vote for an apartment must be cast as a single vote. Fractional votes shall not be allowed. If joint owners are unable to agree how their vote shall be case, they shall lose their right to vote on the matter in question.

Section 14.7 <u>Pledged Votes</u>. If an owner is in default under a first mortgage on the apartment for ninety (90) consecutive days or more, the mortgagee shall automatically be authorized to declare at any time thereafter that the apartment owner has pledged his or her vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.

Section 14.8 Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the last quarter of each year at such reasonable place and time as may be designated by written notice from the Board delivered to the owners no less than thirty (30) days before the meeting. Special meetings of the members of the Association may be called at any time, in the manner provided in the Bylaws, for the purpose of considering matters which require the approval of all or some of the owners, or for any other reasonable purpose. Any first mortgagee of an apartment may attend or designate a representative to attend the meetings of the Association.

Section 14.9 Audits. The Board, or persons having thirty-five percent (35%) of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An apartment owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association.

Section 14.10 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. Such books and records shall be audited once a year by an auditor outside of the Association.

Section 14.11 Articles and Bylaws. Before the Transition Date Declarant will adopt Bylaws to supplement this Declaration and the Articles and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Statute or this Declaration. Declarant may amend the Articles and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Statute or this Declaration. Declarant may amend the Articles and Bylaws from time to time until the Transition Date. After the Transition Date the Bylaws may be amended by the affirmative vote of sixty percent (60%) of the voting power at any duly called regular or special meeting of the Association. However, no material amendment of the Articles or Bylaws may be made without the prior written approval of each institutional holder of a first mortgage lien on an apartment.

Section 14.12 <u>Inspection of Condominium Documents</u>, Books, and Records. During normal business hours and at other reasonable times this Declaration, the Articles, the Bylaws, and other rules governing the operation of the condominium shall be available for inspection by the apartment owners, apartment mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them and, in addition, at such times the books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for inspection by the apartment owners, apartment mortgagees, and the agents or attorneys of either of them.

# ARTICLE 15.

#### NOTICES

Section 15.1 Form and Delivery of Notice. All notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after it has been deposited in the United States mail in Jefferson County, Washington, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the owner of any apartment shall be sufficient if mailed to the apartment if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to Declarant until the Transition Date and thereafter shall be given to the president or secretary of the Association.

Secton 15.2 Notices to Mortgagees. Any mortgagee of an apartment may file with the secretary of the Board a written request that it be given copies of notices. Until such time thereafter as the mortgagee withdraws the request or satisfies the mortgage of record, the Board shall send to the requesting mortgagee a copy of (1) all notices of meetings of the Association; (2) all other notices sent to the owner of the apartment covered by the mortgagee's mortgage; (3) audited financial statements prepared pursuant to Section 14.9; (4) notices of any intention of the Association to transfer any part of the common areas or facilities, abandon condominium status, or terminate professional management of the condominium; and (5) prompt notice of any default in an apartment owner's obligations under any of the documents that create or govern the condominium, or its rules and regulations, that is not cured within thirty (30) days of the date of default. Institutional holders of first mortgages on apartments shall be entitled to notices under Article 24 (Damage and Repair of Damage to Property) and Article 25 (Condemnation) irrespective of whether they have filed requests for notices. The provisions of this Section 15.2 shall prevail over any inconsistent or contrary provisions in this Declaration or in the Articles or Bylaws.

# ARTICLE 16.

# ADMINISTRATON OF PROPERTY; RIGHTS RETAINED BY DECLARANT

Section 16.1 Transition Date. The "Transition Date" shall be the date control of the condominium passes from Declarant to

the Association of Apartment Owners. The Transition Date will be either (1) the date designated by Declarant in a written notice to the owners, which date may at Declarant's election be any date after this Declaration has been recorded; or (2) the one hundred twentieth (120th) day after Declarant has transferred title to purchasers of apartments representing seventy-five percent (75%) of the total voting power of all apartment owners; or (3) the third anniversary of the recording of this Declaration; whichever of the foregoing occurs first.

Section 16.2 Declarant's Powers Until Transition Date. Until the Transition Date, Declarant shall have the full power and authority to exercise all of the rights, duties, and functions of the Board of Directors and the officers of the Association, including but not limited to the adoption of rules and regulations, contracting for the purchase of goods and services, buying insurance, and collecting and expending all assessments and other Association funds. Declarant shall have the power to contract with an experienced professional managing agent and delegate to the managing agent all of the powers and duties of the Board that the Board is authorized to delegate under Section 17.4. all such management contracts made by Declarant shall be subject to the same requirements as are set forth in Section 17.4 for management contracts made by the Board. Declarant may at such times as it deems appropriate select and from time to time replace an interim board of three (3) to five (5) directors, who need not be apartment owners or purchasers, who shall have all the powers, duties, and functions of the Board of Directors. Any contract made by Declarant, its managing agent, or the interim board (including management contracts) that would otherwise extend beyond the Transition Date shall be terminable by the Board after the Transition Date upon thirty (30) days' notice.

Section 16.3 Transfer of Administration. On the Transition Date the authority and responsibility to administer and manage the Association and the condominium, subject to this Declaration and the Bylaws, shall pass to the Association. The Association shall be governed by a Board of not fewer than three (3) nor more than seven (7) directors elected from among the apartment owners. The initial Board will have five (5) directors. Declarant, its managing agent, or the interim board of directors will call a meeting of the Association to be held before the Transition Date for the purpose of electing the first Board.

Section 16.4 Obtaining Declarant's Powers. In the event the mortgages of the condominium becomes bound by this Declaration by granting one or more partial releases or otherwise, and forecloses its mortgage or acquires a deed in lieu of the foreclosure, and obtains possessory rights, legal title, or certificates of sale to the unsold apartment or apartments and appurtenant common areas covered by the respective deed of trust or

mortgage liens, then the mortgagee of the condominium may succeed and assume to the exclusion of the Declarant, the powers of the Declarant, set forth in this Declaration.

