HILLTOP VILLAGE

AMENDED AND RESTATED DECLARATION

AND

COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS

FOR

HILLTOP VILLAGE AT PROVIDENCE POINT

A CONDOMINIUM
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AMENDED AND RESTATED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR HILLTOP VILLAGE AT PROVIDENCE POINT, A CONDOMINIUM

RECITALS

A Condominium Declaration submitting real estate to the Horizontal Property Regimes Act of the State of Washington (Revised Code of Washington, Chapter 64.32) entitled “Declaration and Covenants, Conditions, Restrictions and Reservations for Hilltop Village, A Condominium” was recorded on October 15, 1986 under recording number 8610150551 in King County, Washington, (hereinafter, the “Original Declaration”), together with the Survey Map and Plans recorded on June 25, 1986 under recording number 8606250656 in Volume 81 of Condominiums, Pages 5 through 16, inclusive, and October 15, 1986 under recording number 8610150550 in Volume 82 of Condominiums, Pages 70 through 81, inclusive, in King County, State of Washington.

The Original Declaration has been previously amended by the following instruments recorded under the following recording numbers in King County, Washington: Amendment Number One to Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village I, A Condominium, recorded on May 13, 1994 under recording number 9405130457; Amendment Number One to Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village I, a Condominium, recorded on April 10, 1996 under recording number 9604100275; Amendment Number Four to Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village I Association of Apartment Owners, A Condominium, recorded on February 20, 2008 under recording number 20080220000951; and Amendment Number Five to Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village I Association of Apartment Owners, A Condominium, recorded on January 7, 2010, under recording number 20100107000885.

Pursuant to Section 29.1 of the Original Declaration, the Village Board approved this Amended and Restated Declaration and submitted the same to the Owners for a vote in accordance with Section 2.2.4 of the Bylaws.

The vote process was concluded on May 31, 2011, and Owners holding at least 67% of voting power in the Association approved this Amended and Restated Declaration.

Pursuant to Section 29.2 of the Original Declaration, this Amendment shall not affect the rights expressly conferred upon Mortgagees in the Original Declaration with respect to any unsatisfied Mortgage duly recorded prior to the recording of this Amended and Restated Declaration unless the Mortgagee has consented in writing.

The President and Secretary of the Board of Directors for Hilltop Village Association certify that the procedures of the Original Declaration for amendment to the Declaration have been followed and acknowledge and attest, by their signatures below, the adoption of the following Restated Declaration:
This AMENDED RESTATED DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR HILLTOP VILLAGE AT PROVIDENCE POINT, A CONDOMINIUM (for the purpose of the Recitals, this "Declaration") is made by HILLTOP VILLAGE, a Washington non-profit corporation, as of this 31st day of May, 2011.

INTRODUCTION

This Declaration entirely supersedes and replaces that certain Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village, a Condominium recorded under Recording Number 8610150551, in the real property records of King County, Washington (the “original Declaration”). The purpose of amending and restating the Original Declaration is to delete superseded or irrelevant material, in order to make this Declaration a more useful and accessible document. This Declaration has been approved by a vote of the Owners in accordance with the provisions of the Original Declaration. The Village Association does not intend to assume, and shall not be deemed to have assumed, any obligation of Declarant under the Act, or under the original Declaration, by virtue of recording this Amended and Restated Declaration.

Hilltop Village is a Condominium within the Umbrella Association for Providence Point, a master association incorporated under RCW 64.34.276. This Amended and Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for Hilltop Village, along with the Second Amended and Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations of Providence Point Umbrella Association will govern the rights and obligations of Unit Owners within Hilltop Village.

Providence Point is a single community, made up of seven separate Village Condominiums. It is the community’s and this Village’s intention to have uniform governance and management administered through the Umbrella Association, and that each Village Condominium Association shall govern the use, maintenance and repair of the buildings within its Condominium. Owners contribute to both their Village Condominium and to the Umbrella Condominium to support the community and pay for services. Providence Point is an age fifty-five (55) or older senior housing community.

NOW, THEREFORE, the Members of the Hilltop Village Association declare as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Words Defined. For purposes of this Declaration and any amendments hereto, the following terms shall have the following meanings:

1.1.1 “Act” shall mean the Washington Condominium Act presently codified in Chapter 64.34, Revised Code of Washington, as now or hereafter amended.

1.1.2 “Articles” shall mean the Articles of Incorporation of the Village Association.

1.1.3 “Assessment” shall mean all sums chargeable by the Village Association against a Unit and its Owner, including, without limitations, regular and special Assessments for
Common Expenses, fines and charges imposed by the Village Association, interest and late charges on any delinquent account, costs of collection, including reasonable attorney fees, incurred by the Village Association in connection with the collection of delinquent Owner’s account, and all other sums payable by an Owner to the Village Association as provided in the Governing Documents, unless the context clearly indicates otherwise.

1.1.4 “Building” shall mean a free standing structure in which one or more Units are located.

1.1.5 “Capital Improvement” means additions to the existing Condominium structure and Buildings. Capital Improvement shall not include maintenance, repair or replacement of existing structures and Buildings, even if there are changes or replacement of an existing material with different material.

1.1.6 “Common Element(s)” are those portions of the Property not owned individually by Unit Owners, but in which an indivisible interest is held by all Unit Owners. The Common Elements are described in Articles 5 and 6 of this Declaration.

1.1.7 “Communiversity” is an incorporated organization, which provides a continuing education program. It offers classes to Providence Point Owners and to residents of nearby communities. Communiversity has a Board of Directors and Officers who are primarily Providence Point Owners. Funding is provided through the Umbrella Association budget as a flat fee to all Owners, while outside residents pay a fee for attending classes.

1.1.8 “Condominium” shall mean a horizontal Property regime under RCW 64.32, and the land and improvements subject to RCW 64.34. Each Village at Providence Point is a Condominium.

1.1.9 “Declaration” shall mean this Declaration and Covenants, Conditions, Restrictions, Easements and Reservations for the Hilltop Village at Providence Point, a Condominium, as it may from time to time be amended.

1.1.10 “Electronic Means” shall mean any manner of electronic communication as provided for in RCW 24.03 and its subsequent revisions.

1.1.11 “Eligible Insurer” or “Eligible Guarantor” shall mean an Insurer or Guarantor of a Mortgage that has provided a written request for notices to the Village Association stating both its name and address and the Unit number or address of the Unit on which it guarantees or insures the Mortgage.

1.1.12 “Eligible Mortgage Holder” shall mean a Lender that has provided a written request for notices to the Village Association, stating both its name and address and the Unit number or address of the Unit on which it holds the Mortgage.

1.1.13 “Entire Property” shall mean the Umbrella Property and Village Properties as outlined in Exhibit B of the Second Amended and Restated Declaration for the Umbrella Association.

1.1.14 “First Mortgage” and “First Mortgagee” shall mean, respectively, (a) a recorded Mortgage on a Unit that has legal priority over all other Mortgages thereon, and (b) the
holder of a First Mortgage. For purposes of determining the percentage of First Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds First Mortgages on more than one Unit, such Mortgagee shall be deemed a separate Mortgagee for each such First Mortgage so held.

1.1.15 “Foreclosure” shall mean a notice and proceeding pursuant to a deed of trust or sale or proceeding on default under any form of security agreement, as well as Foreclosure of a document as a Mortgage.

1.1.16 “Governing Documents” shall mean the Village Declaration, the Village Bylaws, the Articles of Incorporation for the Village Association, the Rules and Regulations of the Village Association, the Umbrella Condominium Declaration, the Umbrella Bylaws, and Rules and Regulations adopted by the Umbrella Association, as these documents may be lawfully amended and/or adopted from time to time.

