

DECLARATION

AND

COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS

FOR

KINGSIDE RIDGE ESTATES

A Condominium

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ARTICLE 1. DEFINITIONS.

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

1.1.1 Apartment shall mean a residential unit composed of a suite of rooms and other enclosed spaces in a building. The boundaries of an apartment are the unfinished interior surfaces of its perimeter walls, floors, ceilings, windows, and doors, and the apartment includes both the portions of the building so described and the air space so encompassed.

1.1.2 Articles shall mean the articles of incorporation of the Association defined below.

1.1.3 Association shall mean the Association of Apartment Owners described in Article 14 of this Declaration.

1.1.4 Board shall mean the board of directors of the Association.

1.1.5 Bylaws shall mean the bylaws of the Association.

1.1.6 Common Area and Common Areas and Facilities shall mean the common areas and facilities described in Article 6 and in Article 7.

1.1.7 Condominium shall mean the horizontal property regime created by this Declaration.

1.1.8 Condominium Statute shall mean the Horizontal Property Regimes Act of the state of Washington, Laws of 1963, Chapter 156, presently codified in Chapter 64.32, Revised Code of Washington, and amendments thereto.

1.1.9 Declarant shall mean Donogh Homes, Inc., and its representatives, successors, and assigns.

1.1.10 Declaration shall mean this Declaration and Covenants, Conditions, Restrictions, and Reservations for Kingsgate Ridge Manor, as it may from time to time be amended.

1.1.11 First Mortgage and First Mortgagee shall mean, respectively, (a) a recorded mortgage on an apartment that has legal priority over all other mortgages thereon, and (b) the holder of a first mortgage.

1.1.12 Institutional Holder of a mortgage shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or



state laws, any corporation in the business of owning or servicing real estate mortgages, or insurance company, or any federal or state agency.

1.1.13 Managing Agent shall mean the person designated by Declarant under Article 16.2 or by the Board under Article 17.4.

1.1.14 Mortgage shall mean a recorded mortgage or deed of trust that creates a lien against an apartment and shall also mean a real estate contract for the sale of an apartment.

1.1.15 Mortgagee shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on an apartment created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of an apartment.

1.1.16 Owner shall mean the legal owner of an apartment.

1.1.17 Person shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.18 Property shall mean the land and the buildings and all improvements and structures now or hereafter placed on the land described in Schedule B as constituting Phase I of the condominium. When (and if) Declarant records a certificate that a Subsequent Phase or Subsequent Phases have been completed, the word "property" shall thereafter mean the land and the buildings and all improvements and structures now or hereafter placed on the land described in Schedule B as constituting Phase I and the subsequently completed Phase or Phases of the condominium.

1.1.19 Survey Map and Plans shall mean the survey map and the plans recorded simultaneously with this Declaration, the survey map and the plans recorded simultaneously with a Subsequent Phase Certificate (defined in Section 3.2) and any amendments, corrections, and addenda thereto subsequently recorded.

1.1.20 Transition Date is defined in Article 16.1.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

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

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ARTICLE 2. SUBMISSION OF THE PROPERTY TO THE CONDOMINIUM STATUTE.

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

ARTICLE 3. DEVELOPMENT IN PHASES; DESCRIPTION OF LAND.

Section 3.1 Intention to Develop in Phases. Declarant proposes to develop the condominium in Phases upon the tract of land described in Schedule A. This Declaration shall be effective immediately to establish Phase I as a condominium upon the tract of land described in Schedule B. There are seven possible Subsequent Phases, called Phases II through VIII. When (and if) the condominium is expanded into a Subsequent Phases or Phases, Declarant shall amend Schedule B to describe the tract of land included in each Subsequent Phase.

Section 3.2 Expansion into Subsequent Phases. Declarant expects, but is not required, to expand the condominium into the Subsequent Phases. If Declarant elects to expand the condominium into a Subsequent Phase or Phases, it may do so by recording Survey Maps and Plans of the improvements and apartments added to the condominium by the Subsequent Phase or Phases and a Certificate (hereinafter referred to as a "Subsequent Phase Certificate") declaring that the Survey Maps and Plans recorded or recorded therewith accurately depict, as built, all of the improvements and apartments added by the Subsequent Phase or Phases. Upon the recording of a Subsequent Phase Certificate, the previously existing condominium shall be merged into and become a part of the Subsequent Phase as a single, unified condominium.

Section 3.3 Vacation of 127th Place N.E. In addition, Declarant reserves the right to add to the condominium those portions of 127th Place N.E. which abut the property described in Schedule A if 127th Place N.E. is vacated by King County, Washington, by filing amendments to Schedule B and to the Survey Map and Plans.

Section 3.4 Joint Use and Maintenance of Common Areas and Facilities. When (and if) Phase I is expanded into a Subsequent Phase or Phases, all of the common areas and facilities in Phase I and in the Subsequent Phase or Phases will be for the use and enjoyment of the entire condominium, and all of the apartment owners in the condominium

shall share in the subsequent expenses of maintaining, repairing, and replacing them as may be necessary.