Section 16.5 Extension of Declarant's Powers. In the event that the Declarant's obligation to the mortgagee of the condominium has not been paid in full at the time of Declarant's management power has expired under Section 16.1, then said powers conferred upon said Declarant by said section and to which the mortgagee of the condominium may succeed, shall be extended for an additional two (2) years. The mortgagee of a condominium shall be entitled to appoint a receiver during the pendency of any foreclosure and said receiver shall immediately, upon appointment, succeed to and assume the rights and powers of the Declarant as set forth in this Declaration, and the receiver shall be entitled to sell unsold condominium units during the pendency of such foreclosure, and said sale shall be subject to confirmation by court order.

# ARTICLE 17.

# AUTHORITY OF THE BOARD

Section 17.1 Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to ensure compliance with the general guidelines of this Declaration and to promote the comfortable use and enjoyment of the property. The Condominium Declaration and the Bylaws and the rules and regulations of the Association shall be binding upon all apartment owners and occupants and all other persons claiming any interest in the condominium.

Section 17.2 <u>Enforcement of Declaration, Etc.</u> The Board (or Declarant, Declarant's managing agent, or the interim board of directors until the Transition Date) shall have the power and the duty to enforce the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association.

Section 17.3 Goods and Services. The Board shall acquire and pay for as common expenses of the condominium all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the condominium. The goods and services shall include (by way of illustration and not limitation) utility services for the common areas and facilities; policies of insurance and fidelity bonds; legal and accounting services; maintenance, repair, landscaping, gardening, and general upkeep of the common and limited common areas and facilities; and all supplies,

materials, fixtures, and equipment that are in the Board's judgment necessary or desirable for the operation of the condominium and enjoyment of it by the owners. The Board may hire such full-time or part-time employees as it considers necessary.

Section 17.4 Managing Agent. The Board may, but shall not be required to, contract with an experienced professional managing agent to assist the Board in the management and operation of the condominium and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein. If a managing agent is employed by the Board, the prior written approval of each institutional holder of a first mortgage shall be required before the Board may terminate professional management and assume self-management. The managing agent shall not enter any apartment (directly or through agents) without the consent of the occupant unless entry has been directed by the Board. Only the Board can approve an annual budget or a supplemental budget, and only the Board can impose a special assessment on an apartment or authorize foreclosure of an assessment lien. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, with or without cause, on thirty (30) days' written notice.

Section 17.5 <u>Protection of Property</u>. The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the property, settlement claims, or otherwise act in what it considers to be the best interests of the condominium or the Association.

## ARTICLE 18.

#### BUDGET AND ASSESSMENT FOR COMMON EXPENSES

Section 18.1 Preparation of Budget. Within thirty (30) days prior to the beginning of each calendar year, the Board: shall estimate the charges (including common expenses, and any special charges for particular apartments) to be paid during such year; shall make provision for creating, funding and maintaining reasonable repair, and replacement of common areas and facilities; and shall take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board may create and maintain from regular monthly assessments a reserve fund for replacement of those common areas which can reasonably be expected to require replacement prior to the end of the useful life of the buildings. The Board shall calculate the contributions to said reserve fund so that there

are sufficient funds therein to replace each common area covered by the fund at the end of the estimated useful life of each such common area. The Declarant or initial Board may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including non-payment for any reason of any owner's assessment), the Board may at any time levy a further assessment, which shall be assessed to the owners in like proportions. Notwithstanding the provisions of this Section 18.1, until Declarants' management authority under Section 16.1 terminates, Declarant may elect to collect neither the full budgeted assessment for each month nor any assessments for reserve funds (other than reserves for insurance premiums), and instead may collect and expend only the actual costs of operation of the common areas.

Section 18.2 Monthly Assessments for Common Expenses. The sums required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be divided into equal installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly installments shall be assessed to the apartments (including apartments owned by Declarant) and their respective owners in proportion to the apartments' percentages of undivided interest in the common areas and facilities. Assessments begin accruing with respect to each apartment upon the closing of the first sale of that apartment by Declarant, or upon the occupation of that apartment by a tenant of Declarant.

Section 18.3 Special Assessments. If a special assessment becomes chargeable against an apartment under the authority of this Declaration or the Bylaws, the Board shall determine the amount of such special assessment and fix the month or months in which it is to be paid. The special assessment shall be added to the apartment's monthly installment of common expenses and be included in the assessment against the apartment.

Section 18.4 Notice of Assessment. The Board shall notify each apartment owner in writing of the amount of the monthly assessments to be paid for his apartment and shall furnish copies of each budget on which the assessments are based to all apartment owners and, if so requested, to their respective mortgagees.

Section 18.5 Payment of Monthly Assessments. On or before the first day of each calendar month each apartment owner shall pay or cause to be paid to the treasurer of the Association the assessment against the apartment for that month. Any assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 19.

Section 18.6 Proceeds Belong to Association. All assessments and other receipts received by the Association on behalf of the condominium shall belong to the Association.

Section 18.7 <u>Limitation on Assessments</u>. During such time as Declarant continues to be the original owner of an apartment in the condominium and is offering it for sale, no budget shall be adopted or special assessment imposed that will cause the total assessments against any apartment in any month to be more than ten percent (10%) greater than the total assessments against the apartment for the same month of the preceding calendar year. This limitation may be waived in writing, by Declarant only, for any one or more assessments. No person other than Declarant shall have the power either to assert or waive the limitation stated in this Section.

Section 18.8 Failure to Assess. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessment amount established for the preceding year shall continue until a new assessment is established.

Section 18.9 Certificate of Unpaid Assessments. Upon the request of any owner or mortgagee of an apartment, the Board will furnish a certificate in recordable form stating the amount, if any, of unpaid assessments charged to the apartment. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the apartment who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

Section 18.10 Separate Accounts. The Board 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 shall first deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided regarding the condominium and such 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 assessments and charges collected may be utilized for payment of other expenses or deposited or credited to other accounts. All such assessments and charges shall be collected and held in trust for, and administered and expended for the benefit of, the apartment owners.

#### ARTICLE 19.

# LIEN AND COLLECTION OF ASSESSMENTS

Section 19.1 Assessments Are a Lien; Priority. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any apartment and any sums specially assessed to any apartment under the authority of this Declaration or the Bylaws (together with interest, costs, and attorneys' fees in the event of delinquency) shall constitute a continuing lien on the apartment and all its appurtenances from the date the assessment became due until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the apartment in favor of any assessing unit and/or special district, and to all sums unpaid on all mortgages of record, but shall have priority over all other liens against the apartment. A first mortgagee of an apartment that obtains possession through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the apartment free of any claims for the share of common expenses of assessments by the Association chargeable to the apartment that became due before such possession, but will be liable for the common expenses and assessments that accrue after the taking of possession; in which event the apartment's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the apartment owners, including the mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to their respective percentages of undivided interest in the common areas and facilities; however, the owner and any contract purchaser shall continue to be personally liable for such past-due assessments, as provided in Section 19.3. For the purpose of this section, the terms "mortgages" and "mortgagee" shall not mean real estate contracts or a vendor or a designee or assignee of a vendor under a real estate contract.