1.1.17 “Institutional Holder” shall mean 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.

1.1.18 “Managing Agent” shall mean the Person designated by the Village Board under Section 15.4, and may include in-house staff retained by the Umbrella Village Association.

1.1.19 “Material Amendment” shall mean an amendment which would change voting rights; Assessments, liens or subordination of Assessment liens; repair and replacement of Common Elements; or rights to their use; boundaries of Units; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium, or the addition, annexation or withdrawal of Property to or from the Condominium; insurance or fidelity insurance; leasing of Units; imposition of any restrictions on a Unit Owner’s right to sell or transfer his or her Unit; a decision of the Village Association to establish self-management when professional management has been required by a First Mortgagee; restoration or repair of the Condominium after hazard, damage or partial condemnation; and any provision which expressly benefits First Mortgagees.

1.1.20 “Member” shall mean a Unit Owner within the Village Condominium and ownership of a Unit shall be the sole qualification for membership in the Village Association.

1.1.21 “Mortgage” shall mean a recorded Mortgage or deed of trust that creates a lien against a Unit and, except as otherwise herein set forth, shall also mean a real estate contract for the sale of a Unit.

1.1.22 “Mortgagee” shall mean the beneficial Owner, or the designee of the beneficial Owner, of an encumbrance on a Unit created by a Mortgage and, except as otherwise herein set forth, shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Unit.

1.1.23 “Mortgage Foreclosure” includes a deed of trust sale and a deed given in lieu of a Mortgage Foreclosure or a deed of trust sale, and also includes a real estate contract forfeiture or a deed given in lieu of a real estate contract forfeiture.
1.1.24 “Owner” shall mean the record holder, whether one or more Persons, of either (i) fee title to a Unit or Apartment or (ii) in the case of such a Unit being sold by real estate contract, the vendee's interest therein.

1.1.25 “Person” shall mean an individual, corporation, partnership, Village Association, trustee or beneficiary of a trust, or other legal entity.

1.1.26 “Property” shall mean the land and the Buildings and all improvements and structures now or hereafter located on the land described in Exhibit A to the Village Declaration.

1.1.27 “Related Party” means a person who has been certified in a written document filed by a Unit Owner with the Association to be the Spouse, parent, parent-in-law, sibling, sibling-in-law, parent’s sibling, or lineal descendant or ancestor of the Owner, the officer or director of any Owner which is a corporation, the member of any Owner which is a limited liability company, the trustee or beneficiary of any Owner which is a trust, or the partner of any Owner which is a partnership. Notwithstanding the foregoing to the contrary, a person who is the settlor and trustee of a living trust that owns a Unit shall be deemed to be the Owner of the Unit for all purposes under the Declaration.

1.1.28 “Resident Unit Owner” shall mean a Unit Owner who resides in his Unit, as opposed to a Unit Owner who leases his Unit to a tenant.

1.1.29 “Survey Map and Plans” shall mean the Survey Map and Plans recorded simultaneously with the original Declaration, and any further amendments, corrections, and additions thereto subsequently recorded. The Survey Map and Plans were filed with the Department of Records and Elections of King County, Washington, under Instrument No. 8606250656, in Volume 81 of Condominiums; pages 5 through 16, and under Instrument No. 8610150550, in Volume 82 of Condominiums, pages 70 through 81.

1.1.30 “Umbrella Association” shall mean the Providence Point Umbrella Association, a Washington nonprofit corporation organized pursuant to Chapter 64.34 and Chapter 24.03 of the Revised Code of Washington. The Umbrella Association is a Master Association as provided for in RCW 64.34.276.

1.1.31 “Umbrella Board” shall mean the Board of Directors of the Umbrella Association.

1.1.32 “Umbrella Bylaws” shall mean the Bylaws of the Umbrella Association.

1.1.33 “Umbrella Declaration” shall mean that certain Second Amended and Restated Providence Point Umbrella Declaration and Covenants, Conditions, Restrictions, Easements and Reservations recorded with the Department of Records and Elections of King County, Washington, as now or hereafter amended, supplemented or restated from time to time.

1.1.34 “Umbrella Property” shall mean the land and the Buildings and all improvements and structures now or hereafter located on the land described in Exhibit B to the
Second Amended and Restated Umbrella Declaration. The Umbrella Property does not include the Village Properties.

1.1.35 “Unit” shall have the same meaning as “Apartment,” as envisioned by RCW 64.32, and “Unit” as in RCW 64.34, and the two terms shall be interchangeable. "Apartment" or “Unit” means a part of the Property intended for independent use and separate ownership, including one or more rooms or spaces located on one or more floors in a Building. The boundaries of an Apartment are defined in the Village Condominium Declarations.

1.1.36 “Unit Value” shall mean the value of the Unit used for determining the percentage of Interest in the Common Elements and Facilities of the Village Association in which the Unit is located, as shown on Exhibit C of the Village Declaration, for the Unit belonging to that Member. As used herein, “Aggregate Stated Value of All Units” shall mean the sum of all Unit Values for all Units located on the Village Property and subject to the Hilltop Village Declaration.

1.1.37 “Village” shall mean one of the seven Condominiums within the Providence Point Umbrella Association, and “Village” may be used interchangeably with "Condominium."

1.1.38 “Village Articles” shall mean the Articles of Incorporation of the Village Association.

1.1.39 “Village Association” shall mean the Hilltop Village Association of Unit Owners, a Washington non-profit corporation, as further described in Article 12 of this Declaration.

1.1.40 “Village Board” shall mean the Village Board of Directors of the Hilltop Village Association.

1.1.41 “Village Bylaws” shall mean the Bylaws of the Village Association.

1.1.42 “Village Declaration” shall mean a recorded Declaration of covenants, conditions, restrictions, easements and reservations applicable to an Association of Unit Owners.

1.1.43 “Village Director” shall mean any Person who is a Member of the Board of Directors of a Village Association.

1.1.44 “Village Property” shall mean the land and the Buildings and all improvements and structures now or hereafter located on the land described in Exhibit A to the Village Declaration.

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 Act. The definitions in this Declaration are not intended to limit or contradict the
definitions in the Act. If there is any inconsistency or conflict, the definition in the Act will prevail, unless the Act permits such inconsistency or conflict.

Section 1.4 Inflationary Increase in Dollar Limits. Dollar amounts specified in this Declaration may, in the discretion of the Umbrella Board, be increased proportionately by the increase in the CPI from the base period to adjust for any inflation in the value of the dollar. “CPI” means the Seattle area Consumer Price Index for All Urban Consumer, all items, prepared by the United States Department of Labor, or if the All Urban Consumer index is discontinued, then the closest successor or supplanting index selected by the Umbrella Board in its discretion. “Base period” shall be the beginning of the calendar year during which this Declaration is recorded.

ARTICLE 2 SUBMISSION OF THE VILLAGE PROPERTY TO THE ACT

The Village Property is and shall be held, used, conveyed, encumbered, leased, occupied, rented, and improved subject to the Act, and the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which are declared and agreed to be in furtherance of the division of the Village Property into Condominium Units and Common Elements and shall be deemed to run with the land and be a burden and benefit to all Persons who hereafter own or acquire an interest in the Village Property or any part thereof, and their grantees, successors, heirs, executors, administrators, and assigns. The Village is a subassociation of the Providence Point Umbrella Association, a master association created under RCW 64.34.276.