Section 3.5 Election Not to Expand to One or More Subsequent Phases. If Declarant does not expand the condominium into Phase VIII, Phase I, or such Subsequent Phase as the condominium shall have been expanded into, shall constitute a complete, fully operational condominium, and the land not encompassed by the condominium may be used for any lawful and compatible purpose. If Declarant determines that it will not expand the condominium into a Subsequent Phase or Phases, it may record an amendment to this Declaration signed only by Declarant describing the land that will not be included in the condominium.

#### ARTICLE 4. DESCRIPTION OF BUILDINGS.

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The building or buildings in the condominium are, or will be, principally wood frame buildings with concrete foundations, composition roofs and stucco with wood trim exteriors. The building in Phase I is designated as the South Building. The building added by Phase II will be designated as the North Building, and the building added by Phase III will be designated as the West Building. The buildings added in Phases IV through VIII will be designated as Buildings A through I. All buildings added by Subsequent Phases will be architecturally substantially identical to, and compatible with, the South Building. The address and number of stories of and the number of apartments located in the South Building are set forth in Schedule C. When (and if) the condominium is expanded into a Subsequent Phase or Phases, Declarant shall amend Schedule C to describe the buildings included in each Subsequent Phase. The number of apartments to be added by each Subsequent Phase is also set forth in Schedule C. The buildings are further described in the Survey Map and Plans.

#### ARTICLE 5. APARTMENT NUMBERS, LOCATION, AND DESCRIPTION.

The apartments are of nine basic types. The configurations of each type of apartment and the locations of the apartments in the buildings are shown in the Survey Map and Plans. Each individual apartment is identified by an assigned number. The floor level of each apartment within its building, and the apartment type, number of rooms, and approximate area of each apartment are set forth in Schedule D. When (and if) the condominium is expanded into a Subsequent Phase or Phases, Declarant shall amend Schedule D to describe the apartments included in each Subsequent Phase.

#### ARTICLE 6. COMMON AREAS AND FACILITIES.

Section 6.1 Description. The common areas and facilities consist of those specified in the Condominium Statute, as well as the following:

6.1.1 The land described in Schedule B.

6.1.2 The roofs, foundations, studding, joists, beams, supports, main walls (excluding non-bearing interior partitions of apartments, if any), and all other structural parts of the buildings, to the unfinished interior surfaces of the apartments' perimeter walls, floors, ceilings, windows, and doors.

6.1.3 The pipes, wires, conduits, and other fixtures and equipment for utilities.

6.1.4 The grounds, trees, gardens, landscaped areas, exterior fixtures, walkways, driveways, porches and stairs.

6.1.5 The parking spaces not made limited common areas appurtenant to apartments pursuant to Article 10.

6.1.6 The attics and crawl spaces in the buildings.

6.1.7 The storage rooms located in the West Building and Building F, the resident manager's apartment located in Building I and the office, recreation room and social room located in Building H when (and if) the condominium is expanded into the Subsequent Phase in which such buildings are located.

6.1.8 Certain items which might ordinarily be considered common areas such as, but not limited to, air conditioning units, screen doors, window screens, awnings, planter boxes, and the like, may pursuant to specification in the Bylaws or administrative rules and regulations, be designated as items to be furnished and maintained by apartment owners at their individual expense, in good order, according to standards and requirements set forth in the Bylaws or by rule adopted by the Board.

6.1.9 The limited common areas and facilities described in Article 7.

Section 6.2 Use. Each apartment owner shall have the right to use the common areas and facilities (except the limited common areas and facilities reserved for other apartments) in common with all other apartment owners. The right to use the common areas and facilities shall extend not only to each apartment owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the common areas and facilities, including the limited common areas and facilities, shall be governed by the provisions of the Condominium Statute, this Declaration, the Bylaws, and the rules and regulations of the Association. The owners shall not by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common areas and facilities and no other person shall have the right to have them partitioned or divided. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the apartment owners and occupants shall not be deemed a partition or division.

A subdivision of a limited common area as an incident of an authorized subdivision of an apartment pursuant to Article 27 will not be deemed a violation of this provision.

**ARTICLE 7. LIMITED COMMON AREAS AND FACILITIES.**

Section 7.1 Description. Some common areas and facilities, called limited common areas and facilities, are reserved for the exclusive use of the apartment or apartments to which they are adjacent or assigned. They consist of the deck or patio which is adjacent to and accessible from each respective apartment, a storage closet on the deck or patio and the parking space made appurtenant to each apartment pursuant to Article 10.

Section 7.2 Appurtenant to Apartments. Conveyance of an apartment includes the exclusive rights to the use of the limited common areas and facilities appurtenant to that apartment.

**ARTICLE 8. ACCESS.**

Each apartment has direct access either to a porch and stairway in the building in which it is located, and thence to the common walkways of the condominium, or directly to the common walkways, and, in either case, thence to the parking areas, and driveways of the condominium, and thence to the public streets.

