



200705290809 57 PGS
05/09/2007 1:45pm \$88.00
PIERCE COUNTY, WASHINGTON

After recording, please return to:
GOFF & DeWALT, LLP
3226 Rosedale Street, Suite 100
Gig Harbor, Washington 98335

Document Title: REVISED CONDOMINIUM
DECLARATION FOR COFFEE CREEK, A
CONDOMINIUM

Reference Numbers of Related Documents: 2462408, 2487346 and 2685501(Survey Map
and Plans and amendments thereto); 2462407
(Declaration of Covenants, Conditions,
Restrictions and Reservations for Coffee Creek,
A Condominium); 8410100132 (Complete
Revised Declaration); 8308290369

Grantor(s): Coffee Creek Condominium Association

Grantee(s): N/A

Legal Description (abbreviated): Coffee Creek, A Condominium, Recorded in
Volume 2 of Condominiums, Pages 15 through
16, According to Declaration Thereof, Recorded
Under Pierce County Recording No. 2462407,
and any Amendments Thereto, According to
Survey Map and Floor Plans Recorded Under
Auditor's No. 2462408 as Amended by Survey
Maps Recorded under Auditor's Nos. 2487346
and 2685501 and Classified by Certification
Recorded under Auditor's No. 2689961 and as
Identified by Complete Revised Declaration
Recorded Under Auditor's No. 8410100132,
which is a Re-Record of Instrument Recorded
Under Auditor's No. 8308290369 which
Replaces and Supersedes all Prior Declarations
and Amendments thereto and By-Laws for
Coffee Creek;

Situate in the County of Pierce, State of
Washington.

RECEIVED
MAY 25 2007

ORIGINAL

After Recording Return to
Goff & DeWalt, LLP
1201 Third Avenue, Suite 2905
Seattle, Washington 98101

REVISED
CONDOMINIUM
DECLARATION
FOR
COFFEE CREEK,
A CONDOMINIUM

RECEIVED
MAY 25 2007

ARTICLE 1. DEFINITIONS.....	1
Section 1.1 Words Defined	1
Section 1.2 Form of Words	1
Section 1.3 Statutory Definitions	1
ARTICLE 2. CONSTRUCTION AND VALIDITY OF DECLARATION.....	1
ARTICLE 3. NAME OF CONDOMINIUM.....	1
ARTICLE 4. DESCRIPTION OF LAND; DEVELOPMENT IN PHASES.....	1
Section 4.1 Description of Land.....	1
ARTICLE 5. DESCRIPTION OF BUILDINGS.....	1
ARTICLE 6. DESCRIPTION OF UNITS; ALLOCATED INTERESTS.....	1
Section 6.1 Number and Identification of Units.....	1
Section 6.2 Unit Boundaries	1
Section 6.3 Unit Data.....	1
Section 6.4 Allocated Interests.....	1
ARTICLE 7. COMMON ELEMENTS.....	1
Section 7.1 Description.....	1
Section 7.2 Use.....	1
Section 7.3 Conveyance or Encumbrance of Common Elements	1
ARTICLE 8. LIMITED COMMON ELEMENTS.....	1
Section 8.1 Description.....	1
Section 8.2 Reallocation	1

RECEIVED
MAY 25 2007

Section 8.3 Use.....	1
ARTICLE 9. PARKING.....	1
Section 9.1 Parking.....	1
Section 9.2 Conversion of Carports/Garages Prohibited	1
Section 9.3 Speed	1
ARTICLE 10. PERMITTED USES; LEASING RESTRICTED; MAINTENANCE OF UNITS; CONVEYANCES.....	1
Section 10.1 Residential Use; Timesharing Prohibited.....	1
Section 10.2. Leasing Restricted.....	1
Section 10.2.1 Purpose.....	1
Section 10.2.2 Rental Ceiling	1
Section 10.2.3 Effect of Rental Ceiling	1
Section 10.2.4 Pre-existing Leases	1
Section 10.2.5 Hardship Exception	1
Section 10.2.6 Rental Defined and Regulated	1
Section 10.2.7 Minimum Period of Owner Occupancy Required	1
Section 10.2.8 Lease of Entire Unit Only; Minimum Lease Term Required	1
Section 10.2.9 Lease Requirements	1
Section 10.2.10 Lease Approval.....	1
Section 10.2.11 Exceptions.....	1
Section 10.2.12 Limitations on Consent.....	1
Section 10.2.13 Notice of Rental Termination	1
Section 10.2.14 Rental Waiting List	1
Section 10.2.15 Rental Processing Fees	1
Section 10.2.16 Rent to Association.....	1
Section 10.2.17 Governing Documents to be Provided to Tenants	1
Section 10.2.18 Tenant Screening.....	1
Section 10.2.19 Notices re Occupancy Changes	1
Section 10.2.20 Lending Requirements.....	1
Section 10.3 Maintenance of Units, Common Elements, and Limited Common Elements... 1	1
Section 10.4 Exterior Appearance	1

RECEIVED
MAY 25 2007

Section 10.4.1	Antennas, Satellite Dishes and other Over the Air Reception Devices	1
Section 10.5	Effect on Insurance	1
Section 10.6	Alteration of Common and Limited Common Elements.....	1
Section 10.7	Signs.....	1
Section 10.8	Pets.....	1
Section 10.9	Offensive Activity.....	1
Section 10.10	Conveyance by Owners; Notice Required	1
ARTICLE 11.	ENTRY FOR REPAIRS OR MAINTENANCE.....	1
ARTICLE 12.	OWNERS ASSOCIATION.....	1
Section 12.1	Form of Association	1
Section 12.2	Bylaws.	1
Section 12.3	Qualification and Transfer.....	1
Section 12.4	Powers of the Association.....	1
Section 12.5	Financial Statements and Records.....	1
Section 12.6	Inspection of Condominium Documents, Books and Records.....	1
Section 12.7	Annual and Special Meetings.....	1
Section 12.8	Quorum.....	1
ARTICLE 13.	THE BOARD.....	1
Section 13.1	Selection of the Board and Officers	1
Section 13.2	Powers of the Board	1
Section 13.3	Managing Agent.....	1

RECEIVED
MAY 25 2007

Section 13.4	Limitations on Board Authority	1
Section 13.5	Right to Notice and Opportunity to Be Heard	1
ARTICLE 14.	BUDGET AND ASSESSMENTS.....	1
Section 14.1	Fiscal Year	1
Section 14.2	Preparation of Budget.....	1
Section 14.3	Ratification of Budget.....	1
Section 14.4	Supplemental Budget.....	1
Section 14.5	Assessments for Common Expenses.....	1
Section 14.6	Special Assessments.....	1
Section 14.7	Creation of Reserves; Assessments.....	1
Section 14.8	Notice of Assessment	1
Section 14.9	Payment of Monthly Assessments	1
Section 14.10	Proceeds Belong to Association.....	1
Section 14.11	Failure to Assess.....	1
Section 14.12	Certificate of Unpaid Assessments.....	1
Section 14.13	Recalculation of Assessments.....	1
Section 14.14	Borrowing by Association	1
ARTICLE 15.	LIEN AND COLLECTION OF ASSESSMENTS.	1
Section 15.1	Assessments Are a Lien.	1
Section 15.2	Lien May be Foreclosed; Judicial Foreclosure	1
Section 15.3	Nonjudicial Foreclosure.....	1

RECEIVED
MAY 25 2007

Section 15.4	Receiver During Foreclosure	1
Section 15.5	Assessments Are Personal Obligation.....	1
Section 15.6	Extinguishment of Lien and Personal Liability	1
Section 15.7	Joint and Several Liability	1
Section 15.8	Late Charges and Interest on Delinquent Assessments.....	1
Section 15.9	Recovery of Attorneys' Fees and Costs	1
Section 15.10	Security Deposit	1
Section 15.11	Remedies Cumulative.....	1
ARTICLE 16. ENFORCEMENT OF DECLARATIONS, BYLAWS AND RULES AND REGULATIONS.....		1
Section 16.1	Rights of Action	1
Section 16.2	Failure of Board to Insist on Strict Performance No Waiver	1
ARTICLE 17. TORT AND CONTRACT LIABILITY.		1
Section 17.1	Declarant Liability.....	1
Section 17.2	Limitation of Liability for Utility Failure, etc.....	1
Section 17.3	No Personal Liability.....	1
ARTICLE 18. INDEMNIFICATION.		1
ARTICLE 19. INSURANCE.		1
Section 19.1	General Requirements	1
Section 19.2	Property Insurance.....	1
Section 19.3	Commercial General Liability Insurance	1

RECEIVED
MAY 25 2007

Section 19.4	Insurance Trustee; Power of Attorney.....	1
Section 19.5	Additional Policy Provisions	1
Section 19.6	Fidelity Insurance	1
Section 19.7	Owners' Individual Insurance	1
Section 19.8	Use of Insurance Proceeds.....	1
Section 19.9	Liability for Uninsured Amounts.....	1
ARTICLE 20.	DAMAGE AND REPAIR OR DAMAGE TO PROPERTY.....	1
Section 20.1	Initial Board Determination	1
Section 20.2	Notice of Damage.....	1
Section 20.3	Definitions.....	1
20.3.1	Damage.....	1
20.3.2	Substantial Damage.....	1
20.3.3	Repair.....	1
20.3.4	Emergency Work	1
Section 20.4	Execution of Repairs.	1
Section 20.5	Damage Not Substantial	1
Section 20.6	Substantial Damage.....	1
Section 20.7	Effect of Decision Not to Repair.....	1
ARTICLE 21.	CONDEMNATION.....	1
Section 21.1	Consequences of Condemnation; Notices	1
Section 21.2	Power of Attorney	1
Section 21.3	Condemnation of a Unit.....	1
Section 21.4	Condemnation of Part of a Unit	1