Section 19.2 Lien May be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the managing agent or the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The managing agent or the Board, acting on behalf of the Association, shall have the power to bid on the apartment at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 19.3 Assessments Are Personal Obligations. In addition to constituting a lien on the apartment and all its appurtenances, all sums assessed by the Association chargeable to any apartment (together with interest, costs and attorneys' fees in the event of delinquency) shall be the joint and several personal obligations of the owner and any contract purchaser of the apartment when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments

shall be maintainable without foreclosing or waiving the liens securing them.

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Section 19.4 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established nonusurious rate, delinquent assessments shall bear interest at the rate of twelve percent (12%) per annum.

Section 19.5 Recovery of Attorneys' Fees and Costs. In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorneys' fees and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

Section 19.6 <u>Remedies Cumulative</u>. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies wheich may be available under the law although not expressed herein, either concurrently or in any order.

Section 19.7 <u>Security Deposit</u>. An apartment owner who has been delinquent in paying his monthly assessments for three (3) of the five (5) preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three (3) months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such owner, and may be resorted to at any time when such owner is ten (10) days or more delinquent in paying his assessments.

### ARTICLE 20.

# COMPLIANCE WITH DECLARATION

Section 20.1 Enforcement. Each owner shall comply strictly with the provisions of this Declaration and with the Bylaws 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 Bylaws 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 on behalf of the owners, or by the aggrieved owner on his own.

Section 20.2 No Waiver of Strict Performance. The failure of the Board in any instance to insist upon the strict compliance

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with this Declaration or the Bylaws or rules and regulations of the Association, or to exercise any right 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 any term covenant, condition, or restriction. The receipt by the Board of payment of an assessment from an owner, with knowledge of a breach by the owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board. This Article also extends to the Declarant, Declarant's managing agent, and the interim board of directors, exercising the power of the Board before the Transition Date.

#### ARTICLE 21.

## LIMITATION OF LIABILITY

Section 21.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board (nor the Declarant, Declarant's managing agent, or the interim board of directors) shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may lead or flow from outside or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

Section 21.2 No Personal Liability. So long as a Board member, or Association committee member, or Association officer, or Declarant or the managing agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any owner, or to any other person, including the Assocation, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

#### ARTICLE 22.

## INDEPNIFICATION

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

### ARTICLE 23.

# INSURANCE

Section 23.1 General Requirements. The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies and bonds necessary to provide casualty insurance; comprehensive liability insurance; fidelity bonds; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's directors, officers, and representatives from personal liability in the management of the Association's affair; and such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from an insurance carrier rated Triple A (and rated in Class XI or better financial condition) by Best's Insurance Reports or equivalent rating service, and licensed to do business in the State of Washington. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, and liability insurance and a fidelity bond that meets the insurance and fidelity bond requirements for condominium projects established by the Federal Na-tional Mortgage Association and the Government National Mortgage Association, so long as either is a mortgagee or owner of an apartment within the condominium, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government National

Mortgage Association. All such insurance policies and fidelity bonds shall provide that coverage 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, including apartment owners, mortgagees, and designated servicers of mortgagees.

Section 23.2 Casualty Insurance. The casualty insurance shall, at the minimum, consist of a standard form of fire insurance policy with extended coverage endorsement in an amount equal to the full replacement value (i.e., one hundred percent (100%) of current replacement cost exclusive of land, foundation, excavation, and other items normally excluded from coverage) of the common areas and facilities, apartments, and all fixtures and equipment belonging to the Association with an "Agreed Amount Endorsement" or its equivalent, if available, or an "Inflation Guard Endorsement," and, if required by Federal National Mortgage Association, a "Demolition and Contingent Liability from Opera-tion of Building Laws Endorsement," an "Increased Cost of Con-struction Endorsement," and such other endorsements as Federal Mational Mortgage Association deems necessary and are available. In addition to protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, the policy shall provide protection against loss or damage from sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as are customarily covered with respect to residential condominium projects of similar policies construction in the greater Seattle metropolitan area. The policy or policies shall provide for separate protection for each apartment to the full insurance replacement value thereof (limited as above provided), and a separate loss payable endorsement in favor of the mortgagee or mortgagees of each apartment. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurable trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. The policy or policies shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Associaton (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

Section 23.3 Comprehensive Public Liability Insurance. The comprehensive policy of public liability insurance shall insure the Board, the Association, the apartment owners, Declarant, and the managing agent, and cover all of the common areas and facilities of the condominium, with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an apartment owner because of the

negligent acts of the Association or of another apartment owner, and shall include protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to residential condominium projects of similar construction in the greater Seattle metropolitan area. The limits of liability shall not be less than One Million Dollars (\$1,000,000) covering all claims for personal injury and/or property damage arising out of a single occurrence.

Section 23.4 Additional Policy Provisions. The Board shall exercise its reasonable best efforts to obtain insurance policies pursuant to Sections 23.2 and 23.3 containing the following provisions and limitations:

- 23.4.1 The named insured shall be the Association, as trustee for each of the apartment owners in accordance with their respective percentages of undivided interest in the common areas and facilities. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies.
- 23.4.2 Such policies shall not provide for contribution by or assessment against mortgagees or become a lien on the property superior to the lien of a first mortgage.
- 23.4.3 In no event shall the insurance coverage be brought into contribution with insurance purchased by the owners of the apartments or their mortgagees.
- 23.4.4 Coverage shall not be prejudiced by (a) any act or neglect of the owners of apartments when such act or neglect is not within the control of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.
- 23.4.5 A waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any apartment, and/or their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

# 23.4.6 A standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in the policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease in their respective order of preference, whether or not named therein;

- (b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or apartment owners or any persons under any of them;
- (c) Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and
- (d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Board or the insurance trustee.