ARTICLE 3 DESCRIPTION OF BUILDINGS

Section 3.1 Buildings. Hilltop Village consists of 14 Buildings containing 71 condominium units. The number of units in each Building ranges from four to seven. The Buildings are two and three story wood frame, single family common-wall condominium structures arranged in one, two, and three bedroom configurations. All buildings are sited so there are no stairs to either the lower or upper units. All units are provided with enclosed attached or detached garages.

ARTICLE 4 LOCATION, DESCRIPTION AND BOUNDARIES OF UNITS

Section 4.1 Unit Location and Description. The Units are classified as a number of different basic types, as described on Exhibit B. The as-built configuration and location of each Unit which is completed as of the date of this Declaration are shown in the Survey Map and Plans. Each individual Unit is identified by an assigned number within the Building in which it is located. The floor level of each Unit within a Building, and the Unit type, number of rooms, and approximate area of each Unit are set forth in Exhibit B hereto.

Section 4.2 Unit Boundaries

4.2.1 The perimeter walls, floors, or ceilings are the boundaries of a Unit, and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit.
4.2.2 If any chute, flue, duct, wire, pipe, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

4.2.3 Subject to the provisions of 4.2.2, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

4.2.4 Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside the Unit Boundaries, are Limited Common Elements allocated exclusively to that Unit.

ARTICLE 5 DESCRIPTION AND USE OF COMMON ELEMENTS

Section 5.1 Description. “Common Elements” are those portions of the Property not owned individually by Unit Owners, but in which an indivisible interest is held by all Unit Owners. The Common Elements consist of those specified in the Act, as well as the following:

5.1.1 The land described in Exhibit A.

5.1.2 The roofs, foundations, studding, joists, beams, supports, main walls (excluding only non-bearing interior partitions of Units, if any), and all other structural parts of the Buildings, to the interior unfinished surfaces of the Units perimeter walls, floors, and ceilings.

5.1.3 The fixed frames of windows and doors excluding glass, weather stripping, and hardware.

5.1.4 The pipes, wires, conduits, and other fixtures and equipment for utilities and all tanks, pipes, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use that serve more than one Unit.

5.1.5 The lobbies, entrance ways, decks, stairs and stairways, elevators, hallways, corridors, utility rooms, and other areas or facilities in Buildings that are not within a Unit.

5.1.6 The roadways and driveways within the Property which provide access to the Unit Buildings and to the parking areas.

5.1.7 The grounds, trees, gardens, landscaped areas, outdoor irrigation systems, exterior fixtures including fences and trellises, lawns and walkways which surround and provide access to the Buildings.

5.1.8 The Limited Common Elements described in Article 4 and Article 6.

5.1.9 The parking areas.
Section 5.2 Use. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements reserved for other Units) in common with all other Unit Owners, as well as the Common Elements which are located upon or within the Umbrella Property. The right to use the Common Elements shall extend not only to each Unit Owner, but also to its agents, tenants, Related Parties, invitees, and licensees. However, if an Owner rents his/her Unit to a tenant under Section 10.2 of this Declaration, the Owner's right to use the Common Elements will be transferred exclusively to the tenant for the term of the lease. The right to use the Common Elements, including the Limited Common Elements, shall be governed by the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations of the Village Association and the Umbrella Association. The Owners shall not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements, 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 Elements by the Unit Owners and occupants shall not be deemed a partition or division. A subdivision of a Unit pursuant to Article 27 will not be deemed a violation of this provision.

ARTICLE 6 LIMITED COMMON ELEMENTS

Section 6.1 Description. Some Common Elements, called Limited Common Elements, are reserved for the exclusive use of the Unit to which they are adjacent or assigned. To the extent any of the following items exist in the Condominium at any point in time, they shall be Limited Common Elements:

6.1.1 Decks, patios, doorsteps, walkways, porches, balconies, greenhouses and/or solarium areas adjacent to Units that are accessible only from the Unit, and

6.1.2 Storage lockers located within or adjacent to the Building and garages,

6.1.3 Heat pump exchange unit areas and air conditioning unit areas, if any, located in areas now or hereafter established or approved by the Village Board,

6.1.4 All spaces, interior partitions, other fixtures and improvements within the boundaries of a Unit, and any private elevators serving a particular Unit approved by the Village Board, and

6.1.5 Shutters, screen doors and the glass, weather stripping, and hardware on exterior doors and windows, awnings and planter boxes, and

6.1.6 Any pipe, chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixtures that lies partially within and partially outside the designated boundaries of a Unit.

Conveyance of a Unit includes the exclusive rights to the Limited Common Elements appurtenant to that Unit.

Section 6.2 Allocation to Particular Units. Decks, patios, greenhouses and solarium areas are allocated to the Unit to which and from which they are directly accessible which allocation is shown on the Survey Map and Plans. Storage lockers and garages are identified
by number on the Survey Map and Plans. The garages and storage lockers are allocated to particular Units as shown on Exhibit B.

Section 6.3  **Reallocation.** A Limited Common Element may only be reallocated between Units with the approval of the Village Board and by amendment of the Declaration prepared under the direction of the Board, executed by the President of the Village Association and the Owners of the Units to which the Limited Common Element was and will be allocated. The Village Board shall approve the request of the Owner or Owners under this Section 6.3 within thirty (30) days, unless the proposed reallocation does not comply with the requirements set forth below. Failure of the Village Board to act within thirty (30) days shall constitute approval of the request to transfer. For purposes of this Section 6.3, “reallocate” shall mean any transfer, whether by deed, lease, license or otherwise.

Section 6.4  **Prohibited Transfers.** No Owner shall be entitled to reallocate any patio, deck, solarium, green house, or air conditioner or heat pump area to any Unit other than that to which such Limited Common Element is shown as appurtenant in the Survey Map and Plans.

Section 6.5  **Boundaries of Limited Common Elements.**

6.5.1 For limited common areas that are spaces, like decks, garages and patios, the boundary of the Limited Common Area is defined as the interior finished surfaces of the walls, ceilings, structure, and railings. The waterproof coating on a deck or patio is considered part of the structure, and may not be painted, coated or covered without permission of the Village Board.

6.5.2 For limited common elements that are items like pipes or wires, the entire component is the limited common element. For windows and doors, those parts that are not fixed frames which integrate with the building envelope are the limited common elements. These components may not be replaced or removed without permission of the Village Board where they integrate with the Common Elements.

6.5.3 For Limited Common Elements that are items like wires, pipes and flues, the boundary shall be the point at which the component begins to serve only one Unit or as follows:

6.5.3.1 For electrical systems: all wires and fixtures after the meter base or common connection point serving the Building. All fans, electrical panels, and fixtures are either part of the Unit or Limited Common Elements assigned to the Unit.

6.5.3.2 For plumbing systems: all supply pipes and fixtures from the point of the main water shut off inside the Unit that serves the Unit are either part of the Unit or Limited Common Elements assigned to the Unit.

6.5.3.3 For vents and ducts: all ducts and vent covers on exterior are Limited Common Elements.

6.5.3.4 By rule the Village Board may further define boundaries and responsibilities for Limited Common Elements not specifically defined by this Declaration.
Section 6.6 Building Limited Common Elements. Some Limited Common Elements are reserved for the exclusive use of the Building to which they are adjacent or assigned. To the extent any of the following items exist in the Village at any point in time, they shall be Building Limited Common Elements. These may include, but are not limited to, elevators or lobbies that serve only one Building within a Village. Expenses associated with Building Limited Common Elements may be assessed to the Building to which they are adjacent or assigned, proportionate to the percentage of common interest allocated to each Unit within that Building.

ARTICLE 7 ACCESS

The right of ingress and egress to and from each Unit, including over the roadways and walkways of the Umbrella Property as set forth in the Umbrella Declaration, shall be perpetual and appurtenant to each Unit.