RECEIVED
MAY 25 2007

Section 21.5	Condemnation of Common Element or Limited Common Element	1
Section 21.6	Reconstruction and Repair.....	1
ARTICLE 22.	EASEMENTS.....	1
Section 22.1	In General.....	1
Section 22.2	Encroachments	1
Section 22.3	Utility Easements Granted by the Association	1
ARTICLE 23.	PROCEDURES FOR SUBDIVIDING OR ALTERING UNITS.....	1
Section 23.1	Submission of Proposal to Subdivide Unit.....	1
Section 23.2	Approval Required for Subdivision	1
Section 23.3	Minor Alterations	1
Section 23.4	Adjoining Units.....	1
Section 23.5	Substantial Alteration	1
Section 23.6	Procedure After Approval.....	1
Section 23.7	Relocation of Boundaries--Adjoining Units.....	1
ARTICLE 24.	AMENDMENT OF DECLARATION SURVEY MAP AND PLANS, ARTICLES OR BYLAWS.....	1
Section 24.1	Procedures.....	1
Section 24.2	Percentages of Consent Required.....	1
ARTICLE 25.	TERMINATION OF CONDOMINIUM.....	1
Section 25.1	Action Required	1
Section 25.2	Condominium Act Governs.....	1

RECEIVED
MAY 25 2007

ARTICLE 26. NOTICES..... 1
 Section 26.1 Form and Delivery of Notice 1
 Section 26.2 Notices to Eligible Mortgagees..... 1
ARTICLE 27. SEVERABILITY..... 1
ARTICLE 28. EFFECTIVE DATE..... 1
ARTICLE 29. REFERENCE TO SURVEY MAP AND PLANS..... 1

RECEIVED
MAY 30 2007

Pursuant to RCW 64.32, the Horizontal Property Regimes Act and RCW 64.34, the Washington Condominium Act, to the extent that it applies to a condominium created prior to July 1, 1990, the COFFEE CREEK CONDOMINIUM ASSOCIATION, a Washington non-profit corporation ("Association"), hereby submits this Restated and Amended Declaration of Covenants, Conditions and Restrictions for Coffee Creek, a Condominium ("Declaration"). This Declaration is intended to amend in its entirety and supersede that certain Declaration of Covenants, Conditions, Restrictions and Reservations for Coffee Creek originally recorded under Pierce County Auditor's File No. 2462407 and any amendments thereto. It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement or instrument, or any privileges of use or enjoyment, respecting the property or any unit in the condominium, that this Declaration, together with the Survey Map and Plans referred to herein and any amendments thereto, states covenants, conditions and restrictions effecting a common plan for the condominium mutually beneficial in all of the described units, and that the covenants, conditions and restrictions and plans are binding upon the entire property and upon each such unit as a parcel of real property, and upon its owners and possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interest therein, without the requirements of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosure, or sale of units under security instruments.

ARTICLE 1. DEFINITIONS

Section 1.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

Allocated Interests means the allocation of Common Expense Liability, interest in Common Elements and voting for each of the Units in the Condominium as set forth in Section 6.4.

Articles means the articles of incorporation for the Association.

Assessment means all sums chargeable by the Association against a Unit, including, without limitation: (a) general and special assessments for Common Expenses, charges, and fines imposed by the Association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

Association means the owners association identified in Article 12.

RECEIVED
MAY 25 2007

Board means the board of directors of the Association, as described in Article 14.

Bylaws means the bylaws of the Association as they may from time to time be amended.

Common Elements means all portions of the Condominium other than Units, including the Limited Common Elements.

Common Expenses means expenditures made by or financial liabilities of the Association including those expenses related to the maintenance, repair and replacement of the Common Elements and the Limited Common Elements, which are allocated to all Units, including allocations to reserves.

Common Expense Liability means the liability for Common Expenses allocated to each Unit, as set forth in Schedule B.

Condominium means Coffee Creek, a condominium, created under the Declaration and the Survey Map and Plans.

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

Conveyance means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract.

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

FHLMC means the Federal Home Loan Mortgage Corporation.

FNMA means the Federal National Mortgage Association.

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

Horizontal Property Regimes Act means the Horizontal Property Regimes Act, codified at RCW 64.32, as it may be from time to time amended.

Identifying Number means the number of each Unit in the Condominium, as stated in Schedule B and shown on the Survey Map and Plans.

RECEIVED
MAY 25 2007

Limited Common Element means a portion of the Common Elements allocated in Article 8 for the exclusive use of one Unit.

Managing Agent means the person designated by the Board under Section 13.3.

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

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

Notice and Opportunity to be Heard means the procedure described in Section 13.5.

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

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

Related Party means a person who has been certified in a written document filed by an Apartment Owner with the Association to be the immediate family of the Owner, including the spouse, parent, sibling, parent-in-law, sibling-in-law, or lineal descendent or ancestor of the Owner or the officer or director of any Owner which is a corporation, the trustee or beneficiary of any Owner which is a trust, or the member of any Owner which is a limited liability corporation. Notwithstanding the foregoing to the contrary, a person who is the settler and trustee of a living trust that owns an Apartment shall be deemed to be the Owner of the Apartment for all purposes under the Declaration.

Renting or Leasing means and includes the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), whether or not in exchange for a payment of rent (that is, money, property, or other valuable consideration). "Renting" or "Leasing" also mean the occupancy of a Unit solely by a person or persons other than its Owner, whether or not rent is paid. "Renting" or "Leasing" include lease-to-own agreements. "Renting" or "Leasing" do not mean or include joint ownership of a Unit by means of a joint tenancy, tenancy-in-common or other forms of co-ownership, and do not mean or include the occupancy of a Unit by any person who resides in a Unit with its Unit Owner.

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

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

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

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 gender-neutral pronouns shall be used interchangeably.

Section 1.3 Statutory Definitions. Some of the terms defined above are also defined in the Condominium Act. The definitions in the Declaration are not intended to limit or contradict the definitions in the Condominium Act. If there is any inconsistency or conflict, the definition in the Condominium Act will prevail.

ARTICLE 2. CONSTRUCTION AND VALIDITY OF DECLARATION

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

ARTICLE 3. NAME OF CONDOMINIUM

The name of the Condominium created by this Declaration and the Survey Map and Plans is Coffee Creek, a Condominium.

ARTICLE 4. DESCRIPTION OF LAND; DEVELOPMENT IN PHASES

Section 4.1 Description of Land. The real property included in the Condominium is described in Schedule A, as it may from time to time be amended pursuant to this Article.

RECEIVED
MAY 25 2007

ARTICLE 5. DESCRIPTION OF BUILDINGS

Each of the buildings in the Condominium contains multiple units. There are eleven buildings designated as Buildings 1-11. The location of the buildings is shown on the Survey Map and Plans.

ARTICLE 6. DESCRIPTION OF UNITS; ALLOCATED INTERESTS

Section 6.1 Number and Identification of Units. The Condominium has 56 Units. The Identifying Number of each Unit is set forth in Schedule B. The location of the Units is shown on the Survey Map and Plans.

Section 6.2 Unit Boundaries. The boundaries of the Units are the interior surfaces of walls, floors and ceilings of the Units, including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof; provided, that the Unit boundaries shall not include those Common Elements specified in Article 7. All spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

Section 6.3 Unit Data. Schedule B sets forth the following additional data for each Unit:

6.3.1 The approximate square footage;

6.3.2 The percentage of ownership.

The location and configuration of each Unit are shown in the Survey Map and Plans.

Section 6.4 Allocated Interests. The Allocated Interests of the Units in the Condominium for the purposes of Common Expense Liability, interest in the Common Elements and voting are allocated among the Units equally, as stated in Schedule B.

ARTICLE 7. COMMON ELEMENTS

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

RECEIVED
MAY 25 2007

Common Elements shall also include:

The roadways and driving areas which provide access to the common and limited common areas for parking and any guest parking;

The yards, gardens, landscaped areas, walkways, and the land on which the building are located, which surround and provide access to the buildings or are used for recreational purposes;

The swimming pool and appurtenances, tennis court, beach house, boat launching path into the lake, docks and boat moorage facilities;

All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Section 7.2 Use. Each Owner shall have the right to use the Common Elements in common with all other Owners and a right of access from the Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each Owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the Common Elements, including the Limited Common Elements, shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the Rules and Regulations of the Association.