Section 23.5 Fidelity Bonds. The required fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association or the managing agent and all other persons who handle or are responsible for handling funds of the Association and be in an amount equal to at least fifteen percent (15%) of the estimated annual operating expenses of the condominium, including reserves. All such fidelity bonds shall name the Association as an obligee and contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 23.6 Owners' Individual Insurance. Each owner may obtain additional insurance on his apartment and its contents at his own expense but only if the owner's insurance does not decrease the amount that the Board, or any trustee for the Board, on behalf of all of the owners, will realize under any insurance policy that the Board may have in force on the property. Each owner shall notify the Board of all improvements by the owner to his apartment the value of which is in excess of One Thousand Dollars (\$1,000). Any owner who obtains individual insurance policies covering any portion of the property other than personal property belonging to him shall file a copy of his individual policy or policies with the Board within thirty (30) days after he buys it, and the Board shall immediately review its effect with the Board's insurance broker, agent, or carrier.

Section 23.7 <u>Insurance Proceeds</u>. Insurance proceeds for damage or destruction to any part of the property shall be paid to the Board on behalf of the Association which shall segregate such proceeds from any other funds of the Association for use and payment as provided for in Article 24. The Association acting through its Board shall have the authority to settle and compromise any claim under insurance obtained by Association and the insurer may accept the release and discharge of liability made by the Board on behalf of the named insureds under the policy.

#### ARTICLE 24.

#### DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

- Section 24.1 <u>Initial Board Determination</u>. In the event of damage to any part of the property, the Board shall promptly, and in all events within thirty (30) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:
- 24.1.1 The nature and extent of the damage, together with an inventory of the improvements and property directly affected thereby.
- 24.1.2 A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.
- 24.1.3 The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.
- 24.1.4 The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds and the amount of the assessments that would have to be made against each apartment if the excess cost were to be paid as a maintenance expense and specially assessed against all the apartments in proportion to their percentages of undivided interest in the common areas and facilities.
- 24.1.5 The Board's recommendation whether the damage should be repaired.
- Section 24.2 Notice of Damage. The Board shall promptly, and in all events within thirty (30) days after the date of damage, provide each owner and each institutional holder of a first mortgage on an apartment with a written notice describing the damage and summarizing the initial Board determinations made under Section 24.1. If the Board fails to do so within said thirty (30) days, any owner or mortgagee may make the determinations required under Section 24.1 and give the notice required under this Section 24.2.
- Section 24.3 Definitions: Damage, Repair, Emergency Work. As used in this Article 24:
- 24.3.1 <u>Damage</u> shall mean all kinds of damage, whether of slight degree or total destruction.

- 24.3.2 Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each apartment and the common areas and facilities having substantially the same vertical and horizontal boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.
- 24.3.3 <u>Emergency Work</u> shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the owners from liability from the condition of the site.

# Section 24.4 Execution of Repairs.

- 24.4.1 The Board shall promptly repair the damage and use the available insurance proceeds therefor unless before the repairs (other than emergency work) are begun the owners decide in accordance with this Article not to repair. If the cost of repair exceeds the available insurance proceeds the Board shall impose a special assessment against all apartments in proportion to their percentages of undivided interest in the common areas in an amount sufficient to pay the excess costs.
- 24.4.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.
- 24.4.3 The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of Fifty Thousand Dollars (\$50,000) or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article 24.
- Section 24.5 Damage Not Substantial; Assessment Under Three Thousand Five Hundred Dollars (\$3,500). If the estimated assessment determined under subsection 24.1.4 does not exceed Three Thousand Five Hundred Dollars (\$3,500) for any one apartment, the damage will be deemed not to be substantial and the provisions of this section 24.5 shall apply.

- 24.5.1 Either the Board or the requisite number of owners, within fifteen (15) days after the notice required under section 24.2 has been given, may but shall not be required to, call a special owners' meeting in accordance with section 14.8 and the Bylaws to decide whether to repair the damage.
- 24.5.2 Except for emergency work, no repairs shall be commenced until after the fifteen (15) day period and until after the conclusion of the special meeting if such a special meeting is called within the fifteen (15) days.
- 24.5.3 A unanimous decision of the apartment owners and the holders of first mortgages on apartments will be required to elect not to repair the damage. The failure of the Board and the owners within the fifteen (15) day period to call a special meeting shall be deemed a decision to repair the damage.
- Section 24.6 Substantial Damage; Assessment Over Three Thousand Five Bundred Dollars (\$3,500). If the estimated assessment determined under subsection 24.1.4 is Three Thousand Five Bundred Dollars (\$3,500) or more for any one apartment, the damage wil be deemed substantial and the provisions of this Section 24.6 shall apply.
- 24.6.1 The Board shall promptly, and in all events within thirty (30) days after the date of damage, call a special owners' meeting to consider repairing the damage. If the Board fails to do so within thirty (30) days, then notwithstanding the provisions of section 14.8 and the Bylaws, any owner or first mortgagee of an apartment may call and conduct the meeting.
- 24.6.2 Except for emergency work, no repairs shall be commenced until the conclusion of the special owners' meeting.
- 24.6.3 A concurring vote of more than two-thirds (2/3) of the total voting power will be required to elect not to repair the damage. Failure of the Board, the owners, and the first mortgagees to conduct the special meeting provided for under subsection 24.6.1 within ninety (90) days after the date of damage shall be deemed a unanimous decision not to repair the damage.
- Section 24.7 <u>Effect of Decision Not to Repair</u>. In the event of a decision under either subsection 24.5.3 or 24.6.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

- 24.7.1 The property shall be owned in common by the apartment owners and shall no longer be subject to this Declaration or to condominium ownership.
- 24.7.2 Each apartment owner's percentage of undivided interest in the property shall be the same as the percentage of undivided interest he previously owned in the common areas and facilities.
- 24.7.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with the existing priorities to the apartment owner's percentage of the undivided interest in the property.
- 24.7.4 The property shall be subject to an action for partition at the suit of any apartment owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund. The fund shall be divided into separate shares, one for each apartment owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property. After first paying out of the respective share of each apartment owner, to the extent sufficient for the purpose, all mortgages and liens on the owner's interest, the balance remaining in each share shall be distributed to the owner.