ARTICLE 8 PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS

Section 8.1 Formula for Calculation Percentage of Undivided Interest. Each Owner's percentage of undivided interest in the Common Elements was originally calculated based on Unit value or Unit area as a percentage of the Village total. The calculated percentage is shown in Exhibit C to this Declaration. For purposes of Exhibit C attached hereto, each Owner's percentage of undivided interest in the Common Elements and the corresponding Common Expense liability for each Unit is shown.

Section 8.2 Schedule of Areas and Percentages. The area of each Unit and the percentage of undivided interest in the Common Elements pertaining to each Unit and its Owner for all purposes, excluding voting, are set forth in Exhibit C attached hereto.

Section 8.3 Common Expense Allocation. The percentage allocation of Common Expenses shall be in accordance with the percentage of undivided interest as shown on Exhibit C.

ARTICLE 9 PARKING SPACES

Section 9.1 Enclosed Parking Spaces. Fully enclosed parking spaces may be used in such manner as the Unit Owner may determine in his or her discretion, subject to rules adopted by the Village Board or Umbrella Board. All parking spaces are intended for parking of operative vehicles. Parking is subject to the Rules and Regulations established by the Umbrella Board and the Village Board.

Section 9.2 Removal of Vehicles. The Village Board or the Umbrella Board may upon 72 hours written notice require removal of any inoperative vehicle or any unsightly vehicle or any other equipment or item improperly found in an open parking space. A written notice affixed to the vehicle, item or equipment shall be considered notice in addition to and irrespective of any other notice. If the vehicle, item or equipment is not removed within 72 hours after the written notice is affixed to the vehicle or otherwise delivered to the Owner, the Village Board or the Umbrella Board may cause removal at the expense and risk of the Owner thereof.
Section 9.3  Conversion of Parking Spaces.  Fully enclosed parking spaces and garages may not be converted to living spaces. Owners who use their enclosed parking spaces or garages in any manner that prevents their parking operable vehicles in the space may not use common or guest parking spaces to park their vehicles.

Section 9.4  Parking Rules. The Village Board or Umbrella Board may adopt rules and regulations related to the use of parking spaces (including common, guest, limited common, enclosed spaces, and garages).

ARTICLE 10  PERMITTED USES; MAINTENANCE OF UNITS

Section 10.1  Residential Use and Age Restriction. The Buildings and Units are intended for and restricted to use as single family residences only, on an ownership basis, and for social, recreational, or other reasonable activities normally incidental to such use, and for the purposes of operating the Village Association and managing the Entire Property or, pursuant to Section 7.9 of the Umbrella Declaration, the Umbrella Association. OCCUPANCY OF ALL UNITS IN THE CONDOMINIUM IS FULLY, COMPLETELY AND UNCONDITIONALLY SUBJECT TO THE AGE RESTRICTION PROVISIONS OF SECTION 7.10 OF THE UMBRELLA DECLARATION. By acceptance of a deed or other conveyance of a Unit, each Owner, for himself or herself, and anyone occupying the Unit, by, under or through him or her, shall thereby be deemed fully, completely and unconditionally to have acknowledged and agreed to abide by said age restriction provisions including the power of the Umbrella Board to waive the age restriction as therein set forth.

Section 10.2  Leases/Rentals.

10.2.1  Other than Related Parties, domestic partners and caregivers, no individual may reside in a Unit without a Unit Rental Agreement. Units occupied only by Related Parties, partners, and caregivers shall not be considered a rental Unit. Related Parties and caregivers are defined in and subject to the rules and regulations of the Village and Umbrella Associations.

10.2.2  Unit Owners will notify the Umbrella Association of their intention to lease their Unit prior to the actual leasing taking place. Leasing a Unit, and allowing renters to move into the Unit without notifying the Umbrella Association beforehand, shall make the lease null and void.

10.2.3  All Unit rental agreements shall be in writing; must identify all residents of the Unit and their ages; and must be administratively processed in compliance with applicable Umbrella as well as Village rules and regulations. No Unit Owner shall be permitted to rent a Unit for a term less than one hundred eighty (180) days. No rental of a Unit may be of less than the entire Unit. No tenant may sublease a Unit or any part of a Unit (e.g., a room). The Owner-Landlord shall deliver a copy of the rental agreement for a Unit to the Village Board before any tenancy commences and the Owner-Landlord shall deliver a certification to the Umbrella Association that the tenant-renter was given a copy of all the rules and regulations of the Village and Umbrella Associations.

10.2.4  All rental agreements must state that all residents are subject, in all respects, to the policies, rules, and regulations of the Village Association and of the Umbrella Association, including the age restriction. Each tenant must provide independent written
acknowledgment to the Village Association that the lease is subject to all terms of this Declarat
ion as well as policies, rules and regulations of the Village Association and Umbrella Asso
ciation. Failure to comply shall constitute a default under the rental agreement, as well as a violation of the rules and regulations. All rental agreements shall grant the Village Board the right and authority to evict a tenant on the Unit Owner’s behalf for any default encompassed by the preceding sentence. All rental agreements, regardless of whether or not they contain the foregoing provisions, shall be deemed to contain such provisions and such provisions shall be binding upon the Unit Owner and the tenant by reason of the provisions being stated in this Declaration. The Village Board shall have no liability to any Owner or resident for any eviction made in good faith.

10.2.5 Owners shall remain personally liable for monthly Assessments and all other Owner obligations, whether or not a Unit is rented.

10.2.6 The maximum percentage of rentals allowed in the Village shall be five percent (5%). This rental cap shall not apply to an Institutional Holder of a Mortgage that acquires a Unit by Foreclosure.

10.2.7 The Village Board, in its sole discretion, may grant a limited waiver of the rental cap in the case of demonstrated substantial hardship by the Owner. Where, on written application from an Owner, the Village Board determines that a hardship exists whereby that Owner would suffer serious harm by virtue of the limitation on leasing contained in this section, the Village Board may, in its discretion, grant an Owner a waiver. The hardship shall not exceed six (6) months, with the possibility of renewal upon application by the Unit Owner (the “hardship exception”). The total number of rental months under this hardship exception shall not exceed 36 months for any individual Owner. Examples of hardship may include, but are not limited to, financial hardship, hospitalization or placement in assisted living care on a temporary or permanent basis, etc.

10.2.8 An original lease may not be longer than three (3) years. At the end of an original three (3) year lease, another lease for the same party may only be signed up to one (1) year (but not less than one hundred eighty days (180)) at a time.

10.2.9 If an Owner desires to rent a Unit that would exceed the rental cap, the Owner will be placed on a rental waiting list. Subsequent permission to rent will be granted on a first come, first served basis when the number of rented Units falls below the rental cap. If an Owner is granted permission to rent, the Owner shall have ninety (90) days to execute a lease to a tenant. Otherwise, permission to rent will be revoked and granted to the next Owner on the rental waiting list.

10.2.10 Leasing a Unit does not give the right for a Unit Owner to lease the Property indefinitely. When a renter moves out of a Unit, the Unit Owner is subject to the restrictions of Subsection 10.2.6, rental cap. If there is a waiting list for renters in the Village, the Unit Owner, again wishing to rent his/her Unit, will move to the bottom of the waiting list, allowing other Owners to rent their Unit. If there is a waiting list, and the Unit was originally rented under Subsection 10.2.7, waivers for hardship, the Unit Owner must reapply for a waiver for subsequent renters.