Section 7.3 Conveyance or Encumbrance of Common Elements. Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association of the Owners having at least 80% of the votes in the Association; but all of the Owners of Units to which any Limited Common Element is allocated must agree in order to cover that Limited Common Element or subject it to a security interest. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

ARTICLE 8. LIMITED COMMON ELEMENTS

Section 8.1 Description. The Limited Common Elements allocated to each Unit and shown on the Survey Map and Plans are as follows:

8.1.1 Parking spaces are designated Limited Common Elements appurtenant to Units as more fully described in the Survey Map and Plans recorded under Pierce County Auditor's File No. 246407. The boundaries of said parking space is defined by the interior surfaces of the walls, if any, floor and striping enclosing said parking space; and

RECEIVED
MAY 25 2007

8.1.2 The patio/yard area which is adjacent to some units as more particularly shown on the Survey Map and Plans, the boundaries of said patio/yard area being defined by the interior surfaces of the walls, floor, ceiling, doors, windows, ground, railings, fence or curb enclosing said patio/yard areas or lanai. The chimney flues and mailboxes are also considered to be limited common property.

Section 8.2 Reallocation. A Limited Common Element may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section within 30 days, or within such other period provided by the Declaration, unless the proposed reallocation does not comply with the Condominium Act or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The amendment shall be recorded in the names of the parties and of the Condominium. A Common Element may be reallocated as a Limited Common Element or a Limited Common Element may be incorporated into an existing Unit with the approval of 67 % of the Owners, including the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Survey Map and Plans.

Section 8.3 Use. Each Owner shall have the exclusive right to use the Limited Common Elements allocated to the Owner's Unit. The right to use the Limited Common Element extends to the Owner's agents, servants, tenant, family members, invitees and licensees.

ARTICLE 9. PARKING

Section 9.1 Parking. Parking spaces are designated Limited Common Elements appurtenant to Units as more fully described in the Survey Map and Plans recorded under Pierce County Auditor's File No. 246407. The boundaries of said parking space is defined by the interior surfaces of the walls, if any, floor and striping enclosing said parking space. Parking on private roads of the Condominium is prohibited. Parking on the sidewalk is prohibited. Oversized vehicles including pick-up trucks must be parked in the parking spaces so as not to obstruct the sidewalk or private road. The Board may direct that any vehicle or other object improperly parked or kept in a parking space be removed, and if it is not removed the Board may cause it to be removed at the risk and cost of the Owner thereof.

Section 9.2 Conversion of Carports/Garages Prohibited. Except for carports and/or garages which were converted to living spaces prior to the effective date of this Declaration, conversion of carports and/or garages to living space is prohibited.

Section 9.3 Speed. Maximum speed limit for vehicles within the Condominium is five (5) miles per hour.

RECEIVED
MAY 25 2007

ARTICLE 10. PERMITTED USES; LEASING RESTRICTED; MAINTENANCE OF UNITS; CONVEYANCES

Section 10.1 Residential Use; Timesharing Prohibited. The Condominium is intended for and restricted to single-family residential uses only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such uses, which may include use as a home office not involving regular visits by customers or clients. Timesharing of Units, as defined in RCW 64.36, is prohibited.

Section 10.2. Leasing Restricted. Coffee Creek shall be primarily an owner-occupied condominium. There shall be limited renting or leasing of Units at Coffee Creek pursuant to the Declaration, including Sections 10.2.2 Rental Ceiling, 10.2.4 Pre-existing Leases, and 10.2.5 Hardship Exception of this Declaration.

Section 10.2.1 Purpose. The Leasing restriction, including the Rental Ceiling and other provisions in this Declaration concerning the Leasing of Units, are the result of a careful weighing of the benefits and disadvantages of limiting the Leasing of Units. These provisions derive from the collective conclusion of the Owners that their long term best interests and the best interests of the condominium are best served by limiting Leasing so as to advance the purposes of preserving and enhancing the value of the condominium and the individual Units.

Section 10.2.2 Rental Ceiling. Except as provided in Section 10.2.5 ("Hardship Exception"), no more than a total number of 17 units in the condominium may be Leased or Rented at any time (the "Rental Ceiling").

Section 10.2.3 Effect of Rental Ceiling. If a Unit Owner wishes to rent a Unit but is prohibited from doing so because of the Rental Ceiling, the Association will place the Owner's name on a Rental Waiting List provided in Section 10.2.14 which shall be maintained by the Board and/or the Association's manager according to the order in which the respective Unit Owners notified the Association of their desire to be added to the Rental Waiting List.

Section 10.2.4 Pre-existing Leases. Within thirty (30) days from the date of notifications to all Owners that this Amendment to the Declaration has been adopted by the necessary percentage of Owners, each Owner who has rented a Unit to a Tenant who was in occupancy prior to the date on which this Declaration Amendment was approved by the Owners shall file a copy of the Lease for that Unit with the Association. A Lease in effect on that date and submitted as required in this Section shall be referred to as a "Pre-existing Lease." Any Tenant occupying a Unit pursuant to a Pre-existing Lease shall be permitted to renew his or her Lease thereafter, provided that a copy of the Pre-existing Lease is filed with the Association within the time period provided for in this Section and any subsequent renewals are submitted to the Association for approval prior to the expiration of the Lease term then in effect. The

RECEIVED
MAY 25 2007

assignment or subletting of a Unit by a Tenant or the sale of a Unit by its Owner shall terminate the right to renew a Pre-existing Lease under this Section 10.2.4.

Section 10.2.5 Hardship Exception. Where, on written application from an owner, the Board determines that a hardship exists whereby, due to circumstances beyond the control of the Owner, that Owner would suffer serious harm by virtue of the limitation on renting contained in Section 10.2.2, and where the Board further determines that a variance from the policies contained therein would not detrimentally affect the other Owners or the approval of the Condominium for secondary mortgage market financing, lender approval or VA or FHA approval, the Board may, in its discretion, grant an Owner a waiver of the Rental Restriction for a temporary period not to exceed twelve (12) months. In the discretion of the board, this hardship exception may be extended on written application for good cause shown.

Section 10.2.6 Rental Defined and Regulated. The Rental of a Unit shall be governed by the provisions of the Declaration, including without limitation this Section. As used in the Declaration the terms "to rent", "renting" or "Rental" shall refer to and include the Leasing or Renting of a Unit by its Owner and to the occupancy of a Unit solely by a person or persons other than its Owner; provided that for the purpose of the regulation of Rentals as in this Section 10.2 and the purpose of tenant screening as provided in Section 10.2.18, the terms "to rent", "renting" or "Rental" shall not refer to the occupancy of a Unit by a Related Party. The rights of the Association and the obligations applicable to an Owner under Section 10.2 and Section 10.2.18, shall be applicable to any Tenant who subleases a Unit or enters into an assignment of a Lease for a Unit, and the obligations of a Tenant shall likewise be applicable to the subtenant or assignee of a Tenant in such a situation.

Section 10.2.7 Minimum Period of Owner Occupancy Required. It is the intent of the Owners that the Units shall hereafter be acquired for occupancy by their Owners. In order to discourage the acquisition of Units for investment or rental purposes, no Owner shall be permitted to rent or lease his or her Unit during the first one (1) year period after he or she has acquired title thereto except as provided in Paragraph 10.2.4, above. If a person acquires a Unit through inheritance, that person shall be deemed to have owned and occupied that Unit during the period which the decedent owned and occupied the Unit. In the event that the Rental Ceiling has been met, and a Rental Waiting List to rent Units in effect as provided in Paragraph 10.2.14, the minimum period of Owner occupancy set forth in this Section must be fulfilled prior to an Owner's name being placed on the Rental Waiting List.

Section 10.2.8 Lease of Entire Unit Only; Minimum Lease Term Required. No Unit Owner shall be permitted to Rent or Lease less than the entire Unit or to Rent or otherwise permit his or her Unit to be used for hotel or transient purposes, which shall be defined as Rental, occupancy or use by a Tenant or other non-Owner occupant for an initial occupancy period of less than one (1) year. No Owner shall cause or allow the overnight accommodation of employees or business invitees in a Unit on a temporary or transient basis.

RECEIVED
MAY 25 2007

Section 10.2.9 Lease Requirements. No Rental of a Unit shall be valid or enforceable unless it shall be by means of a written instrument or agreement between the Owner(s) and the Tenant(s) (referred to as a "Lease"). No Lease entered into after the date of recording of this amendment shall be valid unless it bears the written approval by the Association granted prior to the occupancy of the Tenant. The occupancy of a Unit in the Condominium and every Lease shall be subject to the Governing Documents of the Association. By entering into occupancy of a Unit, a Tenant agrees to be bound by the Governing Documents. The Association shall have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against a Tenant as it has against an Owner. Each Lease shall contain language acknowledging the Association's rights and the Tenant's obligations under the Governing Documents. In every Lease, it must be stated and agreed that the right to use of all amenities, subject to the Declaration and Rules, has been transferred to the Tenant(s).

Section 10.2.10 Lease Approval. Except as provided in Section 10.2.4, prior to the Rental of a Unit in the Condominium to a Tenant, and prior to the renewal of any previously approved Lease, a Unit owner shall submit to the Association a valid and binding Lease, executed by both the Owner and the proposed Tenant, and contingent only on the approval of the Association, together with a request for the written consent of the Association. The Association may within seven (7) days of receipt of such request, grant its consent to the Owner if the following are met:

(a) the owner has complied with Sections 10.2.7 and 10.2.18 of the Declaration;

(b) in the case of a renewal the Tenant is in strict compliance with all provisions of the Governing Documents, and has not been found to be in violation of the Governing documents following notice and opportunity to be heard more than once during the immediately preceding Lease term;

(c) the Lease is in compliance with the requirements of the Declaration.