**ARTICLE 9. VALUE OF PROPERTY AND EACH APARTMENT AND PERCENTAGE OF UN-DIVIDED INTEREST IN COMMON AREAS AND FACILITIES.**

For the purpose of meeting certain requirements of the Act, the value of the property for each Phase is declared to be as follows:

|            |            |
|------------|------------|
| Phase I    | \$ 866,920 |
| Phase II   | 1,733,840  |
| Phase III  | 2,293,780  |
| Phase IV   | 3,276,150  |
| Phase V    | 4,205,060  |
| Phase VI   | 4,983,455  |
| Phase VII  | 6,158,365  |
| Phase VIII | 7,552,680  |

The value of each apartment in Phase I and the percentage of undivided interest in the common areas and facilities appertaining to each such apartment and its owner for all purposes, including voting, for each Phase are set forth in Schedule D attached hereto. The values do not necessarily reflect the amount for which an apartment will be sold by Declarant, or others, and will not be altered by variations in selling prices. The percentages for the apartments

included in Phase I are calculated with relation to the total value of the property in Phase I. When (and if) the condominium is expanded into a Subsequent Phase or Phases, the percentage for each apartment in each Subsequent Phase shall be the percentage obtained by dividing the value of each apartment by the total value of the property in the applicable Subsequent Phase, and Declarant shall amend Schedule D to set forth the value of, and the percentage for, each apartment included in the Subsequent Phase.

#### ARTICLE 10. PARKING

Section 10.1 Assignment to Apartments. The owner of each apartment has the unqualified right to use at least one parking space in the condominium sufficient to accommodate an automobile. The automobile parking spaces are identified by number in the Survey Map and Plans. Each apartment is assigned in Schedule D one automobile parking space which is a limited common area appurtenant to that apartment. Parking spaces that have not been assigned to an apartment may either be held for common parking or rented to an owner in accordance with such rules or regulations as the Board may from time to time adopt.

Section 10.2 Rental of Parking Space. The owner of an apartment may rent an appurtenant parking space to the occupant of another apartment in the condominium, but such rental shall be subject to termination upon 15 days' notice. Any rental of a parking space by the Association shall likewise be terminable upon 15 days' notice. Rental of a parking space shall be terminated automatically and without notice upon the sale of the apartment to which it is appurtenant.

Section 10.3 Use of Parking Spaces. Parking spaces may be used for the parking of operable passenger motor vehicles, and use of parking spaces for parking trucks, trailers, or recreational vehicles, or for other purpose shall be permitted only to the extent expressly allowed by rules and regulations adopted by the Board. The Board may prohibit or restrict the parking of automobiles owned by apartment owners or their tenants in the parking spaces held for common parking. The Board may direct that any vehicle or other thing improperly parked or kept in a parking space be removed, and if it is not removed within 10 days the Board may cause it to be removed at the risk and cost of the owner thereof.

#### ARTICLE 11. PERMITTED USES; MAINTENANCE OF APARTMENTS; CONVEYANCES.

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

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

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

Section 11.4 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the painting of the buildings and prescribe the type and color of paint. No owner may modify or decorate the exterior of the buildings, or screens, doors, awnings, or other portions of any apartment visible from outside the apartment without the prior written consent of the Board or in accordance with rules or regulations of the Board. No exterior radio or television antennae may be installed without the prior written consent of the Board. The Board may also require use of a uniform color and fabric for draperies, under-draperies, or drapery lining for all apartments.

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

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

Section 11.7 Signs. No sign of any kind shall be displayed to the public view on or from any apartment or common area or limited common area without the prior consent of the Board; provided, that the Board shall designate an area or areas for display of "For Sale" signs. This section shall not apply to Declarant.

Section 11.8 Pets. No animals, birds, reptiles, or living creatures of any kind (herein referred to as "pets"), shall be kept in any apartment or in the common or limited common areas except subject to rules and regulations adopted by the Board, or Bylaws adopted by the Association. The Board may at any time require the removal of any pet which it finds is disturbing other owners unreasonably, and may exercise this authority for specific animals even though other pets are permitted to remain.

Section 11.9 Offensive Activity. No noxious or offensive activity shall be carried on in any apartment or common area, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

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

## ARTICLE 12. ENTRY FOR REPAIRS.

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



owners and occupants as practicable. Any damage caused by such entry shall be repaired by the Association as a common expense unless the repairs or maintenance were necessitated by the acts or default of the owner or occupant of the apartment entered, in which event the costs of the repairs or maintenance shall be specially assessed to that apartment.

#### ARTICLE 13. SERVICE OF PROCESS.

Stanly W. Donogh, Jr., 12040 - 98th Avenue N.E., Kirkland, Washington 98033, is the person upon whom process may be served as provided for in the Condominium Statute. After organization of the Association, service of process for the purposes provided in the Condominium Statute shall be made upon the registered agent of the Association. The Board may at any time designate a different person for such purpose by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need be signed and acknowledged only by the president of the Association.

#### ARTICLE 14. ASSOCIATION OF APARTMENT OWNERS.

Section 14.1 Form of Association. The owners of apartments shall constitute an Association of Apartment Owners as defined in the Condominium Statute. The Association will be a nonprofit corporation formed under the laws of the state of Washington. The rights and duties of the members and of the corporation shall be governed by the provisions of the Condominium Statute and of this Declaration.

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

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

Section 14.4 Number of Votes. The total voting power of all owners shall be 100 votes and the total number of votes available

to the owner of any one apartment shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to the apartment. A person (including Declarant) who owns more than one apartment shall have the votes appertaining to each apartment owned.

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

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

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

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

Section 14.9 Audits. At the annual meeting, there shall be presented an audit, prepared by a certified or licensed public accountant who is not a member of the Board or an apartment owner, of the

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common expenses, itemizing receipts and disbursements for the preceding calendar year and the allocation thereof to each owner, and a presentation of the estimated common expenses for the current calendar year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An apartment owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association.