10.2.11 Units occupied by Related Parties of the Owner are not subject to the leasing requirements set forth in this Declaration. The Owner of such Unit may designate one
of their resident Related Parties as the voting representative for that Unit by providing written notice to the Village Board. The designation will remain effective until revoked by a subsequent written notice to the Village Board from the Owner.

10.2.12 Prior to occupancy of the Unit by a tenant, the Owner of a Unit shall have a criminal background check and credit report done on any individual(s) leasing a Unit by a recognized tenant screening service. The results of the criminal check will be given to the Umbrella Association. Neither the Village nor Umbrella Association shall approve or disapprove of tenants.

10.2.13 The Village Board shall be authorized to assess a reasonable fee against any Owner and his or her Unit in connection with the moving of any new Occupant into a Unit, and in connection with the moving out of any Occupant from a Unit. The fee shall apply to all Owners and Tenants and shall be paid prior to the move.

Section 10.3 Unit Maintenance and Decoration.

10.3.1 Each Unit Owner shall, at his/her sole expense, keep the interior of the Unit and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his/her Unit.

10.3.2 Each Unit Owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, plumbing supply lines, plumbing waste lines, gas supply lines, water heaters, fans, heating, ventilation, and air conditioning equipment, electrical fixtures, appliances, conduit and wires, including any private elevator, and pipes which are in his/her Unit or portions thereof that serve his/her Unit and are for the exclusive use of the Unit.

10.3.3 Each Unit Owner shall replace any glass or screens in the windows and exterior doors of the Unit that fail or become cracked or broken with glass of equivalent quality and appearance, and shall repair and replace as necessary any screens, awnings, and planter boxes appurtenant to his or her Unit.

10.3.4 Without limiting the generality of the foregoing, each Unit Owner shall have the right and the duty at his/her sole expense and cost to maintain, repair, paint, paper, panel, plaster, and tile interior surfaces of the ceilings, floors, window frames, perimeter walls of his/her Unit and the bearing and non-bearing walls located within his/her Unit and shall not permit or commit waste of his/her Unit, its appurtenant Limited Common Elements, or the Common Elements.

10.3.5 Each Unit Owner shall have the right to substitute new finished surfaces for the finished surfaces existing on the ceilings, floors and walls, except no Unit Owner shall install any hard flooring (including, without limitation, hard wood, Pergo, laminated flooring, tile, slate, linoleum or other such materials that are of a harder surface than the material being replaced) in, on, or about his/her Unit without the prior written consent of the Village Board and all Unit Owners whose Units are below such hard flooring. The Village Board may adopt rules and regulations related to the method of construction of any installed flooring materials, or the performance requirements of the flooring materials in reducing sound transmission for both airborne and structure borne sound.
10.3.6 This Section 10.3 shall not be construed as permitting an interference with or damage to the structural integrity of the Building or interference with the use and enjoyment of the Common Elements or of the other Units or Limited Common Elements or any of them nor shall it be construed to limit the powers or obligations of the Village Association or the Umbrella Association.

10.3.7 Each Unit Owner shall be responsible for the care, cleanliness and orderliness of Limited Common Elements appurtenant to his/her Unit.

10.3.8 The Village Board may set standards for the care, maintenance, repair and replacement of Limited Common Elements. The Village Board may establish rules and regulations for the method of maintenance, repair and replacement of Limited Common Elements.

10.3.9 The Village Board is responsible for performance of repair and replacement of Limited Common Elements. The Village Board may permit or require a Unit Owner to perform such maintenance by written notice. No Owner shall, however, modify, paint, or otherwise decorate, or in any way alter the interior or the exterior of their respective Limited Common Elements, including exterior lighting fixtures even though they may be controlled from a Unit, without prior written approval of the Village Board.

10.3.10 The cost of care, maintenance, repair, and replacement of Limited Common Elements shall be the responsibility of the Owner of the Unit to which said Limited Common Elements are assigned, except the cost of repair and replacement of decks, patios, and walkways shall be treated as a common expense allocated to all Owners based on their percentage of ownership interest. All maintenance performed in or about a Unit shall be performed to a professional standard, in accordance with specifications and procedures established by the Village Board.

10.3.11 Liability for Damage.

10.3.11.1 Liability for the cost of repair or replacement of damage to Property which is uninsured or is subject to any applicable insurance deductible shall be the responsibility of the individual Unit Owner where: (a) damage is limited solely to damage to the Owner's Unit or the Limited Common Areas assigned to the Unit; (b) the damage is the result of negligence, carelessness, or intentional action on the part of the Owner or their tenant, or the family, employees, agents, visitors, or licensees of that Owner or their tenant; or (c) the damage is caused by something within the control of or for which the Owner or his tenant, family, employees, agents, visitors, or licensees of that Owner or his tenant has the maintenance and/or repair responsibility. In accordance with the preceding sentence, the amount of any Association or individual Unit Owner insurance deductible for an insured loss, or the repair or replacement costs of any uninsured loss, shall be paid by the Owner responsible by act, negligence or carelessness for the damage; or by the Owner responsible for the control or maintenance of the item causing the damage to or destruction of the Property. Any repair or replacements costs of an uninsured loss which exceed the Association insurance deductible will be paid as a common expense as provided in Article 22.

For example, items that Unit Owners are responsible to maintain and repair include, but are not limited to, dishwashers, washing machines, hot water tanks, instant hot water tanks, garbage disposals, toilets (including wax rings) and all hoses, pipes and supply
lines within the Unit serving appliances or fixtures. In the event a hot water tank or other item leaks within a Unit and causes damage to either that Unit and/or neighboring Units or Common Areas, the Unit Owner in whose Unit the hot water tank is located bears the responsibility for the cost up to the amount of the Association insurance deductible. If the costs of repair or replacements exceed the amount of the Association insurance deductible, the excess costs will be paid as a common expense as provided in Article 22.

10.3.11.2 In the case of water damage, an individual Unit Owner shall be strictly liable for uninsured damage to another Unit or a Common Area where the source of the water was located inside that Owner’s Unit.

10.3.11.3 Nothing set forth in this Section 10.3 shall require the Association to pay any insurance deductible due under a Unit Owner’s individual insurance policy or any tenant’s or lessee’s policy of renter’s insurance. The decision whether or not to file a claim under the Association’s master insurance policy is in the discretion of the Village Board. The Village Board may require a Unit Owner to file a claim under the Owner’s policy if the Owner is responsible for damage and has not otherwise paid for the necessary repairs.

10.3.11.4 Any charge for repair or replacement expenses assessed to a Unit pursuant to this Section 10.3 shall be a lien upon that Unit and shall be collectable in the manner provided in Article 17.

10.3.12 Inspection, Repair and Replacement of High Risk Components.

10.3.12.1 At the same time that it designates a “High Risk Component” or at a later time the Village Board, after notice and an opportunity for Owners to comment, may require one or more of the following with regard to the High Risk Component:

10.3.12.1.1 That it be inspected at specified intervals by the Association or an inspector or inspectors designated by the Association.

10.3.12.1.2 That it be maintained, repaired or replaced at specified intervals, or with reference to manufacturers’ warranties, whether or not the individual component is deteriorated or defective.

10.3.12.1.3 That it be maintained, repaired or replaced by the Association and the cost be specially assessed to the Unit Owner as a common expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Areas, and shall be collectable as are other Assessments.

10.3.12.1.4 That it be replaced or repaired with items or components meeting particular standards or specifications established by the Village Board.
10.3.12.1.5 That when it is repaired or replaced, the installation includes additional components or installations specified by the Village Board.

10.3.12.1.6 That it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Association.

10.3.12.1.7 If the replacement or repair is completed by a Unit Owner, that it be inspected by a person designated by the Association.