(d) the Rental would not cause the aggregate number of all non-Owner occupied Units to exceed the Rental Ceiling as set forth in Section 10.2.2.

Section 10.2.11 Exceptions. The Association may grant exceptions to the Rental Ceiling consistent with the following:

(a) the Association shall not withhold consent for an Owner and a Tenant to renew a Preexisting Lease meeting the requirements of Section 10.2.4 merely because the Rental Ceiling is violated.

RECEIVED
MAY 25 2007

(b) the Association shall not withhold consent for an Owner and a Tenant to renew a Lease which has previously been approved in the manner provided in this Section 10.2.11 merely because the Rental Ceiling is violated; provided, however, that the assignment or subletting of a Unit by a Tenant shall terminate the right to renew a previously approved Lease under this ;

(c) the Association shall not unreasonably withhold consent for a mortgagee, institutional holder or servicer in possession of a Unit following a default in a mortgage or deed of trust (or foreclosure of the same) where such mortgagee, institutional holder or servicer first obtains possession subsequent to the date of recording of this Amendment, to rent a Unit merely because the Rental would cause the number of non-Owner occupied Units to exceed the Rental Ceiling;

(d) the Association may grant a hardship exception as provided in Section 10.2.4.

Section 10.2.12 Limitations on Consent. No consent to the Rental of a Unit shall be granted more than forty-five (45) days prior to the beginning of the Lease term for which consent is sought. No consent granted by the Association shall automatically expire and terminate unless the Unit shall be occupied by the Tenant within thirty (30) days of the beginning of the term of the approved Lease.

Section 10.2.13 Notice of Rental Termination. Each owner who has rented a Unit must promptly give written notice ("Notice of Rental Termination") to the Association when: (1) a Lease for that Unit has expired if that Owner does not wish to continue leasing the Unit; and (2) no later than three (3) months after the termination of a Lease or the date the Tenant moved out, whichever occurs later, if the Owner has not by that time executed a new Lease with a Tenant and submitted the Lease to the Association for approval in accordance with this Section 10.2. Among other things, this Notice of Rental Termination is needed to ascertain the number of Units that are eligible to be leased, to notify other Owners of the opportunity to lease, and to ensure that the Association receives notice of occupancy changes.

Section 10.2.14 Rental Waiting List. An Owner who has not executed a lease and submitted it to approval within three (3) months of the termination of the previous lease or the date the Tenant moved, whichever occurs later, will be added to the end of the Rental Waiting List. Except as provided in Sections 10.2.11(a) through 10.2.11(d), inclusive, if a Rental Waiting List exists, no Lease shall be approved for a Rental Unit until all Owners who are on the Rental Waiting List have been given the opportunity to apply for Lease Approval. Within ten (10) days of receipt of a Notice of Rental Termination, the Association shall notify the Owner in the top position on the Rental Waiting List of the opportunity to apply for Lease Approval shall be available to that Owner for a period of ninety (90) days from the date of that notice. If no

RECEIVED
MAY 25 2007

request for Lease Approval is submitted during this ninety (90) day period, that Owner's name shall be placed at the bottom of the Rental Waiting List, and the opportunity to apply for Lease Approval shall be offered to the next highest person on the Rental Waiting List.

Section 10.2.15 Rental Processing Fees. The Board shall be authorized from time to time to establish and charge reasonable fees in connection with the rental of Units, the maintaining of Tenant information and the rental waiting list, and the screening of Tenants to defray the added administrative costs of such activities. Such fees shall be collectable as a special assessment against the Unit and its Owner. The Rental Processing Fee shall not exceed \$250.

Section 10.2.16 Rent to Association. If a Unit is rented by its Owner, the rent is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner to the Association as security for the payment of all Assessments due by that Owner to the Association. If the Assessments owed by the Owner of a rented Unit are delinquent, the Board may collect, and the Tenant shall pay to the Board, the rent for any Unit owned by the delinquent Owner, or that portion of the rent equal to the amount due to the Association. The Tenant shall not have the right to question the Board's demand for payment. Payment by the tenant to the Association will satisfy and discharge the Tenant's duty of payment to the Owner for rent to the extent of the amount paid to the Association. No demand or acceptance of rent under this Section shall be deemed to be a consent or approval of the Unit rental or a waiver of the Owner's obligation as provided in the Declaration. The Board shall not exercise this power where a receiver has been appointed with respect to a Unit or Unit Owner, nor in derogation of the exercise of any rights to rents by a Mortgagee. If a Tenant fails or refuses to pay rent to the Association as provided for in this Section, the Association shall have the right to bring an action for unlawful detainer for non-payment of rent under RCW 59.12.030, and the costs and attorney fees incurred by the Association in connection with that action shall be collectable from the Tenant in that action, and from the Owner of the Unit in the same manner as any other Assessment.

Section 10.2.17 Governing Documents to be Provided to Tenants. Each unit Owner who Rents or Leases a Unit in the Condominium to a Tenant or allows the occupancy of a Unit by a Related Party shall provide that Tenant or Related Party with a copy of the Declaration and Rules. If the Unit Owner fails to provide evidence to the Association that it has done so, the Association may furnish a copy of these documents to the Tenant or Related Party and charge the Owner an amount to be determined by the Board for each document provided. Unless otherwise set by the Board, the copying charge shall be twenty-five cents (\$.25) for each page. The copying charge shall be collectable as a special assessment against the Unit and its Owner.

Section 10.2.18 Tenant Screening.

RECEIVED
MAY 25 2007

(a.) Applicability. Section 10.2 shall be applicable to the Rental of any Unit in the Condominium other than to a Related Party.

(b.) Tenant Screening Required. Any Owner who desires to rent an apartment to a person (referred to an "Applicant"), other than a Related Party, shall, prior to entering into Lease, submit to the Association: (1) a fully completed rental application; (2) a fully completed Tenant Screening form adopted by the Board indicating that the Owner has satisfactorily completed screening the tenant as set forth below; (3) Change of Occupancy Fee; and (4) written confirmation that the Lease/Rental Addendum form adopted by the Association is included in all rental agreements.

(c.) Tenant Screening Form; Nature of Screening Required. The Owner desiring to rent an apartment other than a Related Party shall submit to the Association a fully completed Tenant Screening form adopted by the Board indicating that the Owner has completed the following steps with regard to each applicant:

- (i) Obtain a consumer credit report on the Applicant;
- (ii) Verify the applicant's employment for the last two years;
- (iii) Check the Applicant's rental history in its database and with all landlords during the last two years, as reported by the applicant;
- (iv) Check the public records in the counties of the Applicant's residence for criminal, bankruptcy and unlawful detainer actions involving the Applicant.

(d.) Responsibility for Tenant Selection. The Association shall not evaluate any information provided by an Owner or Applicant or in any way make a determination or recommendation as to the suitability of any Applicant. The selection of a suitable and appropriate Tenant shall be the sole responsibility of the Owner.

(e.) Confidentiality. The Association and the Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and shall not disclose the contents of any report to the Applicant or any other person not permitted access to such information.

(f.) Non-Discrimination. The governing documents are expressly subject to all applicable laws pertaining to unlawful discrimination. In the case of any conflict between the two, the laws against unlawful discrimination shall prevail. Neither the Association nor any Unit Owner shall discriminate against any person with regard to the sale, rental or occupancy of a Unit in the Condominium on the basis of race, color, creed, national origin, age, sex, sexual

RECEIVED
MAY 25 2007

orientation, religion, familial status, marital status, handicap or any other legally protected classification.

Section 10.2.19 Notices re Occupancy Changes. The presence and movement of persons in and out of Units shall be governed by the provisions of this Section 10.2.19.

(a) Registration of Preexisting Occupants. All Occupants occupying Units at the time this Amendment is adopted must be registered with the Board within thirty (30) days of the adoption of this amendment. As used in this Section, the term registration shall mean the filing by the Owner with the Board or its authorized representative of a written statement setting forth the following information:

(i) the name, telephone numbers, and correct street address of the Owner of the Unit;

(ii) the Unit number and names and telephone numbers of all Occupants of the Unit other than the Owner and

(iii) any other information regarding the Occupants of the Unit which shall be reasonably required by the Board.

(b) Occupants. All Owners must register new Occupants with the Board at the time they move in or within forty-eight (48) hours of meeting the definition specified in the Declaration. Nothing in this Section shall preclude an Occupant from submitting the registration required by this Section or the preceding Section.

(c) Updating of Registration Information. All Owners shall advise the Board or the Manager of any changes in the registration information required to be provided in this Section on a current basis.

(d) Notice of Moving Date. All Occupants shall provide the Board with reasonable prior notice of the date on which they expect to move into or out of a Unit.

(e) Move-In and Move-Out Fees. The Board shall be authorized to assess a reasonable fee against any Owner and his or her Unit in connection with the moving of any new Occupant into a Unit, and in connection with the moving out of any Occupant from a Unit. The fee shall be paid prior to the move.