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

Section 14.11 Articles and Bylaws. Before the Transition Date Declarant will adopt Bylaws to supplement this Declaration and the Articles and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Statute or this Declaration. Declarant may amend the Articles and Bylaws from time to time until the Transition Date. After the Transition Date the Bylaws may be amended by the affirmative vote of 60% of the voting power at any duly called regular or special meeting of the Association. However, no material amendment of the Articles or Bylaws may be made without the prior written approval of the holders of 75% of the first mortgages held by institutional holders.

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

## ARTICLE 15. NOTICES.

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

the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to Declarant until the Transition Date and thereafter shall be given to the president or secretary of the Association.

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

ARTICLE 16. ADMINISTRATION OF PROPERTY; RIGHTS RETAINED BY DECLARANT.

Section 16.1 Transition Date. The "Transition Date" shall be the date control of the condominium passes from Declarant to the Association of Apartment Owners. The Transition Date will be either (1) the date designated by Declarant in a written notice to the owners, which date may at Declarant's election be any date after this Declaration has been recorded; or (2) the 120th day after Declarant has transferred title to purchasers of apartments representing 70% of the total voting power of all apartment owners of the Phase then in effect; or (3) the third anniversary of the recording of this Declaration; whichever of the foregoing occurs first.

Section 16.2 Declarant's Powers Until Transition Date. Until the Transition Date, Declarant shall have the full power and authority to exercise all of the rights, duties, and functions of the Board of Directors and the officers of the Association, including but not limited to the adoption of rules and regulations, contracting for the purchase of goods and services, buying insurance, and collecting and expending all assessments and other Association funds. Declarant shall have the power to contract with an experienced professional managing agent and delegate to the managing agent all of the powers and duties of the Board that the Board is authorized to delegate under Section 17.4. All such management contracts made by Declarant shall be

subject to the same requirements as are set forth in Section 17.4 for management contracts made by the Board. Declarant may at such times as it deems appropriate select and from time to time replace an interim board of three to five directors, who need not be apartment owners or purchasers, who shall have all the powers, duties, and functions of the Board of Directors. Any contract made by Declarant, its managing agent, or the interim board (including management contracts) that would otherwise extend beyond the Transition Date shall be terminable by the Board after the Transition Date upon 30 days' notice.

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

#### ARTICLE 17. AUTHORITY OF THE BOARD.

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

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

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

it by the owners. The Board may hire such full-time or part-time employees as it considers necessary.

Section 17.4 Managing Agent. The Board may, but shall not be required to, contract with an experienced professional managing agent to assist the Board in the management and operation of the condominium and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein. If a managing agent is employed by the Board, the prior written approval of the holders of 75% of the first mortgages held by institutional holders shall be required before the Board may terminate professional management and assume self-management. The managing agent shall not enter any apartment (directly or through agents) without the consent of the occupant unless entry has been directed by the Board. Only the Board can approve an annual budget or a supplemental budget, and only the Board can impose a special assessment on an apartment or authorize foreclosure of an assessment lien. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

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

#### ARTICLE 18. BUDGET AND ASSESSMENT FOR COMMON EXPENSES.

Section 18.1 Preparation of Budget. Not less than 30 days before the end of the calendar year, or such other fiscal year as the Board may by resolution adopt, the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the common expenses of the Association to be paid during the year and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. Declarant or the interim Board shall prepare a budget for the remainder of the calendar year, or such other fiscal year as the Declarant or the interim Board may determine, in which this Declaration is recorded and for subsequent calendar or other fiscal years, as the case may be, until the Transition Date. If during the year the budget proves to be inadequate for any reason, including nonpayment of any owner's assessment, the Board may prepare a supplemental budget for the remainder of the year.

Section 18.2 Monthly Assessments for Common Expenses. The sums required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be divided into equal installments to be paid each month over the period of time

covered by the budget or supplemental budget. The monthly installments shall be assessed to the apartments (including apartments owned by Declarant) and their respective owners in proportion to the apartments' percentages of undivided interest in the common areas and facilities. Assessments begin accruing with respect to each apartment upon the closing of the initial sale of that apartment by Declarant and, in any event, with respect to all apartments within 30 days after the closing of the first sale of any apartment by Declarant. During such time as garbage collection charges and any other utility or service charges are based on the number of occupied apartments, any apartments owned by Declarant and not occupied shall be exempt from assessment for such charges.

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

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

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

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

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

Section 18.8 Failure to Assess. Any failure by the Board or the Association to make the budget and assessments hereunder before

the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessment amount established for the preceding year shall continue until a new assessment is established.

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

#### ARTICLE 19. LIEN AND COLLECTION OF ASSESSMENTS.

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

Section 19.2 Lien May be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the managing agent or the



Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The managing agent or the Board, acting on behalf of the Association, shall have the power to bid in the apartment at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 19.3 Assessments are Personal Obligations. In addition to constituting a lien on the apartment and all its appurtenances, all sums assessed by the Association chargeable to any apartment (together with interest, costs and attorneys' fees in the event of delinquency) shall be the joint and several personal obligations of the owner and any contract purchaser of the apartment when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

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

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

Section 19.6 Termination of Utility Service. If an assessment becomes delinquent the Board may give notice to the delinquent apartment owner to the effect that unless the delinquent assessment is paid within ten days (or such longer time as is specified in the notice) any or all utility services furnished to the apartment by the Association or under the Association's control will be severed and shall remain severed until the delinquent assessment has been paid. If the delinquency is not cured in the time specified the Board may take the action described in the notice.