10.3.12.2 The imposition of requirements by the Village Board under Paragraph 10.3.12.1 shall not relieve a Unit Owner of his or her obligations under Section 10.3 of the Declaration, including, but not limited to, the obligation to perform and pay for repairs, maintenance and replacement.

10.3.12.3 If any Unit Owner fails to repair, maintain or replace a High Risk Component in accordance with the requirements established by the Village Board under this Section 10.3, the Association may, in addition to any other rights and powers granted to it under the Governing Documents and the Act:

10.3.12.3.1 Enter the Unit in accordance with Article 11, and inspect, repair, maintain or replace the High Risk Component, and in such event the cost thereof shall be specially assessed to the Unit Owner as a common expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Areas, and shall be collectable as are other Assessments; and

10.3.12.3.2 Exercise any and all other enforcement remedies available to the Association under the Governing Documents and the Act.

Section 10.4 Exterior Appearance.

10.4.1 In order to preserve a uniform appearance and to maintain the integrity of the Buildings, the Village Board shall require and provide for the painting, staining, and of other decorative finish of the Buildings and the Common Elements or Limited Common Elements, and shall prescribe the type and color or such decorative finishes. The Village Board shall have the authority to prohibit, require or regulate any modification or decoration of the Buildings and any Common Elements or Limited Common Elements.

10.4.2 The power of the Village Board to regulate changes to Common Elements and Limited Common Elements, which are visible to the public also extends to blinds, draperies, awnings, railings, flower boxes and other portions of each Unit which are visible from the exterior of Units.

10.4.3 No exterior antennas may be installed for radio or television on or about any of the Property without written permission from the Village Board.

10.4.4 The Unit Owner shall consult with the Village Board to determine the proper place to install any antennae to prevent damage to any Building, roof, siding, deck flooring, sidewalks, driveways, irrigation system, plants, trees, lawns or any other Limited
Common Elements. Particular attention must be paid to installation locations that do not block the views of other Owners or interfere with site lines of driveways, streets, or walkways. The place of installation shall not contribute to a decrease in the value of a Unit or Units. The Village Board must follow the applicable Federal Communications Commission (FCC) regulations and the Over-the-Air Reception Devices (OTARD) rule.

Section 10.5 Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element which will substantially increase the rate of insurance on the Common Element, other Units, or Buildings without the prior written notification to the Village Board. Nothing shall be done or kept in any Unit or in any Common Element which will result in the cancellation of insurance on any Unit or Building or any part of the Common Elements, or which would be in violation of any laws.

Section 10.6 Alteration of Common and Limited Common Elements. Nothing shall be altered or constructed in, on or removed from any Common Element or Limited Common Element or facility except upon the prior written consent of the Village Board. The Village Board may in its discretion elect to allow modifications of Common Elements for the benefit of a particular Unit, such as the installation of covered walkways, provided that the Owner of such Unit is responsible for all costs and expenses incurred in connection with the installation and maintenance of such modification.

Section 10.7 Signs. Display of signs shall be subject to the Umbrella Declaration and the rules and regulations established by the Umbrella Board.

Section 10.8 Pets. Keeping of pets shall be subject to the Umbrella Declaration and the rules and regulations established by the Umbrella Board.

Section 10.9 Offensive Activity. The Umbrella Board shall have the authority to prohibit any noxious or offensive activity or other act which may be or become an annoyance or nuisance to other Owners or tenants. The Village Board may make additional restrictions on offensive activity that meets the needs of that Village. The Village Association has determined that smoking may create an offense, which may be prohibited or regulated by the Village Board or the Umbrella Board to minimize that offense.

Section 10.10 Conveyances; Notices Required. The right of a Unit Owner to sell, transfer, or otherwise convey the Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Village Association or the Village Board, or anyone acting on their behalf. An Owner intending to sell a Unit shall deliver a written notice to the Village Board, at least two weeks before closing, specifying the Unit 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 Village Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested.

Section 10.11 Time Sharing. No Unit shall be used for “time sharing.” Time sharing shall mean any form of ownership or contractual arrangement whereby multiple persons or entities each have the right to occupy a Unit for defined periods of time.
ARTICLE 11  ENTRY FOR REPAIRS

Section 11.1  Right of Entry. The Village Association and its agents or employees may enter any Unit when necessary:

11.1.1 In connection with any maintenance, landscaping, or construction for which the Village Association is responsible, or

11.1.2 For making emergency or other necessary repairs or maintenance that the Unit Owner has failed to perform, or

11.1.3 For making repairs necessary to prevent damage to the Common Elements or to another Unit.

Section 11.2  Notice Required Prior to Entry. Except in cases of great emergency that preclude advance notice, the Village Board shall cause the Unit 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 Village Association as a Common Expense unless the repairs or maintenance were necessitated by the acts or default of the Owner or occupant of the Unit entered, in which event the costs of the repairs or maintenance shall be specially Assessed to that Unit.

ARTICLE 12  ASSOCIATION OF UNIT OWNERS

Section 12.1  Form of Village Association. The Owners of Units shall be Members of the existing Village Association. The Village Association is a nonprofit corporation formed under the laws of the state of Washington. The rights and duties of the Members and of the corporation shall continue to be governed by the provisions of the Act and of this Declaration. The Village Board of Directors shall act in all instances on behalf of the Village Association.

Section 12.2  Qualification for Membership. Each fee Owner of a Unit subject to this Declaration shall be a Member of the Village Association and shall be entitled to one Membership for each Unit owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Unit Owner for purposes of the Village Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for Membership in the Village Association.

Section 12.3  Transfer of Membership. The Village Association Membership of each Unit Owner shall be appurtenant to the Unit giving rise to such Membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the Membership in the Village Association to the new Owner.

Section 12.4  Number of Votes. The total number of votes of all Owners shall be equal to the number of Units in the Village Association, and each Unit shall have one (1) vote. If a Person owns more than one Unit, he or she shall have the vote appertaining to each Unit owned.
Section 12.5 Voting Representative. A Unit Owner may, by written notice to the Village Board, designate a voting representative for the Unit. If the designated voting representative is not an Owner, such representative's authority shall be evidenced by written proxy in accordance with the Bylaws. The designation may be revoked at any time by written notice to the Village Board from a Person having an Ownership interest in a Unit, or by actual notice to the Village Board of the death or judicially declared incompetence of any Person with an ownership interest in the Unit, except in cases in which the Person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of a Unit Owner, and the administrator or executor 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 Unit shall be the group composed of all of its Owners. If a Unit is owned by more than one individual and only one of them is at a meeting, the one who is present will represent the Unit vote.

Section 12.6 Joint Owner Disputes. The vote for a Unit must be cast as a single vote, and fractional votes shall not be allowed. If joint Owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question.

Section 12.7 Pledged Votes. A Unit Owner may, but shall not be obligated to, pledge its vote on all issues or on certain specific issues to a Mortgagee; provided, however, that if an Owner is in default under a Mortgage on its Unit for ninety (90) consecutive days or more, such Owner's Mortgagee shall automatically be authorized to declare at any time thereafter that such Owner has pledged his vote to the Mortgagee on all issues arising after such Declaration and during the continuance of the default. If the Village 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 12.8 Annual and Special Meetings of the Village Association. There shall be an Annual Meeting of the Members of the Village Association during the month of January at such reasonable place and time as may be designated by written notice from the Village Board. Special meetings of the Members of the Village Association may be called at any time, by the President of the Village Association, a majority of the members of the Village Board, or by Unit Owners having at least twenty percent (20%) of the votes in the Village Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary or other Officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by first class mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any Meeting shall state the time and place of the Meeting and the items on the agenda to be voted on by the Members of the Village Association, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved Budget that result in a change in Assessment obligations, and any proposal to remove a Director or Officer. Any First Mortgagee of a Unit may attend or designate a representative to attend the Meetings of the Village Association. The quorum of Unit Owners at any annual or special meeting of the Association shall be the presence, in person or by proxy, of persons holding twenty-five percent (25%) or more of the total votes, as required by the Village Bylaws, unless otherwise expressly provided herein.
Section 12.9  Village Board Meetings; Regular, Special, Emergency, Executive, and Work.