# ARTICLE 25.

# CONDEMNATION

- Section 25.1 Consequences of Condemnation; Notices. If any apartment or portion thereof or the common areas and facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (referred to herein as a "taking") notice of the proceeding or proposed acquisition shall promptly be given to each apartment owner and to each institutional holder of a first mortgage and the provisions of this Article 25 shall apply.
- Section 25.2 Proceeds: All compensation, damages, or other proceeds of the taking, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.
- Section 25.3 Complete Taking. If the entire property is taken the condominium ownership shall terminate. The Condemnation Award shall be apportioned among the owners in proportion to their respective percentages of undivided interest in the common areas and facilities; provided, that if a standard different from the value of the property as a whole is employed to measure the

Condemnation Award in the taking, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. Each owner's share shall be applied first to the payment of all mortgages and liens on the owner's interest in accordance with the existing priorities and the balance of each share shall be distributed to the owner.

- Section 25.4 <u>Partial Taking</u>. If less than the entire property is taken the condominium ownership shall not terminate. Each owner shall be entitled to a share of the Condemnation Award determined in the following manner:
- 25.4.1 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award among compensation for property taken, severance damages, or other proceeds.
- 25.4.2 The Board shall apportion the amounts so allocated to taking of or injury to the common areas and facilities, which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas and facilities.
- 25.4.3 The total amount allocated to severance damages shall be apportioned to the apartments that were not taken.
- 25.4.4 The amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within the owner's apartment shall be apportioned to the apartment.
- 25.4.5 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.
- 25.4.6 If an allocation of the Condemnation Award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the Condemnation Award the Board shall employ that allocation to the extent it is relevant and applicable.
- 25.4.7 Distribution of apportioned proceeds shall be made to the owners and their respective mortgagees in the manner provided in aection 25.3.
- Section 25.5 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 24 for repair of damage, provided

that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge the owner's liability for any special assessment arising from the operation of Article 24.

#### ARTICLE 26.

## **EASEMENTS**

Section 26.1 In General. Each apartment has an easement in and through each other apartment and the common areas and facilities for all support elements and utility, wiring, heat, and service elements and for reasonable access thereto, as required to effectuate and continue proper operation of the condominium. In addition, each apartment and all the common areas and facilities are specifically subject to easements as required for the electrical wiring and plumbing for each apartment. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.

Section 26.2 Encroachments. Each apartment and all common areas and facilities are hereby declared to have an easement over all adjoining apartments and common areas and facilities for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching apartments, areas, and facilities so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of an apartment if the encroachment was caused by the willful act with full knowledge of the apartment owner. The encroachments described in this section 26.2 shall not be construed to be encumbrances affecting the marketability of title to any apartment.

Section 26.3 <u>Easement Specifically Reserved by Declarant.</u>

Declarant reserves an access easement over, across, and through the common areas and facilities of the condominium for the purpose of completing any unfinished apartments or other improvements and exhibiting and preparing apartments for sale.

#### ARTICLE 27.

# PROCEDURES FOR SUBDIVIDING OR COMBINING APARTMENTS

Section 27.1 <u>Submission of Proposal</u>. No apartment or apartments or common areas and facilities shall be subdivided and/or combined either by agreement or legal proceedings, except as provided in this Article. An apartment owner may propose subdividing and/or combining of an apartment or apartments, or common areas and facilities by submitting the proposal in writing to all other apartment owners and the mortgagees of the apartments to be subdivided or combined. If the proposal contemplates the subdivision of an apartment, the proposal must also be given to every first mortgagee of any apartment in the condominium. The proposal must include complete plans and specifications for accomplishing the subdivision or combination and proposed amendments of this Declaration and the Plans and, if necessary, the Survey Map.

Section 27.2 Approval Required for Subdivision. A proposal that contemplates subdivision of an apartment will be accepted only if approved in writing by all owners and mortgagees of the apartment or apartments to be subdivided, the owners of eighty percent (80%) of the total undivided interest in the common areas and facilities, and every first mortgagee.

Section 27.3 Approval Required for Combination. A proposal that contemplates only combination of apartments without subdividing any of them will be accepted if approved in writing by the owners of sixty percent (60%) of the total undivided interest in the common areas and facilities and all owners and mortgagees of the apartments to be combined.

Section 27.4 <u>Procedure After Approval</u>. Upon approval of the proposal, the owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other apartments or common areas and facilities or that 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 thereto.

#### ARTICLE 28.

# AMENDMENTS OF DECLARATION, SURVEY MAP, AND PLANS

Section 28.1 Amendments by the Association. An apartment owner may propose amendments to this Declaration, the Survey Map, An apartment or the Plans to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by owners of twenty percent (20%) or more of the apartments in the condominium, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including mortgagess) entitled to receive notice of a meeting of the Association. The unanimous consent of all apartment owners shall be required for adoption of either (1) an amendment altering the value of the property and of each apartment or the percentages of undivided interest in the common areas and facilities, or (2) a decision that the property be removed from condominium status, or (3) an amendment of section 14.7 or of this Article 28. All other amendments shall be adopted if approved by sixty percent (60%) of the apartment owners and there is compliance with section 28.2. Once an amendment has been adopted by the Association and any necessary approval of mortgagees has been obtained, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records.

Section 28.2 Requirement of Mortgagee Approval. In addition to other provisions of this Declaration and of the Condominium Statute, the prior written approval of each institutional holder of a first mortgage will be required for any material amendment of this Declaration or the Bylaws, including, but not limited to, any amendment that would change the percentages of undivided interest in the common areas and facilities of the apartment owners.

### ARTICLE 29.

# ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS

Except in cases of substantial damage to the property as provided in Article 24, the condominium status of the property shall not be abandoned or terminated by reason of any act or omission by the owners or the Association except with the consent of all apartment owners by an instrument to that effect duly recorded, and then only if the mortgagees and holders of all liens affecting any of the apartments consent thereto or agree, in either case by an instrument duly recorded, that their mortgages and liens be transferred to the percentage of the undivided interest of the apartment owner in the property.

### ARTICLE 30.

# **SEVERABILITY**

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder complies with the Condominium Statute or, as covenants, effect the common plan.

## ARTICLE 31.

# EFFECTIVE DATE

The Declaration shall take effect upon recording.