Section 19.7 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.

Section 19.8 Security Deposit. An apartment owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such owner, and

RECEIVED  
FEB 20 1987

AMENDMENT TO DECLARATION 87/01/08  
Of The Kingsgate Ridge Manor Association  
Of Apartment Owners

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Original Declaration Filed July 15, 1981  
File No. 787240647

Section 19.9 Rent Applied. If an owner shall rent his apartment and the assessments on the apartment are delinquent, then as long as the delinquencies continue, the Directors, at their option, may demand and receive for the Association from such tenant the rent due or to become due in an amount sufficient to pay all sums due from the owner. Payment of such rent to the Association shall discharge the tenant's obligations to the apartment owner to the extent of such payment. No demand or acceptance of rent under this paragraph shall be deemed to be a consent or approval of the apartment rental or a waiver of the owner's obligations hereunder. No tenant shall have the right to question the authority of the Directors to make the demand hereunder but shall be obligated to comply with the demand.

I, Paul Murray, President of Kingsgate Ridge Manor Association of Apartment Owners, certify that this Amendment was approved by a majority of the Board of Directors of this Association called and held on July 15, 1981 and properly adopted by written consent of 60% of the owners. Dated at Seattle, WA on September 9, 1986.

ATTEST

Mareath Hales, Secretary, Paul Murray, President

STATE OF WASHINGTON, }  
COUNTY OF KING } ss.

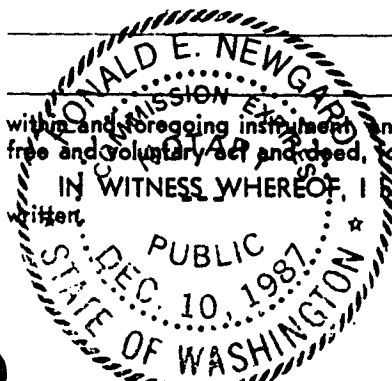
INDIVIDUAL

This is to certify that on this 21<sup>st</sup> day of October A.D. 1986, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared

Mareath Hales

to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me that she signed and sealed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

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



Ronald E. Newgard

Notary Public in and for the State of Washington, residing at Edmonds, Wash.

STATE OF WASHINGTON, }  
COUNTY OF KING } ss.

INDIVIDUAL

This is to certify that on this 15<sup>th</sup> day of OCTOBER A.D. 1986, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared

10-15-86  
Amendment  
Following  
may be resorted to at any time when such owner is ten days or more delinquent in paying his assessments.

19.8 Rent Appeals

ARTICLE 20. 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. This Article also extends to the Declarant, Declarant's managing agent, and the interim board of directors, exercising the power of the Board before the Transition Date.

ARTICLE 21. LIMITATION OF LIABILITY.

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

Section 21.2 No Personal Liability. So long as a Board member, or Association committee member, or Association officer, or Declarant or the managing agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any owner, or to any other person, including the 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 22. INDEMNIFICATION.

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

ARTICLE 23. INSURANCE.

Section 23.1 General Requirements. The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies and bonds necessary to provide casualty insurance; comprehensive liability insurance; fidelity bonds; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's directors, officers, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from an insurance carrier rated Triple B Plus or better by Best's Insurance Reports or equivalent rating service, and licensed to do business in the state of Washington. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond that meets the insurance and fidelity bond requirements for condominium projects established by the Federal National Mortgage Association and the Government National Mortgage Association, so long as either is a mortgagee or owner of an apartment within the condominium, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government National Mortgage Association. All such insurance policies and fidelity bonds shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds named therein, including apartment owners, mortgagees, and designated servicers of mortgagees.

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

Section 23.3 Comprehensive Public Liability Insurance. The comprehensive policy of public liability insurance shall insure the Board, the Association, the apartment owners, Declarant, and the managing agent, and cover all of the common areas and facilities in the condominium, with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an apartment owner because of the negligent acts of the Association or of another apartment owner, and shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to residential condominium projects of similar construction in the Seattle metropolitan area. The limits of liability shall be not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence.

Section 23.4 Additional Policy Provisions. The insurance obtained pursuant to Sections 23.2 and 23.3 shall contain the following provisions and limitations:

23.4.1 The named insured shall be the Association, as trustee for each of the apartment owners in accordance with their respective percentages of undivided interest in the common areas and facilities. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies.

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

23.4.3 In no event shall the insurance coverage be brought into contribution with insurance purchased by the owners of the apartments or their mortgagees.

23.4.4 Coverage shall not be prejudiced by (a) any act or neglect of the owners of apartments when such act or neglect is not within the control of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

23.4.5 A waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any apartment, and/or their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

23.4.6 A standard mortgagee clause which shall:

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

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

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

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

KINGSGATE RIDGE MANOR

Insurance

The following rules and regulations have been adopted in addition to section 23 of the Kingsgate Ridge Manor Declaration.