12.9.1  Regular Village Board Meetings.  The Village Board shall have a minimum of four (4) Regular meetings a year to do the business of the Village Association.  The meetings shall be held on a regular schedule (i.e.; first Tuesday of the month at 10:00 a.m. in a specified location).  Schedules may be changed with advance notice to the Members of the Village Association.  The Village Members shall be notified of Regular meetings either by mail, Electronic Means, announcements at Regular or Special Meetings, or notification in a publication that goes to all Village Members.  All regular meetings of the Village Board shall be open for observation by all Owners of record and their authorized agents.  The Annual Meeting may be considered a Regular Meeting of the Board if Board business is conducted for the Village Association.  All meetings of the Village Board shall be open for observation by all Unit Owners and their authorized agents, but this right of observation shall not include an entitlement for Unit Owners to participate in Village Board meetings.

12.9.2  Village Board Special Meetings.  Special Village Board meetings may be called by the Village President or two (2) Village Directors for a special circumstance.  The Village Association Members shall be notified at least five (5) days in advance of the meeting either by mail, Electronic Means, announcements at Regular Meetings or Special Meetings, or notification in a publication that goes to all Village Association Members.

12.9.3  Village Board Emergency Meetings.  Village Board Emergency Meetings may be called by the Village President or two (2) Directors under extreme conditions.  The Village Association Members need not be notified at the time, but at the next Regular or Special Village Board meeting, the reason for the emergency meeting will be presented and the results of the meeting explained.  The emergency meeting may be held in person, or by Electronic Means.  If any actions are necessary, motions shall be made in a Regular or Special Meeting.

12.9.4  Village Board Executive Meetings.  Village Board Executive Meetings may be called by the Village President or two (2) Directors, and shall be held for personnel issues, Members issues, or legal matters.  Actions may be taken in any Executive Session and need not be presented to the general Membership if in the opinion of the Village Board the presentation of the results of the meeting might embarrass someone, cause harm to anyone, or reveal legal issues that should be held in confidence.

12.9.5  Village Board Work Sessions.  Work sessions may be called by the President of the Village Association to discuss complicated issues that need clarification and to impart information to the Village Board before actions are taken at a Regular or Special Meeting.  No actions may be taken at a Work session.  Members of the Village Association may be notified of Village Board Work sessions.

Section 12.10 Audits.  The Village Board shall cause the annual audit of the financial statements of the Village Association to be prepared within one hundred eighty (180) days following the end of the preceding fiscal year by a certified public accountant who is not a member of the Village Board or a Unit Owner.  The Village Board at any time, or Persons having thirty-five percent (35%) of the votes of the Village Association, may require that an audit of the Village Association and management books be presented at any Special Meeting.  A Unit
Owner, at his/her expense, may at any reasonable time conduct an audit of the books of the Village Board and Village Association.

Section 12.11 Books and Records. The Village Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Village Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Village Association shall be available for examination by the Unit Owners, Unit Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time. Parties authorized to examine records may request copies, but must reimburse the Village Association its reasonable expenses in providing those copies.

Section 12.12 Articles of Incorporation and Bylaws. The current Bylaws may be amended by the Village Board by a simple majority or by the affirmative vote of sixty percent (60%) of the votes at any duly called Regular or Special Meeting of the Village Association. However, no Material Amendment of the Articles of Incorporation or Bylaws may be made without the prior written approval of seventy-five (75%) of the Institutional Holders of First Mortgages on Units. Material Amendment shall include only those amendments that would affect the rights or obligations of those Institutional Holders.

ARTICLE 13 NOTICES FOR ALL PURPOSES

Section 13.1 Service of Process. Service of process for the purposes provided in the Act shall be made upon the registered agent of the Village Association as identified by the Washington Secretary of State. The Village 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 Village Association.

Section 13.2 Form and Delivery of Notice. All notices given under the provisions of this Declaration, the Bylaws, or the rules and regulations of the Village Association shall be in writing, and may be delivered either personally, by mail, or by Electronic Means. If delivery is made personally or by Electronic Means, it shall be deemed to have been delivered the day sent. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after a copy has been deposited in the mail, first class, addressed to the Person entitled to such notice at the most recent address known to the Village Board. Notice to the Owner of any Unit shall be sufficient if mailed or delivered to the Unit if no other mailing address has been given to the Village Board. Notices to the Village Board shall be given to the President or Secretary of the Village Association.

Section 13.3 Notices to Eligible Mortgagees. Any Mortgagee of a Unit may file with the secretary of the Village Board a written request that it be given copies of notices. Until such time thereafter as the Mortgagee withdraws the request and satisfies the Mortgage of record, the Village Board shall send to the requesting Mortgagee a copy of

13.3.1 All notices of meetings of the Village Association;

13.3.2 All other notices sent to the Owner of the Unit covered by the Mortgagee’s Mortgage;
13.3.3 Audited financial statements prepared pursuant to Section 12.10;

13.3.4 Notices of any intention of the Village Association to transfer any part of the Common Elements, abandon Condominium status, or terminate Professional Management of the Entire Property;

13.3.5 Prompt notice of any default in a Unit Owner's obligations under any of the documents that create or govern the Condominium, or its rules and regulations, that is not cured within thirty (30) days of the date of default;

13.3.6 Any significant damage to or condemnation of the Entire Property;

13.3.7 Any proposed termination of the Entire Property; and

13.3.8 Any proposed action which requires the consent of a specified portion of the Mortgagees.

Institutional Holders of First Mortgages on Units shall be entitled to notices under Article 22 or Article 23 irrespective of whether they have filed requests for notices. The provisions of this Section 13.3 shall prevail over any inconsistent or contrary provisions in this Declaration or in the Articles of Incorporation or Bylaws.

Section 13.4 Notices to Eligible Insurers or Guarantors. Any Eligible Insurer or Guarantor may file with the Secretary of the Village Board a written request that it be given copies of notices. Until such time thereafter as the Eligible Insurer or Guarantor withdraws the request by further written notice to the Village Board or the Mortgage related thereto is satisfied of record, the Village Board shall send to the requesting Eligible Insurer or Guarantor a copy of all matters listed in clause (13.3.1) through (13.3.8) of Section 13.3.

ARTICLE 14 VILLAGE BOARD OF DIRECTORS

Section 14.1 Village Board of Directors. The Village Association shall be governed by a Board of not less than three (3) Directors. Each Director shall have one vote, which must be cast in person at meetings of the Village Board or by any other method of Board member voting as provided for in RCW 24.03 and subsequent revisions. Only Members in good standing with the Village Association may be elected to the Village Board. Resident Related Parties are eligible to serve as an officer or board member of the Village Board if they are so designated as a voting representative for the Unit. The majority of the Village Board members shall be Owners. Resident Related Parties are eligible to serve as an officer or board member of the Village Board if they are so designated as a voting representative for the Unit.