# ARTICLE 32.

# REFERENCE TO SURVEY MAP AND PLANS

The Survey Map and Plans were filed with the Recorder of Jefferson County, Washington, simultaneously with the recording of this Declaration under File No. 255200, in Volume / of Condominiums, pages / through //.

# ARTICLE 33.

## ASSIGNMENT BY DECLARANT

Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it

and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration; however, such assignment shall not diminish Declarant's duties and obligations.

DECLARANT, JMB, a general partnership

FAIRGREEN, INC., a Washington corporation, General Partner

William J. Wolcott its President

JOHN LEA & SONS, INC., a Washington corporation, General Partner

By JOHN R. LEA, its President

SANTANA, U.S., Inc., a Washington corporation, General Partner

MELVIN R. BRUCHET
Its President

STATE OF WASHINGTON )

rized to execute said instrument.

COUNTY OF Jefferio

 IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC in and for the State of Washington, residing at pristuling

NOTARY PUBLIC in and for the State of Washington, residing at his

STATE OF WASHINGTON )

COUNTY OF July

On this /2 day of \_\_\_\_\_\_\_\_, 197% before me, a Notary Public in and for the State of Washington, personally appeared John R. Lea, to me known to be the President of John Lea & Sons, Inc., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was autho-

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

SS.

TATE OF WASHINGTON )

COUNTY OF Jelleson

On this 15 day of 1977, before me, a Notary Public in and for the State of Washington, personally appeared Melvin R. Bruchet, to me known to be the President of Santana, U.S., Inc., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was autho-

rized to execute said instrument.

rized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC in and for the State of Washington, residing at freshold

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#### SCHEDULE A

## HIGHLAND GREENS CONDOMINIUM DECLARATION

That portion of the Southwest Quarter of the Northwest Quarter of Section 21, Township 28 North, Range 1 East, W.M., described as follows: Beginning at the Southeast corner of Lot 15 of South Bay 1 as per plat recorded in Volume 6 of Plats on Pages 1 to 3 inclusive, records of Jefferson County; thence South 45°42'40" West 232.26 feet; thence South 48°59'20" West 289.55 feet; thence South 59°51'27" West 179.21 feet; thence South 77°03'00" West 94.67 feet; thence North 84°26'20" West 142.90 feet; thence North 19°00'46" East 159.30 feet; thence North 46°46'41" East 169.96 feet; thence North 20°25'13" East 96.33 feet; thence South 82°10'52" East 160.46 feet; thence North 24°31'16" East 86.85 feet; thence South 56°28'05" East 50.63 feet; thence South 65°51'09" East 168.76 feet to the point of beginning, containing 4.566 acres, plus or minus.

SHEDULE B TO
HIGHLAND GREENS CONDOMINIUM DECLARATION

APARTHENT	FLOOR LOCATION	ENTRY HALL, LIVING RM DINING ROOM, KITCHEN	NO, OF BEDROOMS	NO. OF BATHS	TOTAL NO. OF ROOMS	FLOOR AREA	DECK	APPR. GARAGE AREA	•	
101	lst	Yes	3	2	8	1450	yes	276		
102	2d -	Yes	3	2	8	1396	. Yes	276		
103	1 st & 2d	Yes	2	2	7	1270	Yes	275		
104	1st & 2d	Yes	2	2	7	1270	Yes	275		
105	2 d	Yes	3	2	8	1396	Yes	276		
106	lst	Yes	3	2	8	1450	Yes	276		
201	lst	Yes	3	2	8	1450	Yes	276		
202	2d	Yes	3	2	8	1396	Yes	276		
203	1 s t & 2 d	Yes	2	2	7	1270	Yes	275		
204	ist & 2d	Yes	2	2	7	1270	Yes	275		
205	2 d	Yes	3	2	8	1396	Yes	276		
206	lst	Yes	3	2	8	1450	Yes	276		
301	1 s t	Yes	3.	2	8	1452	Yes	276		
302	2d	Yes	3	2	8	1401	Yes	276		
303	2d	Yes	3	2	. 8	1401	Yes	276		
304	lst	Yes	3	2	8	1452	Yes	276		

SCHEDULE B TO
HIGHLAND GREENS CONDOMINIUM DECLARATION

APARTHENT	FLOOR LOCATION	ENTRY HALL, LIVING RM DINING RM., KITCHEN	NO. OF BEDROOMS	NO. OF BATHS	TOTAL NO. OF ROOMS	FLOOR AREA	DECK	APPR. GARAGE AREA	
401	lst	Yes	3	2	8	1523	Yes	276	
402	2d	Yes	3	2	8	1401	Yes	276	
403	2 d	Yes	3	2	8	1401	Yes	276	
404	lst	Yes	3	2	8	1523	Yes	276	
501	îst	Yes	3	2	8	1494."	Yes	276	
502	2d	Yes	3	2	8	1482	Yes	276	
503	1st & 2d	Yes	2	2	7	1270	Yes	276	
504	1st & 2d	Yes	2	2	7	1270	Yes	276	
505	2d	Yes	3	2	8	1396	Yes	276	
506	ist	Yes	3	2	8	1450	Yes	276	
601	lst	Yes	3	2	8	1450	Yes	276	
602	2 d	Yes	3	2	8	1396	Yes	276	
603	1st & 2d	Yes ·	2	2	7.	1270	Yes	275	
604	lst & 2d	Yes	2	2	7	1270	Yes	275	
605	2 d	Yes	3	2	. 8	1396	Yes	276	. •
606	lst	Yes	3	2	8	1450	Yes,	276	
701	lst	Yes	3	2	8	1450	Yes	276	
702	2d	Yes	3	2	8	1396	Yes	276	
703	1st & 2d	Yes	2	2	7	1270	Yes	275	
704	1st & 2d	Yes	2	2	7	1270	Yes	275	
705	2 d	Yes	3	2	8	1396	Yes	276	
706	lst .	Yes	3	2	8	1450	Yes	276	