1. All probable insurance claims should be submitted to the Board of Directors for review before presentation to the Insurance Co.
2. Any insurance claim from any Unit that suffers a loss from any cause other than an obvious common cause, may require filing under extended coverage with the Homeowner responsible paying the required deductible.
3. Any insurance claim from any Unit that suffers a loss from an obvious "COMMON CAUSE" may require filing under extended coverage with the Association paying the required deductible.
4. Any Unit suffering loss or damage caused by another Unit may seek coverage of the loss or damage from the Homeowner of the Unit causing the damage or loss.

Policy Adopted;

3/23/83

Paul Henry

President

Mareath Hales

Secretary

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Section 23.5 Fidelity Bonds. The required fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association or the managing agent and all other persons who handle or are responsible for handling funds of the Association and be in an amount that will provide a level of coverage generally considered adequate by prudently managed business concerns in King County. In determining the level of coverage the Board may rely on the advice of a competent, independent insurance broker. All such fidelity bonds shall name the Association as an obligee and contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

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

#### ARTICLE 24. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

Section 24.1 Initial Board Determination. In the event of damage to any part of the property, 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:

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

24.1.2 A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

24.1.3 The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

24.1.4 The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds and the amount of the assessments that would have to be made against each apartment if the excess cost were to be paid as a maintenance expense and specially



assessed against all the apartments in proportion to their percentages of undivided interest in the common areas and facilities.

24.1.5 The Board's recommendation whether the damage should be repaired.

Section 24.2 Notice of Damage. The Board shall promptly, and in all events within 30 days after the date of damage, provide each owner and each institutional holder of a first mortgage on an apartment with a written notice describing the damage and summarizing the initial Board determinations made under Section 24.1. If the Board fails to do so within said 30 days, any owner or mortgagee may make the determinations required under Section 24.1 and give the notice required under this Section 24.2.

Section 24.3 Definitions: Damage, Repair, Emergency Work. As used in this Article 24:

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

24.3.2 Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each apartment and the common areas and facilities having substantially the same vertical and horizontal boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

24.3.3 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 24.4 Execution of Repairs.

24.4.1 The Board shall promptly repair the damage and use the available insurance proceeds therefor unless before the repairs (other than emergency work) are begun the owners decide in accordance with this Article not to repair. If the cost of repair exceeds the available insurance proceeds the Board shall impose a special assessment against all apartments in proportion to their percentages of undivided interest in the common areas in an amount sufficient to pay the excess costs.

24.4.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is

satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

24.4.3 The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the institution or company to collect the insurance proceeds and carry out the provisions of this Article 24.

Section 24.5 Damage not Substantial; Assessment Under \$3,500. If the estimated assessment determined under subsection 24.1.4 does not exceed \$3,500 for any one apartment, the damage will be deemed not to be substantial and the provisions of this Section 24.5 shall apply.

24.5.1 Either the Board or the requisite number of owners, within 15 days after the notice required under Section 24.2 has been given, may but shall not be required to, call a special owners' meeting in accordance with Section 14.8 and the Bylaws to decide whether to repair the damage.

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

24.5.3 A unanimous decision of the apartment owners and the holders of first mortgages on apartments will be required to elect not to repair the damage. The failure of the Board and the owners within the 15-day period to call a special meeting shall be deemed a decision to repair the damage.

Section 24.6 Substantial Damage; Assessment Over \$3,500. If the estimated assessment determined under subsection 24.1.4 is \$3,500 or more for any one apartment, the damage will be deemed substantial and the provisions of this Section 24.6 shall apply.

24.6.1 The Board shall promptly, and in all events within 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 14.8 and the Bylaws, any owner or first mortgagee of an apartment may call and conduct the meeting.

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

24.6.3 A concurring vote of more than two-thirds of the total voting power will be required to elect not to repair the damage.

Failure of the Board, the owners, and the first mortgagees to conduct the special meeting provided for under subsection 24.6.1 within 90 days after the date of damage shall be deemed a unanimous decision not to repair the damage.

Section 24.7 Effect of Decision Not to Repair. In the event of a decision under either subsection 24.5.3 or 24.6.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

24.7.1 The property shall be owned in common by the apartment owners and shall no longer be subject to this Declaration or to condominium ownership.

24.7.2 Each apartment owner's percentage of undivided interest in the property shall be the same as the percentage of undivided interest he previously owned in the common areas and facilities.

24.7.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with the existing priorities to the apartment owner's percentage of the undivided interest in the property.

24.7.4 The property shall be subject to an action for partition at the suit of any apartment owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund. The fund shall be divided into separate shares, one for each apartment owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property. After first paying out of the respective share of each apartment owner, to the extent sufficient for the purpose, all mortgages and liens on the owner's interest, the balance remaining in each share shall be distributed to the owner.

## ARTICLE 25. CONDEMNATION.

Section 25.1 Consequences of Condemnation; Notices. If any apartment or portion thereof or the common areas and facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (referred to herein as a "taking") notice of the proceeding or proposed acquisition shall promptly be given to each apartment owner and to each institutional holder of a first mortgage and the provisions of this Article 25 shall apply.