Section 10.2.20 Lending Requirements. In the event the Board should in good faith determine that any of the provisions in Section 10.2 may be in violation of the requirements of the secondary mortgage market, the VA or FHA, and that such violation might hinder obtaining financing of the purchase of the Units in the condominium, then the Board may so

RECEIVED
MAY 25 2007

advise the owners and propose corrective amendments to Section 10.2, and the owners collectively commit to approve such amendments.

Section 10.3 Maintenance of Units, Common Elements, and Limited Common Elements. The Association is responsible for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and each Owner is responsible for maintenance, repair and replacement of the Owner's Unit. Each Owner shall, at the Owner's sole expense, keep the interior of the Unit and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit. Each Owner shall replace any broken glass in the windows or exterior doors of the Unit. Each Owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, and heating equipment which serve only that Unit, whether or not located in the Unit. The Association may, as a Common Expense, provide for the inspection of any portion of a Unit or Limited Common Element, the failure of which to maintain properly may cause damage to the Common Elements, Limited Common Elements or another Unit or cause unnecessary Common Expenses, including, but not limited to, fireplace and flue, bathtubs, sinks, toilets, hot water tank and plumbing and electrical fixtures. If the inspection discloses the need for repair or replacement, the Association may either require the responsible Owner to make the repair or replacement or to make the repair or replacement itself and allocate the cost thereof to the Owner as a special assessment against the owners' unit which may be collected and foreclosed upon pursuant to Article 15.

Section 10.4 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the maintenance of the exterior of the buildings. No Owner may modify or decorate the exterior of a building, or screens, doors, awnings, or other portions of any Unit visible from outside the Unit without the prior written consent of the Board or in accordance with rules or regulations of the Association. The portions of the curtains, blinds, draperies, under-draperies, or drapery lining visible from the outside of the Unit shall be white or off-white.

Section 10.4.1 Antennas, Satellite Dishes and other Over the Air Reception Devices. Radio or television antennas, satellite dishes, or other appliances 39 inches or less in diameter may be installed on a limited common element with prior notice to the Board, so long as the installation is in accordance with the provisions of the Rules and Regulations. Installation of all other devices or at any other location, including exterior walls or rooftops, requires prior Board approval.

Section 10.5 Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element that 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 Unit or in any Common Element that will result in the cancellation of insurance on any part of the property, or that would be in violation of any laws.

RECEIVED
MAY 25 2007

Section 10.6 Alteration of Common and Limited Common Elements. Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element except upon the prior written consent of the Board.

Section 10.7 Signs. No sign of any kind shall be displayed to the public view on or from any Unit, Limited Common Element or Common Element without the prior consent of the Board, provided that Unit Owners may post "For Sale" signs in a central location or locations specified by the Board.

Section 10.8 Pets. Domesticated animals, birds or reptiles (herein referred to as "pets") may be kept in the Units subject to the Rules and Regulations adopted by the Board. Dogs will not be allowed on any Common Elements unless they are on a leash and are being walked to or from the Unit to a public road. Pet owners shall not allow dogs to use the grass or flower beds or other common or limited common area as a waste dump or urinal. The Association has provided a designated area for pets to relieve themselves. Owners shall clean up their dog's waste. 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 pets even though other pets are permitted to remain.

Section 10.9 Offensive Activity. No noxious or offensive activity shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners.

Section 10.10 Conveyance by Owners: Notice Required. The right of an Owner to the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written notice to the Board, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy under Article 20 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy. At the time of the first conveyance of each Unit, every mortgage, lien or other encumbrance affecting that Unit and any other Unit or Units or real property, other than the percentage of undivided interest of that Unit in the Common Elements, shall be paid and satisfied of record, or the Unit being conveyed and its undivided interest in the Common Elements shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien or other encumbrance.

RECEIVED
MAY 25 2007

ARTICLE 11. ENTRY FOR REPAIRS OR MAINTENANCE

The Association and its agents or employees may enter any Unit and the Limited Common Elements allocated thereto to effect repairs, improvements, replacements, maintenance or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in cases of great emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard 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. The Board may levy a special assessment against the Owner of the Unit for all or part of the cost of work that the Owner has failed to perform which may be collected and foreclosed by the Association in the same manner as assessments are collected and foreclosed under Article 15.

ARTICLE 12. OWNERS ASSOCIATION

Section 12.1 Form of Association. The Owners of Units shall constitute an owners association to be known as the Coffee Creek Condominium Association. The Association shall be organized as a nonprofit corporation. It will be governed by the Board of not fewer than three nor more than seven directors, as specified in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of the Horizontal Property Regimes Act, the applicable provisions of the Condominium Act, the Declaration and the Bylaws.

Section 12.2 Bylaws. The Board will adopt Bylaws to supplement the Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Act or the Declaration.

Section 12.3 Qualification and Transfer. Each Owner of a Unit shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

Section 12.4 Powers of the Association. In addition to those actions authorized elsewhere in the Declaration, the Association shall have the power to:

RECEIVED
MAY 25 2007

12.4.1 Adopt and amend the Bylaws and the rules and regulations;

12.4.2 Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Common Expenses and special assessments from Owners;

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

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

12.4.5 Make contracts and incur liabilities;

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

12.4.7 Cause additional improvements to be made as a part of the Common Elements;

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

12.4.8.1 If the estimated cost of any separate property acquisition or addition or improvement to the Condominium exceeds \$5,000 and has not been included in the current year's budget, the approval of the Owners holding a majority of the votes in the Association shall be required; and if such estimated cost exceeds \$25,000 and has not been included in the current year's budget, the approval of the Owners holding sixty-seven percent (67%) of the votes in the Association shall be required;

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

12.4.8.3 No structural change shall be made to a Unit without the approval of the Owner of that Unit; and

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

RECEIVED
MAY 25 2007

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

12.4.10 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;

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

12.4.12 Impose and collect charges for late payment of assessments as further provided in Article 15 and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws, and rules and regulations of the Association;

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

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

12.4.15 Assign its right to future income, including the right to receive assessments;

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

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

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

Section 12.5 Financial Statements and Records. The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The annual financial statement shall be audited at least annually by a certified public

RECEIVED
MAY 25 2007

accountant who is not a member of the Board or an Owner unless Owners holding at least 60% of the votes, excluding votes held by the Declarant, waive the audit for that year. The financial statement shall be completed in time for the Association's annual meeting. Any mortgagee will, upon request, be entitled to receive the annual financial statement within 120 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at his expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide within a reasonable time the financial statement of the Association for the preceding fiscal year.

Section 12.6 Inspection of Condominium Documents, Books and Records. The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Section 12.7 Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the first quarter of each fiscal year at such reasonable place and time as may be designated by written notice from the Board. Special meetings of the members of the Association may be called at any time, by the President of the Association, a majority of the members of the Board, or by Unit Owners having at least fifty percent (50%) of the votes in the Association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary or other officer specified by the Bylaws shall cause notice to be provided pursuant to Section 26.1 of this Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members of the Association, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget, that result in a change in assessment obligations, and any proposal to remove a director or officer. Any First Mortgagee of a Unit may attend or designate a representative to attend the meetings of the Association.

Section 12.8 Quorum. The presence at any meeting of owners or their agents having twenty-five percent (25%) of the total allocated votes of the Association, in person or by proxy, shall constitute a quorum. In the event that a quorum is not present at any meeting, the owners present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all of the owners in accordance with the notice provisions in this Declaration of an adjourned meeting, and at that noticed meeting, whatever owners are present shall constitute a quorum. Unless otherwise expressly provided in this Declaration or the Horizontal Property Regimes Act or an applicable provision of the Condominium Act, any action may be taken at a meeting of the owners upon the

RECEIVED
MAY 26 2007

affirmative vote of a majority of the voting powers of the owners present, in person or by proxy, provided that a quorum is present.

ARTICLE 13. THE BOARD

Section 13.1 Selection of the Board and Officers. The Owners shall elect a Board, all of whom must be Unit Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws.

Section 13.2 Powers of the Board. Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in the Horizontal Property Regimes Act, applicable provisions of the Condominium Act, the Declaration or the Bylaws.

Section 13.3 Managing Agent. The Board may contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Any contract with a Managing Agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

Section 13.4 Limitations on Board Authority. The Board shall not act on behalf of the Association to amend the Declaration in any manner that requires the vote or approval of the Unit Owners pursuant to Article 24, to terminate the Condominium pursuant to Article 25, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

Section 13.5 Right to Notice and Opportunity to Be Heard. Whenever this Declaration requires that an action of the Board be taken after "Notice and Opportunity to be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five days from the date notice is delivered to the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board.

RECEIVED
MAY 25 2007

The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

ARTICLE 14. BUDGET AND ASSESSMENTS

Section 14.1 Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

Section 14.2 Preparation of Budget. Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the Common Expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association.

Section 14.3 Ratification of Budget. Within 30 days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14, nor more than 60, days after mailing of the summary. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. If the Board proposes a supplemental budget during any fiscal year that results in an increase in an Owner's Assessments, such budget shall not take effect unless ratified by the Unit Owners in accordance with this Section.