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SCHEDULE C TO
HIGHLAND GREENS CONDOMINIUM DECLARATION

BUILDING	APARTMENT	VALUE	PERCENTAGE
	101	\$79,000	2.722
	102	\$79,000	2.722
1	103	\$69,000	2.378
	104	\$69,000	2.378
	105	\$79,000	2.722
	106	\$79,000	2.722
	201	\$79,000	2.722
	202	\$79,000	2.722
2 .	203	\$69,000	2.378
	204	\$69,000	2.378
	205	\$79,000	2.722
*:	206	\$79,000	2.722
	301	\$79,000	2.722
_	302	\$79,000	2.722
3	303	\$79,000	2.722
	304	\$79,000	2.722
	401	\$79,000	2.722
	402	\$79,000	2.722
4	403	\$79,000	2.722
	404	\$79,000	2.722
			2 722
	501	\$79,000	2.722
_	502	\$79,000	2.722
5	503	\$69,000	2.378
	504 505	\$69,000	2.378
	505	\$79,000	2.722
	506	\$79,000	2.722
	601	\$79,000	<b>2.</b> 722
	602	\$79,000	2.72 <b>2</b>
6	603	\$69,000	2.378
	604 -	\$69,000	2.378
	605	\$79,000	2.722
	606	\$79,000	2.722
	701	\$79,000	2.722
_	702	\$79,000	2.722
7	703	\$69,000	2,378
	704	\$69,000	2.378
	705	\$79,000	2.722
	706	\$79,000	2.722
Total value o	f all		
units		\$2,902,000	100.000

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# 292520

MIGHLAND GREENS CONDOMINIUM CAMERS' ASSOCIATION Port Ludlow, Washington

December 11, 1984

The attached ballot was submitted to the Highland Greens Condominium Association membership for approval on November 15. 1054.

by December 10, 1984 there was a response of 36 votes A unanimously in favor of billing the membership quarterly for assessments. For complete details, please see attiched.

Declaration and Covenants, etc. originally recorded Jan. 18, 1979 in Jefferson County by Betty J. Anderson, Jefferson County Auditor.

RECONUED IN

VOL 197 PAGE 363 - 965

OF OFFICIAL RECORDS

REQUEST OF

COLOR CONTROL

1981 DEC 20 AN 9 57

PATRICIA N. KNAPP JEFFERSON COUNTY AUDITOR

Sheet 1 of 2

#### HIGHLAND GREENS CONDONTHIUM OWNERS ASSOCIATION

November 15, 1984

#### BALLOT

Proposed by the Board of Directors, as directed by membership at annual meeting November 10, 1984; that sections 18.2; 18.3; 18.4; 18.5; 18.8; 18.10 and 19.7 of the Declaration and Covenants, Conditions, Restrictions, and Reservations of the Highland Greens Condominium Owners Association is amended by deleting the word or words lined out, and adding the word or words underscored in the following sections; in order to provide for quarterly assessments in lieu of monthly assessments.

Section 18.2. MGNTHLY ASSESSMENTS OF COMMON EXPENSES. The sums required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be divided into equal installments to be paid each menth calendar quarter over the period of time covered by the budget or supplemental budget. The monthly quarterly installments shall be assessed to the apartments (including apartments owned by Beclarant) and their respective owners in proportion to the apartments' percentages of undivided interest in the common areas and facilities. Assessments begin according with respect to each apartment upon the elesing of the first sale of that apartment by Beclarant, or upon the eccupation of that apartment by a tenant of Beclarant.

Section 18.3. SPECIAL ASSESSMENTS. If a special assessment becomes chargeable against an apartment under the authority of this Occiaration or the By-laws, the Board shall determine the amount of such special assessment and fix the month or months quarter or quarters in which it is to be paid. The special assessment shall be added to the apartment's monthly quarterly installment of common expenses and be included in the assessment against the apartment.

Section 18.4. NOTICE OF ASSESSMENT. The Board shall notify each apartment owner in writing of the amount of the monthly <u>quarterly</u> assessments to be paid for his epartment and shall furnish copies of each budget on which the assessments are based to all apartment owners and, if so requested, to their respective mortgagees.

Section 18.5. PAYMENT OF MONTHLY QUARTERLY ASSESSMENTS. On or before the first day of each calendar menth quarter each apartment owner shall pay or cause to be paid to the treasurer of the Association, or a designated representative, the assessment against the apartment for that menth quarter. Any assessment not paid by the first fifteenth (15th) day of the first month of each calendar menth quarter for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 19.

Section 18.8. FAILURE TO ASSESS. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the manthly guarterly assessment amount established for the preceding year shall continue until a new assessment is established.

Highland Greens Condominium Owners Association BALLOT Movember 15, 1984

Sheet 2 of 2

Section 18.10 SEPARATE ACCOUNTS. The Board shall require that the Association maintain separate accounts for current operations, reserves, and a special separate reserve account for payment of insurance. Each month <u>Ouring the first month of each guarter</u> the Board shall first deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least and twelfth <u>one-quarter</u> 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 assessments and charges collected may be utilized for payment of other expenses or deposited or credited to other accounts. All such assessments and charges shall be collected and held in trust for, and administered and expended for the benefit of, the apartment owners.

Section 19.7. SECURITY DEPOSIT. An apartment owner who has been delinquent in paying his monthly assessments for three (3) of the five (5) preceding months quarterly assessments for a period of sixty (60) days from the date of its imposition may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly assessments, two (2) quarters estimated quarterly assessments, which shall be subject to penalties for non-payment as are other assessments. The deposit shall be held in a separate fund, credited to such owner, and may be resorted to at any time when such owner is ten (10) days fifteen (15) days or more delinquent in paying his assessments.

TES MO	Approve revisions of the seven (7) sections of the Declaration as outlined above to authorize the Association to make assessments on a quarterly basis in lieu of monthly.
Dete	Signed
	Signed

Highland Greens Condo Unit Humber(s) Indicate all units owned as each is a vote All parties having an interest in the unit(s) should sign, such as both spouses, and all owners in-common, etc.

Completed ballot to be returned to Miriam Bell, Secretary, Highland Greens Condomintum Owners Association, 800 Highland Greens, Port Ludlow, Washington 98365. Please return promptly as votes received after December 10, 1984 will not be effective.

w 197 -365

# 315001

HIGHLAND GREENS CONDOMINIUM OWNERS ASSN.