Section 25.2 Proceeds. All compensation, damages, or other proceeds of the taking, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

Section 25.3 Complete Taking. If the entire property is taken the condominium ownership shall terminate. The Condemnation Award shall be apportioned among the owners in proportion to their respective percentages of undivided interest in the common areas and facilities; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the taking, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. Each owner's share shall be applied first to the payment of all mortgages and liens on the owner's interest in accordance with the existing priorities and the balance of each share shall be distributed to the owner.

Section 25.4 Partial Taking. If less than the entire property is taken the condominium ownership shall not terminate. Each owner shall be entitled to a share of the Condemnation Award determined in the following manner:

25.4.1 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award among compensation for property taken, severance damages, or other proceeds.

25.4.2 The Board shall apportion the amounts so allocated to taking of or injury to the common areas and facilities, which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas and facilities.

25.4.3 The total amount allocated to severance damages shall be apportioned to the apartments that were not taken.

25.4.4 The amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within the own apartment shall be apportioned to the apartment.

25.4.5 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.

25.4.6 If an allocation of the Condemnation Award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the Condemnation Award the Board shall employ that allocation to the extent it is relevant and applicable.

25.4.7 Distribution of apportioned proceeds shall be made to the owners and their respective mortgagees in the manner provided in Section 25.3.

Section 25.5 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 24 for repair of damage, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge the owner's liability for any special assessment arising from the operation of Article 24.

ARTICLE 26. EASEMENTS.

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

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

Section 26.3 Easements Reserved by Declarant. Declarant hereby reserves non-exclusive easements over, across and through the common areas and facilities of the condominium (i.e., the land described in Schedule B, as it may from time to time be amended if and when the condominium is expanded into Subsequent Phases) for the benefit of itself and its successors and assigns as present and future owners of that portion of the land described in Schedule A which is not described in Schedule B. The easements reserved hereby are for ingress to and egress from that portion of the land described in Schedule A not described in Schedule B over the driveways and walkways of the condominium, and to tie into and utilize any water, sanitary sewer, storm sewer, electricity, gas, telephone and other utility lines now or hereafter established in the condominium. The easements reserved

hereby shall not be exercised in a manner that will overload or materially impair the use and enjoyment of the driveways, walkways and utilities of the condominium. The easements reserved hereby shall benefit that portion of the land described in Schedule A not described in Schedule B irrespective of whether all or a portion of such land is included in a Subsequent Phase of the condominium or used for any other purpose. Declarant further reserves an access easement over, across, and through the common areas and facilities of the condominium for the purpose of completing any unfinished apartments or other improvements and exhibiting and preparing apartments for sale.

ARTICLE 27. PROCEDURES FOR SUBDIVIDING OR COMBINING APARTMENTS.

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

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

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

Section 27.4 Procedure After Approval. Upon approval of the proposal, the owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other apartments or common areas and facilities or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments thereto.

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ARTICLE 28. AMENDMENTS OF DECLARATION, SURVEY MAP, AND PLANS.

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Section 28.1 Amendments by the Association. An apartment owner may propose amendments to this Declaration, the Survey Map, or the Plans to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by owners of 20% or more of the apartments in the condominium, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including mortgagees) entitled to receive notice of a meeting of the Association. The unanimous consent of all apartment owners shall be required for adoption of either (1) an amendment altering the value of the property and of each apartment or the percentages of undivided interest in the common areas and facilities (it being understood that changes in such percentages of undivided interest resulting from expansion of the condominium into a Subsequent Phase or Phases, as set forth in Schedule D of this Declaration, will not be deemed an amendment hereof), or (2) a decision that the property be removed from condominium status, or (3) an amendment of Section 14.7 or of this Article 28. All other amendments shall be adopted if approved by 60% of the apartment owners and there is compliance with Section 28.2. Once an amendment has been adopted by the Association and any necessary approval of mortgagees has been obtained, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records.

Section 28.2 Requirement of Mortgagee Approval. In addition to other provisions of this Declaration and of the Condominium Statute, the prior written approval of each institutional holder of a first mortgage will be required for any material amendment of this Declaration or the Bylaws, including, but not limited to, any amendment that would change the percentages of undivided interest in the common areas and facilities of the apartment owners (except for an expansion into a Subsequent Phase or Phases as provided in Section 28.1), and any amendment that in any way alters or restricts Declarant's powers or procedures for expanding the condominium into a Subsequent Phase or Phases or electing not to do so.

ARTICLE 29. ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS.

Except in cases of substantial damage to the property as provided in Article 24, the condominium status of the property shall not be abandoned or terminated by reason of any act or omission

by the owners or the Association except with the consent of all apartment owners by an instrument to that effect duly recorded, and then only if the mortgagees and holders of all liens affecting any of the apartments consent thereto or agree, in either case by an instrument duly recorded, that their mortgages and liens be transferred to the percentage of the undivided interest of the apartment owner in the property.

ARTICLE 30. SEVERABILITY.

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

ARTICLE 31. EFFECTIVE DATE.

This Declaration shall take effect upon recording.

ARTICLE 32. REFERENCE TO SURVEY MAP AND PLANS.

The Survey Map and Plans were filed with the Recorder of King County, Washington, simultaneously with the recording of this Declaration under File No. 7807240646, in Volume 22 of Condominiums, pages 42 through 44.

ARTICLE 33. ASSIGNMENT BY DECLARANT.

Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration; however, such assignment shall not diminish Declarant's duties and obligations.