Section 14.4 Supplemental Budget. If during the year the budget proves to be inadequate for any reason, including nonpayment of assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in increase in an Owner's Assessments shall be ratified pursuant to Section 14.3. The Board shall also prepare a supplement Budget at such time as additional Units are created pursuant to Article 4, but such budget need not be ratified by the Owners pursuant to Section 14.3 unless the supplement budget proposes an increase in any Owner's Assessments.

Section 14.5 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 installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly Common Expense assessment for each Unit is determined by the Common Expense Liability allocated to each Unit times the total monthly installment for Common Expenses for all Units. Monthly assessments begin accruing for all Units in a phase upon the closing of the sale of the first Unit in that phase by the Declarant; provided that the Declarant may

RECEIVED
MAY 25 2007

delay the commencement of Assessments against the Units in that phase and pay all actual Common Expenses (but no allocations to reserves) for that phase. To the extent that any Common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may, after Notice and Opportunity to be Heard, assess the expense against the Unit.

Section 14.6 Special Assessments. For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy a special assessment for such expenses against the Units, subject to ratification by the Owners pursuant to Section 15.3. To the extent that any Common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may specially assess that expense against that Unit.

Section 14.7 Creation of Reserves; Assessments. The Board shall create reserve accounts for anticipated expenses for repairs, replacement and improvements which will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and assessments for reserve accounts shall be further governed by the Bylaws.

Section 14.8 Notice of Assessment. The Board shall notify each Owner in writing of the amount of the monthly general and special assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability allocations which apply to the Unit, on which the general and special assessments are based. The Board shall furnish the same information to an Owner's mortgagee if so requested.

Section 14.9 Payment of Monthly Assessments. On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all assessments against the Unit for that month. Any assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 15.

Section 14.10 Proceeds Belong to Association. All assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

Section 14.11 Failure to Assess. Any failure by the Board or the Association to make the budgets and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessments amounts established for the preceding year shall continue until new assessments are established.

Section 14.12 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all

RECEIVED
MAY 25 2007

purchasers and mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

Section 14.14 Recalculation of Assessments. If Common Expense Liabilities are reallocated, Common Expense assessments, special assessments, and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

Section 14.14 Borrowing by Association. In the discharge of its duties and the exercise of the power and authority as set forth in Article 12, but subject to the limitations of this Declaration, the Board may borrow funds on behalf of the Association and to secure the repayment of such funds, assess each Unit (and the Owner thereof) for said Unit's prorata share of said borrowed funds based on the allocated interest assigned to each Unit. The obligation to pay the prorata share shall be a lien against said Unit and the undivided interest in the Common Areas appurtenant to said Unit. Provided, that the Owner of a Unit may remove said Unit and the undivided interest in the Common Areas appurtenant to such Unit from the lien of such assessment by payment of the allocated interest in the common expense liability attributable to such Unit. Subsequent to any such payment, discharge, or satisfaction, the Unit and the allocated interest in the Common Area appurtenant thereto shall thereafter be free and clear of the liens so paid, satisfied, or discharged. Such partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce their rights against any Unit and the Allocated Interest in the Common Elements appurtenant thereto not to be paid, satisfied, or discharged.

ARTICLE 15. LIEN AND COLLECTION OF ASSESSMENTS

Section 15.1 Assessments Are a Lien. The Association has a lien on a Unit for any unpaid assessment, special assessment, fine, charges and interest levied against a Unit from the time the assessment is due. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of this Declaration; (b) a mortgage on the Unit recorded before the date on which the assessment sought to be enforced became delinquent, EXCEPT to the extent of assessments for Common Expenses, excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to Article 16 which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a mortgagee, the date of a trustee's sale in a nonjudicial foreclosure of a mortgage, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract; PROVIDED that the priority of the Association's lien against Units encumbered by a mortgage held by an Eligible Mortgagee or by a mortgagee which has given the Association a written request for a notice of delinquent assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such mortgagee becomes an Eligible Mortgagee or has given such notice and before the Association gives such mortgagee a written notice of the delinquency; and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Recording of this Declaration constitutes record notice and perfection of the lien for assessments; however, the Association may record a notice of claim of lien

RECEIVED
MAY 25 2007

for assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a mortgagee referred to above.

Section 15.2 Lien May be Foreclosed; Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12, or nonjudicially in the manner set forth in Section 15.3. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in the exception to (b) in Section 15.1, the holder of a mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be Common Expenses collectible from all the Owners, including such mortgagee or other purchaser of the Unit. Foreclosure of a mortgage does not relieve the prior Owner of personal liability for assessments accruing against the Unit prior to the date of such sale.

Section 15.3 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Chicago Title Insurance Company of Washington, Inc. or its successors or assigns ("Trustee"), to secure the obligations of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of assessments, subject to the right that the Association shall maintain the right to appoint any otherwise qualified Trustee as Successor Trustee. Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien nonjudicially pursuant to this Section, it shall not be entitled to the lien priority over mortgages provided in exception (b) of Section 15.1.

Section 15.4 Receiver During Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession

RECEIVED
MAY 25 2007

and collect rents under this Section, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

Section 15.5 Assessments Are Personal Obligation. In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges provided in this Article, shall be the personal obligation of the Owner of the Unit when the assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 15.6 Extinguishment of Lien and Personal Liability. A lien for unpaid assessments and the personal liability for payment of assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the assessments sought to be recovered becomes due.

Section 15.7 Joint and Several Liability. In addition to constituting a lien on the Unit, each assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the assessment is due. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waving the lien securing such sums.

Section 15.8 Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent assessments or installments thereof. In the absence of another established nonusurious rate, delinquent assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the assessments became delinquent.

Section 15.9 Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

Section 15.10 Security Deposit. An Owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other

RECEIVED
MAY 25 2007

assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying assessments.

Section 15.11 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

ARTICLE 16. ENFORCEMENT OF DECLARATIONS, BYLAWS AND RULES AND REGULATIONS

Section 16.1 Rights of Action. Each Owner, the Board and the Association shall comply strictly with this Declaration, the Bylaws, and the rules and regulations adopted pursuant thereto, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner. In any action to enforce the governing documents, the prevailing party will be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the action.

Section 16.2 Failure of Board to Insist on Strict Performance No Waiver. The failure of the Board in any instance to insist upon the strict compliance 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.

ARTICLE 17. TORT AND CONTRACT LIABILITY

Section 17.1 Declarant Liability. Neither the Association nor any Owner except the Declarant is liable for the Declarant's torts in connection with any part of the Condominium which the Declarant has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the Association and not against any Owner or any officer or director of the Association. If the wrong by the Association occurred during any period of Declarant Control and the Association gives the Declarant reasonable notice of and an opportunity to defend against the action, the Declarant who then controlled the Association is liable to the Association or to any Owner: (1) for all tort losses not covered by insurance suffered by the Association or that Owner; and (2) for all costs which the Association would not have incurred but for a breach of contract or other wrongful act or omission by the Association. If the Declarant does not defend the action and is determined to be liable to the Association under this Section, the Declarant is also liable for all litigation expenses, including reasonable attorneys' fees, incurred by the Association in such defense. Any statute of limitations affecting the Association's right of action under this Section

RECEIVED
MAY 25 2007

is tolled until the period of Declarant Control terminates. An Owner is not precluded from bringing an action contemplated by this Section because she is a Unit Owner or a member or officer of the Association.

Section 17.2 Limitation of Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Board, neither the Association, the Board, the Managing Agent, nor the Declarant shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may leak or flow from outside or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

Section 17.3 No Personal Liability. So long as a Board member, or Association committee member, or Association officer has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

ARTICLE 18. INDEMNIFICATION

Each Board member, Association committee member, Association officer, 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 such person may be a party, or in which such person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 19. INSURANCE

Section 19.1 General Requirements. Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance; (b) commercial general liability insurance; (c) fidelity insurance; (d) worker's

RECEIVED
MAY 25 2007

compensation insurance to the extent required by applicable laws; (e) directors and officers liability insurance; and (f) such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, authorized to do business in the state of Washington, and meet the specific requirements of FNMA, HUD, VA and FHLMC regarding the qualifications of insurance carriers. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect property, liability and fidelity insurance that meet the insurance requirements for condominium projects established by FNMA, HUD, FHLMC, and VA so long as any of them is a holder of a mortgage or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds named therein, including Owners, Mortgagees, and designated servicers of Mortgagees.

Section 19.2 Property Insurance. The property insurance shall, at the minimum, provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements, the Limited Common Elements, the Units, and the equipment, fixtures, improvements in the Units installed by the Declarant, and personal property of the Association with an "Agreed Amount Endorsement" and, if required by FNMA or FHLMC, construction code endorsements, such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," an "Increased Cost of Construction Endorsement," and such other endorsements as FNMA or FHLMC deems necessary and are available. The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy in the percentage of undivided interest appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request.