41-7 Highland Greens
Port Ladlow, Washington 98365

MARY E. GABOURY JEFFERSON COUNTY AUDITOR

JEFFERSON COUNTY AUDITO

## **HEH**ORANDUM

TO: Jefferson County Auditor's Office

SUBJECT: Certificate of Amendment to the Covenants, Conditions, Restrictions, and Reservations for Highland Greens, A Condominium

Pursuant to Section 28.1 of the above referenced document, the following amendments are submitted for recording by your office. The Board of HGCOA validated the election on affirmative ballots returned by twenty-six (26) owners, and by motion adopted the approved amendments at their meeting on May 14, 1988.

Section 1.1.1. of Article 1: Apartment shall mean a residential unit composed of a suite of rooms and other enclosed spaces in the building. The boundaries of an apartment are the finished interior surfaces of all valls and partitions, floors, ceilings, vindows, and doors, which the owner may point and maintain. The apartment includes both the portions of the building so described and air space encompassed.

Section 23.2.1 of Article 23: Although the built-in appliances such as the range, refrigerator, dishwasher and the wall-to-wall carpeting and pads are the property of the condominium owner, the Association agrees to provide fire and basic extended coverage for them.

ATTESTED:

Member of the Board

M. Dona Contra

Member of the Board

vai 258 2364

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321046

HIGHLAND GREENS CONDOMINIUM OWNERS ASSOCIATION. 2 10
Al-7 Highland Greens
Port Ludlow, Washington 98365

MEMORANDUM

To: Jefferson County Auditor's Office

Subject: Certificate of Amendment to the Covenants, Conditions, Restrictions, and Reservations for Highland Greena, A Condominium

Pursuant to Section 28.1 of the above referenced document, the following amendments are submitted for recording by your office. The Board of HGCOA validated the election on affirmative ballots returned by twenty-nine (29) owners, and by motion adopted the approved amendments at their meeting on 13 April 1989.

Section 11.1. Residential Use. The buildings and sportments are intended for and restricted to use as single-family residences only on an ownership, rental, or lesse basis, and for social, recreational, or other ressonable activities normally incident to such use, and for the purposes of operations the Association and managing the condominium if required. No apertment shall be subdivided or time-shared or otherwise divided in any manner without the prior written approval of the Soard.

Section 11.2. Lesses. No epartment owner or other person shall be permitted to lesse or otherwise rent an epartment for a term of less than ninety (90) days. No lesse or rental of an epartment may be of less than the entire apartment. Any lesse or rental agreement must provide that its terms shall be subject in all respects to the provisions of this Declaration and the Bylaws and rules and regulations of the Association and that if any failure by the tenant to comply with the terms of such documents shall be a default under the lesses or rental agreement. In addition, all such lesses or rental agreements sust comply with the insurance requirements of Article 23.

All lesses and rental agreements shall be delivered to the Association before the tenency commences. Failure of the lendlord to do so will result in a monetery charge of \$250.00 for the first offense and \$500.00 for each subsequent offense. Failure to make payment of this charge will be considered a wiolation of and a breach of these covenants. Other than as stated in this Section 11.2 and in Sections 11.1 and 23.6.1, there is no restriction on the right of any apartment owner to lesse or otherwise rent his apartment.

Page 1 of 2

var 276 :462

April 18, 1989

# RIGHLAND GREENS CONDOMINIUM OWNERS ASSOCIATION 41-7 Highland Greens Port Ludlow, Vashington 98365

MEMORANDUM (Continued)

To: Jefferson County Auditor'e Office

Section 23.6.1. Occupant Liability/Property Damage Incurance. If the apartment is leased or rented in accordance with Section 11.2, owner shall maintain premises liebility insurance on the premises for bodily injury and property damage. Owner shall name the HIGHLAND GREENS CONDOMINIUM ASSOCIATION as an additional insured. Owner shall furnish Association with a certificate indicating that the insurance policy is in full force and effect, that the Association has been named as an additional insured and that the policy may not be cancelled unless ten (10) days' prior written notice of the proposed cancellation bas been given to the Association. While the responsibility to provide this policy is the owner's, the owner may fulfill it by requiring its lessee to provide such a policy.

ATTESTED:

Member of the Mound

Wamber of the Board

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MARY E GASCURY
HIGHLAND GREENS CONDOMINIUM OWNERS ASSOCIATION
41-7 Highland Greens Ellowing Station
Port Ludiow, Washington 98365

#### **HEHORANDUH**

TO: Jefferson County Auditor's Office

SUBJECT: Certificate of Amendment to the Covenants, Conditions, Restrictions, and Reservations for Highland Greens, & Condominium

Pursuant to Section 28.1 of the above referenced document, the following amendments are submitted for recording by your office. The Board of HGCOA validated the election on affirmative ballots returned by thirty-two (32) owners, and by motion adopted the approved amendments at their meeting on 21 October 1993.

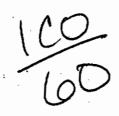
Section 23.2.1 of Article 23: Although the built in appliances such as the range, refrigerator, dishwasher and the wall to wall carpeting and pads are property of the condominium owner, the Association agrees to provide fire and basic extended coverage for them. The individual owner will be responsible for the \$1,000 deductible or the deductible amount in effect at that time.

Section 18.10 Separate Accounts shall be deleted in its entirety.

ATTESTED:

Member of the Board

Member of the Board



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MARY E. GABOURY LEFFERSON COUNTY AUDITOR

BIT MANN HIGHLAND GREENS CONDOMINIUM OWNERS ASSOCIATION
41-7 Highland Greens
Port Ludlow, WA 98365

#### **HEHOR ANDUM**

TO: Jefferson County Auditor's Office

SUBJECT: Certificate of Amendment to the Covenants, Condition, Restrictions, and Reservations for Highland Greens, A Condominium.

Persuant to Section 28.1 of the above referenced document, the following deletion is submitted for recording of your office. The Board of Highland Greens Condominium Owners Association validated the election on affirmative ballots returned by thirty-two (32) owners, and by motion adopted on 25 October, 1994 that Section 23.2.1 of Article 23 be eliminated in its entirety. This section reads as follows:

Section 23.2.1 of Article 23: Although the built in appliances such as the range, refrigerator, dishwasher and the wall to wall carpeting and pads are property of the condominium owner, the Association agrees to provide fire and basic extended coverage for them. The individual owner will be responsible for the \$1,000 deductible or the deductible amount in effect at that time.

The insurance of the above mentioned items will no longer be covered by  ${\tt HGCOA}$  policy.

ATTESTED;

Member of the Board

Nember of the Board