DECLARANT

DONOGH HOMES, INC.

By

Stanly W. Donogh, III  
Stanly W. Donogh, III  
President

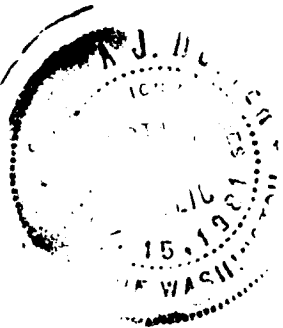


STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 10 day of July, 1978, personally appeared STANLY W. DONOGH, III, to me known to be the President of DONOGH HOMES, INC., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

James J. Hopper  
Notary Public in and for the  
State of Washington, residing  
at Kubland.



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FILED for Recording of  
 Kinggate Ridge  
 1981  
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AMENDMENT TO DECLARATION  
 OF THE KINGGATE RIDGE SECTOR ASSN.  
 OF APARTMENT OWNERS  
 Original Declaration Filed July 15, 1981  
 File No. 783285047

1981  
 1981  
 1981

That the Survey Map and Plans of the Kinggate Ridge Sector Association of Apartment Owners be revised to effectuate the change in the parking plan in accordance with the attached drawings and Certificate of Amendment.

I, Paul Murray, President of Kinggate Ridge Sector Association of Apartment Owners, certify that this Amendment was approved by a majority of the Board of Directors of this Association called and held on July 15, 1981 and properly adopted by written consent of 66% of the owners. Dated at Seattle, WA on May 15, 1981.

ATTN:

*Paul Murray* Secretary, *Paul Murray* President

COUNTY OF KING

I, *Paul Murray*, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County of King.



As we know to be the individual, described in and who executed the within and foregoing instrument, and acknowledged to me that *Paul Murray* signed and sealed the same as *Paul Murray*, Notary Public, and I, the Notary Public, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County of King.

*Paul Murray*

Notary Public in and for the State of Washington, residing at *Seattle, WA*

STATE OF WASHINGTON

INDIVIDUAL

COUNTY OF KING

This is to certify that on this *15th* day of *MAY*, A.D. 1981, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared *Paul Murray*, known to me to be the President of Kinggate Ridge Sector Assn. of Apartment Owners, and

As we know to be the individual, described in and who executed the within and foregoing instrument, and acknowledged to me that *Paul Murray* signed and sealed the same as *Paul Murray*, Notary Public, and I, the Notary Public, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County of King.

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

P.O. BOX 847

*Paul Murray*

**Return Address:**

William Company, Inc.

400 - 120th Ave. NE, Box 700

Bellevue, WA 98004

Please print or type information: **WASHINGTON STATE RECORDERS' Cover Sheet** (use only)

Document Title(s) (or transaction recorded herein) (all items applicable to your document must be filed in)

1. Assent to the Declaration, Kingsport Ridge Phase Condominium, 7070000  
2. Survey Map and Plans, Kingsport Ridge Phase Condominium, 7070000  
3.  
4.

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page \_\_\_\_\_ of document

Grantor(s) (Last name first, then first name and initials) None

1. King of the Hill, Phase 1, Kingsport Ridge  
2.  
3.  
4.

☐ Additional names on \_\_\_\_\_ of document.

Grantee(s) (Last name first, then first name and initials)

1.  
2.  
3.  
4.

☐ Additional names on page \_\_\_\_\_ of document.

Legal description (abbreviated: Ls, ls, block, plat or section, township, range)

SE quarter of the SE quarter of Section 36, Township 36 N Range 3E of the

☐ Willamette Meridian, King County

☐ Additional legal is on page \_\_\_\_\_ of document.

Assessor's Property Tax Parcel/Account Number

None

☐ Assessor Tax # not yet assigned

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the documents to verify the accuracy or completeness of the indexing information provided herein.

9804151053

11/11/2004 10:00 AM

AMENDMENT TO DECLARATION

OF THE ~~Kingsgate Ridge Manor Assn. of Apartment Owners~~

Original Declaration Filed July 13, 1983, File No. 737340847

Amended Declaration Filed March 3, 1987, File No. 8702632674

That the Survey Map and Plans of the Kingsgate Ridge Manor Association of Apartment Owners be revised to effectuate the change in the parking plan in accordance with the attached drawings and Certificate of Amendment.

I, Mareah Hales, President of Kingsgate Ridge Manor Association of Apartment Owners, certify that this Amendment was approved by a majority of the Board of Directors of this Association at a meeting called and held on March 13, 1998, and properly adopted by written consent of 60% of the owners.

Dated at Kirkland, WA on March 24, 1998.

ATTEST:

Betty Hartman, Secretary

STATE OF WASHINGTON )

COUNTY OF KING ) ss

On this 24<sup>th</sup> day of March, 1998, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Mareah Hales and Betty Hartman to me known to be the President and Secretary respectively, of Kingsgate Ridge Manor Association of Apartment Owners, the association that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.

WITNESS my hand and official seal this day and year first above written.



NOTARY PUBLIC for and for the  
State of Washington residing at

Rever, WA

DEPARTMENT OF AGRICULTURE

Approved and signed this day of March, 1998

[Signature]

Notary Public

Approved and signed this day of March, 1998

[Signature]

Notary Public

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