Section 19.3 Commercial General Liability Insurance. The liability insurance coverage shall insure the Board, the Association and the Owners, and cover all of the Common Elements in the Condominium with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements, liability for employees of the Association, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

RECEIVED
MAY 25 2007

Section 19.4 Insurance Trustee; Power of Attorney. The named insured under the policies referred to in Sections 19.2 and 19.3 shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 19.8, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

Section 19.5 Additional Policy Provisions. The insurance obtained pursuant to Sections 19.2 and 19.3 shall contain the following provisions and limitations:

19.5.1 Each Unit Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

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

19.5.3 If, at the time of the loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

19.5.4 Coverage shall not be prejudiced by (a) any act, omission or neglect of the Owners of Units when such act or neglect is not within the scope of the Owner's authority on behalf of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

19.5.5 A waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit, and/or their respective agents, members of the Owner's household, employees, or lessees, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

19.5.6 A standard mortgagee clause which shall:

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

(b) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or Owners or any persons under any of them;

(c) Waive any provision invalidating such mortgage clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the Mortgagee pay any premium thereon, and any contribution clause; and

(d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association or the insurance trustee.

Section 19.6 Fidelity Insurance. The required fidelity insurance shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or are responsible for handling funds of or administered by, the Association. The Managing Agent shall maintain fidelity insurance for its officers, employees, and agents who handle or who are responsible for handling funds of, or funds administered by the Association. All such fidelity insurance shall name the Association as an obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate assessments. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 19.7 Owners' Individual Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

Section 19.8 Use of Insurance Proceeds. Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to Article 20 unless: (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) Owners holding at least 80% of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and Owners other than the Declarant holding at least 80% of the votes in the Association excluding votes held by the Declarant vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If all of the damaged or destroyed portions of the Condominium are not repaired or replaced: (i) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the

RECEIVED
MAY 25 2007

Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the interest in Common Elements of each Unit. If the Unit Owners vote not to rebuild any Unit, that Unit's Allocated Interests are automatically re-allocated upon the vote as if the Unit had been condemned under Article 22, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the re-allocations. Notwithstanding the provisions of this Section, Article 26 governs the distribution of insurance proceeds if the Condominium is terminated.

Section 19.9 Liability for Uninsured Amounts. Notwithstanding any other provision of this Declaration, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board:

Section 19.9.1 Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Unit Owner where the damage results from a negligent or intentional act or omission by an Owner, or that Owner's Tenant, or the family, servants, employees, agents, visitors or licensees of that Owner or Tenant, or from the failure of or failure to maintain any portion of the Condominium, including any appliance, equipment, or fixture in a Unit, which that Owner is responsible to maintain in good working order and condition.

Section 19.9.2 Except as provided in Section 19.9.1, or where the damage is a result of the sole fault of the Association, the liability for the amount of damage within the limits of any applicable insurance deductible on a policy of insurance issued to the Association shall be the responsibility of an individual Unit Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Elements assigned to that Owner's Unit.

Section 19.9.3 Except as provided in Paragraphs 19.9.1 and 19.9.2, or where the damage is a result of the sole fault of the Association, liability for the amount of damage within the limits of any applicable insurance deductible on the policy of insurance issued to the Association shall be pro-rated between the Association and any involved Owners in proportion to the relative amounts of damage to the Common Elements and to each of the affected Units, including the Limited Common Elements assigned to such Unit or Units, where the damage involves both the Common Elements and/or one or more Units or the Limited Common Elements assigned to a Unit or Units.

RECEIVED
MAY 25 2007

ARTICLE 20. DAMAGE AND REPAIR OR DAMAGE TO PROPERTY

Section 20.1 Initial Board Determination. In the event of damage to any Common Element or to any portion of a Unit or its Limited Common Elements, equipment or appliances covered by the Association's insurance policy, the Board shall promptly, and in all events within 30 days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

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

20.1.2 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.

20.1.3 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.

20.1.4 The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds, and the amount of the Assessments that would have to be made against each Unit if the excess cost were to be paid as a Common Expense and assessed against all the Units in proportion to their Common Expense Liabilities.

Section 20.2 Notice of Damage. The Board shall promptly, and in all events within 30 days after the date of damage, shall file a proof of loss statement with the insurance company if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the Association to file a proof of loss. The Board shall then provide each Owner and each holder of a first mortgage on a Unit with a written notice describing the damage and summarizing the initial Board determinations made under Section 20.1. If the Board fails to do so within the 30-day period, any Owner or mortgagee may make the determinations required under Section 20.1 and give the notice required under this Section.

Section 20.3 Definitions: Damage, Substantial Damage, Repair, Emergency Work. As used in this Article:

20.3.1 Damage shall mean all kinds of damage, whether of slight degree or total destruction.

20.3.2 Substantial Damage shall mean that in the judgment of a majority of the Board the estimated assessment determined under Section 20.1.4 for any one Unit exceeds ten percent of the full, fair market value of the Unit before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

20.3.3 Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each Unit and the Common Elements and having substantially the same boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

20.3.4 Emergency Work shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the Owners from liability from the condition of the site.

Section 20.4 Execution of Repairs.

20.4.1 The Board shall promptly repair the damage and use the available insurance proceeds therefor as provided in Section 19.8. If the cost of repair exceeds the available insurance proceeds the Board shall impose an Assessment against all Units in proportion to their Common Expense Liabilities in an amount sufficient to pay the excess costs.

20.4.2 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.

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

Section 20.5 Damage Not Substantial. If the damage as determined under Section 20.3.2 is not substantial, the provisions of this Section shall apply.

20.5.1 Either the Board or the requisite number of Owners, within 15 days after the notice required under Section 20.2 has been given, may but shall not be required to, call a special Owners' meeting in accordance with Section 12.4 and the Bylaws to decide whether to repair the damage.

20.5.2 Except for emergency work, no repairs shall be commenced until after the 15-day period and until after the conclusion of the special meeting if such a special meeting is called within the 15 days.

RECEIVED
MAY 25 2007

20.5.3 A decision to not repair or rebuild may be made in accordance with Section 19.8.

Section 20.6 Substantial Damage. If the damage determined under Section 20.3.2 is substantial, the provisions of this Section shall apply.

20.6.1 The Board shall promptly, and in all events within 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 30 days, then notwithstanding the provisions of Section 12.4 and the Bylaws, any Owner or first mortgagee of a Unit may call and conduct the meeting.

20.6.2 Except for emergency work, no repairs shall be commenced until the conclusion of the special Owners' meeting.

20.6.3 At the special meeting, the following consent requirements will apply:

(a) The Owners shall be deemed to have elected to repair the damage in accordance with the original plan unless the Owners of at least 80% of the total voting power of the Condominium, including every Owner of a Unit which will not be rebuilt and every Owner of a Unit to which a Limited Common Element which will not be rebuilt is allocated, have given their written consent not to repair the damage.

(b) The unanimous consent of all Owners will be required to elect to rebuild in accordance with a plan that is different from the original plan.

(c) In addition to the consent by the Owners specified above, any election not to repair the damage or not to rebuild substantially in accordance with the original plan will require the approval of eligible holders of first mortgages on Units that have at least 51% of the votes subject to eligible holder mortgages.

(d) Failure to conduct the special meeting provided for under Section 20.6.1 within 90 days after the date of damage shall be deemed a unanimous decision to repair the damage in accordance with the original plan.

Section 20.7 Effect of Decision Not to Repair. In the event of a decision under either Section 20.5.3 or 20.6.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as provided in Section 19.8.

ARTICLE 21. CONDEMNATION

Section 21.1 Consequences of Condemnation; Notices. If any Unit or portion thereof or the Common Elements or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each holder of a first mortgage and the provisions of this Article shall apply.

Section 21.2 Power of Attorney. Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of Common Elements or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the Owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to this Section, the affected Owners may individually or jointly act on their own behalf.

Section 21.3 Condemnation of a Unit. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation of a Unit shall be paid to the Owner or lienholder of the Unit as their interests may appear. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to this Declaration reflecting the re-allocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

Section 21.4 Condemnation of Part of a Unit. Except as provided in Section 21.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation awarded to the Unit Owner shall be paid to the Owner or lienholders of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides: (a) That Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the re-allocation on the basis of its reduced Allocated Interests.

Section 21.5 Condemnation of Common Element or Limited Common Element. If part of the Common Elements is acquired by condemnation the portion of the award attributable to the

RECEIVED
MAY 25 2007

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

Section 21.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 20.

ARTICLE 22. EASEMENTS

Section 22.1 In General. Each Unit has an easement in and through each other Unit and the Common and Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium.

Section 22.2 Encroachments. To the extent not provided by the definition of "Unit" in the Declaration and in the Condominium Act, each Unit and all Common and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common and Limited Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

Section 22.3 Utility Easements Granted by the Association. The Association grants to each company or municipality providing utility services to the Condominium or to the Owners of Units in the Condominium an easement for the installation, construction, maintenance, repair and reconstruction of all utilities serving the Condominium or the Owners, including, without limitation, such utilities services as water, sanitary sewer, storm sewer, electricity, cable television and telephone, and an easement for access over and under the roadways and Common Elements of the Condominium to the utility service facilities.

RECEIVED
MAY 25 2007

ARTICLE 23. PROCEDURES FOR SUBDIVIDING OR ALTERING UNITS

Section 23.1 Submission of Proposal to Subdivide Unit. No Unit or Units shall be subdivided either by agreement or legal proceedings, except as provided in this Article. An Owner may propose subdividing a Unit or Units by submitting the proposal in writing to the Board and to all other Owners and mortgagees of the Unit to be subdivided or combined. Such proposal to subdivide must also be given to every first mortgagee of any Unit in the Condominium. The proposal must include complete plans and specifications for accomplishing the subdivision and proposed amendments of this Declaration and the Survey Map and Plans which amendments shall be executed by the Owner of the Unit to be subdivided upon approval pursuant to Section 24.2, and which amendments assign an identifying number to each Unit created, and reallocate the allocated interests and liabilities formerly allocated to the subdivided Unit to the new Units in any reasonable manner prescribed by the Owner of the subdivided Unit. The Owner of the Unit to be subdivided shall bear all costs of the subdivision.

Section 23.2 Approval Required for Subdivision. A proposal that contemplates subdivision of a Unit will be accepted only if approved in writing by all Owners and mortgagees of the Unit or Units to be subdivided, the Board and 51% of Eligible Mortgagees.

Section 23.3 Minor Alterations. No Unit may be altered in any way except in accordance with this Article. An Owner may make any improvements or alterations to the Owner's Unit that do not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. An Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of Section 23.5.

Section 23.4 Adjoining Units. After acquiring an adjoining Unit or an adjoining part of any adjoining Unit, an Owner may, with approval of the Board pursuant to Section 23.5, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this Section is not a relocation of boundaries. The Owner's proposal to act under this Section shall be submitted to the Board and shall include the plans and specifications for the proposed removal or alteration.

Section 23.5 Substantial Alteration. A proposal that contemplates substantial alteration of one or more Units is subject to approval by the Board. The Board shall approve an Owner's request under this Section within 30 days, unless the proposed alteration does not comply with Section 23.4 or impairs the structural integrity or mechanical or electrical systems in the Condominium. The failure of the Board to act upon a request within such period shall be deemed approval thereof.

RECEIVED
MAY 25 2007

Section 23.6 Procedure After Approval. Upon approval of a proposal under this Article, the Owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map Plans and Declaration shall be placed of record as amendments thereto.

Section 23.7 Relocation of Boundaries--Adjoining Units. The boundaries between adjoining Units may only be relocated by an amendment to the Declaration, pursuant to Article 25, upon application to the Board by the Owners of those Units. If the Owners of the adjoining Units have specified a re-allocation between their Units of their allocated interests, the application must state the proposed re-allocations. Unless the Board determines within 30 days, that the re-allocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the re-allocations, is executed by the Unit Owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. The Association shall obtain and record survey maps or plans complying with the requirements of RCW 64.34.232(4) necessary to show the altered boundaries between adjoining Units and their dimensions and identifying numbers. The Owner or Owners benefited by a re-allocation of Unit boundaries shall bear all costs associated therewith in proportion to the relative benefits to each such Unit as determined by the Board.

ARTICLE 24. AMENDMENT OF DECLARATION SURVEY MAP AND PLANS, ARTICLES OR BYLAWS

Section 24.1 Procedures. The Declaration, the Survey Map and Plans, and the Articles may be amended only by vote or agreement of the Owners, as specified in this Article. The Bylaws may be amended by upon a majority vote of the members at any annual meeting or any special meeting properly called for that purpose at which quorum is present and may be amended by the Board of Directors at any regular meeting by affirmative vote of a majority of the Directors present, subject to the power of the members to change or repeal such Bylaws as set forth in this Declaration. An Owner may propose amendments to this Declaration or the Survey Map and Plans, the Articles or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of Eligible Mortgagees as provided below, amendment to the Declaration or the Survey Map and Plans will become effective

RECEIVED
MAY 25 2007

when it is recorded or filed in the real property records in the county in which the Condominium is located. The amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to the Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

Section 24.2 Percentages of Consent Required. Except as provided in Articles 20 and 21 in the case of damage or condemnation of the property, the percentages of consent of Owners and mortgagees required for adoption of amendments to the Declaration, the Survey Map and Plans, and the Articles are as follows:

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

24.2.2 An amendment that increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected and the Owners holding at least 90% of the votes in the Association.

24.2.3 All other amendments to provisions of the Declaration, the Survey Map and Plans, or the Articles shall be adopted if consented to by 67% of the Owners.

RECEIVED
MAY 25 2007

24.3.5 The Bylaws may be amended upon a majority vote of the members at an annual meeting or special meeting. Amendments to the Bylaws which were adopted by the Board of Directors may be changed or repealed by a majority vote of the members in the same manner.

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

ARTICLE 25. TERMINATION OF CONDOMINIUM

Section 25.1 Action Required. Except as provided in Articles 19 and 20, the Condominium may be terminated only by agreement of Owners of Units to which at least 80% of the votes in the Association are allocated and with the consent of Eligible Mortgagees of Units to which at least 67% of the votes in the Association are allocated and in accordance with the Condominium Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

Section 25.2 Condominium Act Governs. The provisions of the Condominium Act relating to termination of a condominium contained in RCW 62.34.268, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of that real property.

ARTICLE 26. NOTICES

Section 26.1 Form and Delivery of Notice. Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association.

Section 26.2 Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Board a written request that it be given copies of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Unit on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured or

RECEIVED
MAY 25 2007

COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Edward J. Hironaka is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of Coffee Creek Condominium Association, a Washington nonprofit corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

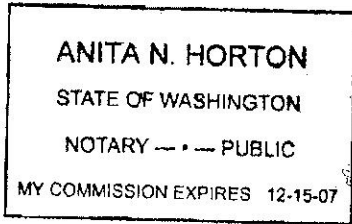
DATED this 3rd day of May, 2007.

Anita N. Horton

(Signature of Notary)

Anita N. Horton

(Legibly Print or Stamp Name of Notary)



Notary public in and for the state of Washington, residing at Tacoma, WA

My appointment expires 12/15/07

RECEIVED
MAY 25 2007

SCHEDULE A

**COFFEE CREEK
A CONDOMINIUM**

Description of Land in Condominium

Coffee Creek, A Condominium, Recorded in Volume 2 of Condominiums, Pages 15 through 16, According to Declaration Thereof, Recorded Under Pierce County Recording No. 2462407, and any Amendments Thereto, According to Survey Map and Floor Plans Recorded Under Auditor's No. 2462408 as Amended by Survey Maps Recorded under Auditor's Nos. 2487346 and 2685501 and Classified by Certification Recorded under Auditor's No. 2689961 and as Identified by Complete Revised Declaration Recorded Under Auditor's No. 8410100132, which is a Re-Record of Instrument Recorded Under Auditor's No. 8308290369 which Replaces and Supersedes all Prior Declarations and Amendments thereto and By-Laws for Coffee Creek;

Situate in the County of Pierce, State of Washington.

*Revised and Restated Declaration for
Coffee Creek, a Condominium*

RECEIVED
MAY 25 2007

**SCHEDULE B
COFFEE CREEK
A CONDOMINIUM**

Unit Descriptions

Building	Unit	Approximate Area In Square Feet	% of Ownership	Voting
1	25	1,002	1.786%	1
	26	1,243	1.786%	1
	27	1,243	1.786%	1
	28	1,002	1.786%	1
2	29	1,002	1.786%	1
	30	1,243	1.786%	1
	31	1,243	1.786%	1
	32	1,002	1.786%	1
3	33	1,002	1.786%	1
	34	1,243	1.786%	1
	35	1,243	1.786%	1
	36	1,002	1.786%	1
4	37	1,002	1.786%	1
	38	1,243	1.786%	1
	39	1,243	1.786%	1
	40	1,002	1.786%	1
5	41	1,002	1.786%	1
	42	1,243	1.786%	1
	43	1,243	1.786%	1
	44	1,002	1.786%	1
6	17	1,355	1.786%	1

*Revised and Restated Declaration for
Coffee Creek, a Condominium*

RECEIVED
MAY 25 2007

	18	1,355	1.786%	1
	19	1,355	1.786%	1
	20	1,355	1.786%	1
	21	1,355	1.786%	1
	22	1,355	1.786%	1
	23	1,355	1.786%	1
	24	1,355	1.786%	1
7	11	1,355	1.786%	1
	12	1,355	1.786%	1
	13	1,355	1.786%	1
	14	1,355	1.786%	1
	15	1,355	1.786%	1
	16	1,355	1.786%	1
8	7	1,355	1.786%	1
	8	1,105	1.786%	1
	9	1,105	1.786%	1
	10	1,355	1.786%	1
9	1	1,355	1.786%	1
	2	1,105	1.786%	1
	3	1,105	1.786%	1
	4	1,105	1.786%	1
	5	1,105	1.786%	1
	6	1,355	1.786%	1
10	51	1,355	1.786%	1
	52	1,105	1.786%	1
	53	1,105	1.786%	1
	54	1,105	1.786%	1

Revised and Restated Declaration for
Coffee Creek, a Condominium

RECEIVED
MAY 25 2007

	55	1,105	1.786%	1
	56	1,355	1.786%	1
11	45	1,355	1.786%	1
	46	1,355	1.786%	1
	47	1,355	1.786%	1
	48	1,355	1.786%	1
	49	1,355	1.786%	1
	50	1,355	1.786%	1

*Revised and Restated Declaration for
Coffee Creek, a Condominium*

RECEIVED
MAY 25 2007