Section 14.2 Removal of Village Board Members. The Unit Owners, by a two thirds (67%) vote of the voting power in the Village Association present and entitled to vote at any Meeting of the Unit Owners at which a quorum of at least twenty-five percent (25%) is present, may remove any Member of the Village Board with or without cause.

Section 14.3 Vacancies on Village Board. Any Village Board Member who is absent for three (3) consecutive regular Village Board Meetings (except for illness) without a previously communicated excuse, shall be deemed to have resigned from the Village Board. Vacancies in
the Village Board caused by absence as provided above or for any reason other than removal of a Village Board Member by a vote of the Village Association shall be filled by vote of a majority of the remaining Village Board Members, even though they may constitute less than a quorum; and each Person so elected shall be a Village Board Member until a successor is elected at the next Annual Meeting of the Village Association.

ARTICLE 15  AUTHORITY OF THE VILLAGE BOARD

Section 15.1  Adoption of Rules and Regulations. The Village Board is empowered to adopt, amend, and revoke on behalf of the Village Association detailed 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 Umbrella Association is empowered to adopt, amend, and revoke rules and regulations on behalf of the Umbrella Association. The rules and regulations of the Village Association and the Umbrella Association shall be binding upon all Unit Owners and occupants and all other Persons claiming any interest in the Entire Property. The Village Board shall furnish a copy of the then current rules and regulations to all Unit Owners.

Section 15.2  Enforcement of Declaration. The Village Board shall have the power and the duty to enforce the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations of the Village Association for the benefit of the Village Association. This power and duty may be assigned by the Village Board to the Umbrella Association or to the Managing Agent. The failure of any Owner to comply with the provisions of this Declaration, the Articles of Incorporation, the Bylaws, or the rules and regulations of the Village Association will give rise to a cause of action in the Village Association (acting through the Village Board) and any aggrieved Unit Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the Articles of Incorporation, the Bylaws, or the rules or regulations of the Village Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorney’s fees.

Section 15.3  Goods and Services. The Village 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 Village Board may hire such full-time or part-time employees as it considers necessary.

Section 15.4  Managing Agent. The Village Board may contract with a Managing Agent designated from time to time by the Umbrella Board to assist the Village Board in the management and operation of the Village and the Entire Property.

Section 15.5  Protection of Property. The Village 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 Entire Property or the Village Association, including granting easements to utility companies or other third parties, regardless of whether any such easement benefits the Condominium or otherwise. Notwithstanding any of the foregoing, however, the Village Board shall have no authority to acquire and pay for, out of the maintenance fund, capital additions and improvements (other than for purposes of restoring, repairing or replacing portions of the Common Elements) having a total cost in excess of $10,000 without first obtaining the affirmative vote of the Owners holding a majority of the votes present or represented at a Meeting called for such purpose, or if
Section 15.6  Owner's Failure to Maintain.  If maintenance and repair of any Unit, its appurtenances (including appurtenant Limited Common Elements) and appliances is reasonably necessary in the discretion of the Village Board to protect the Common Elements, or preserve the appearance and value of the Village or the Entire Property, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Village Board to the Owner, then the Village Board may accomplish such repair or maintenance, and the Village Board shall levy a special Assessment against the Unit of such Owner for the cost of such maintenance or repair.

Section 15.7  Borrowing Power of Village Board. In the discharge of its duties and the exercise of its powers as set forth in this Declaration, but subject to the limitations set forth in this Declaration (including Section 15.5), the Village Board may borrow funds on behalf of the Village Association and pledge its future Assessment as collateral for a loan.

Section 15.8  Other Village Board Powers. Unless otherwise limited by this Declaration, or delegated to the Umbrella Association, the Village Board shall have all powers of the Association, including those provided for in RCW 64.34.304 as may be amended. The Village Board may, from common funds of the Village Association, acquire and hold in the name of the Village Association, for the benefit of the Owners, tangible and intangible personal Property and real Property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such Property shall be owned by the Owners in the same proportion as their respective interests in the Common Elements; and such Property shall thereafter be held, sold, leased, rented, Mortgaged or otherwise dealt with for the benefit of the common fund of the Village Association as the Village Board may direct. The Village Board shall not, however, in any case acquire by lease or purchase real or personal Property, except upon a majority vote of the Unit Owners, in the manner specified in Section 15.5. Nothing in this Section 15.8 is intended to otherwise limit the powers of the Village Board otherwise set forth in this Declaration.

Section 15.9  Power of Attorney. Each Owner, by the mere act of becoming an Owner or contract purchaser of a Unit, shall irrevocably appoint the Village Association as its attorney-in-fact, with full power of substitution, to take such action as may be reasonably necessary to promptly perform the duties of the Village Association and Village Board hereunder, including but not limited to the duties to maintain, repair and improve the Property, to deal with the Unit upon damage or destruction, and to secure insurance proceeds otherwise in accordance with this Declaration. The power of attorney so created shall be coupled with an interest and there shall be no necessity of a further writing to accomplish the creation thereof.

Section 15.10 Flat Fees and Charges. The Village Board may, pursuant to Section 6.7 of the Umbrella Declaration, assist the Umbrella Board in the collection, from each Owner, of any flat fee such as the Communiversity Fee (as defined in the Umbrella Declaration) or any other flat fees and charges imposed on Owners. Neither the Village Association nor the Village Board shall be personally liable to pay any Communiversity Fee due to Communiversity Corporation or other flat fee due to the Umbrella Association or any other provider of services in connection with any Unit or the Entire Property. Such fees are an Assessment against individual Units.
Section 15.11 Limitation on Authority of Village Board. The Village Board shall not act on behalf of the Village Association to amend the Declaration in any manner which requires the vote or approval of the Unit Owners pursuant to this Declaration. The Village Board may not terminate the Condominium under the provisions of the Act, or to elect members of the Village Board or determine the qualifications, powers, and duties, or terms of office of members of the Village Board; provided that the Village Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE 16 BUDGET AND ASSESSMENT FOR COMMON EXPENSES

Section 16.1 Fiscal Year; Preparation of Budget. The Village fiscal year shall be the calendar year. At least sixty (60) days prior to the beginning of each fiscal year, the Village Board shall estimate the charges (including Common Expenses, and any special charges for particular Units) to be paid during such year; shall make provision for creating, funding and maintaining reasonable reserves for contingencies and operations, as well as for repair, replacement and acquisition of Common Elements; and shall take into account any expected income and any surplus available from the prior year’s operating fund. “Common Expenses” includes but is not limited to

16.1.1 Expenses of administration, maintenance, operation, repair or replacement of the Common Elements of the Village Property,

16.1.2 Premiums on all insurance policies required by the Act or this Declaration,

16.1.3 Expenses agreed upon as Common Expenses by the Village Association,

16.1.4 Expenses declared Common Expenses by the provisions of the Act, by the Declaration or by the Village Association’s Bylaws or rules as now or hereafter amended; and

16.1.5 All sums lawfully Assessed as Common Expenses against the Unit Owners by the Village Board.

The Umbrella Association may make additional Assessments related to the Entire Property in accordance with the powers delegated to the Umbrella Association. Any Assessments made by the Umbrella Association in its performance of its duties, responsibilities and powers shall be Assessed to the Members of the Umbrella Association in accordance with the Umbrella Declaration.

Without limiting the generality of the foregoing, but in furtherance thereof, the Village Board shall create and maintain from regular monthly Assessments a Reserve Account for maintenance, repair and replacement of those Village Common Elements which can reasonably be expected to require replacement prior to the end of the useful life of the Buildings. The reserve account shall require the signatures of two Village Association Officers to make withdrawals.

16.1.6 The contributions to said reserve account shall be calculated so that there are sufficient funds therein to replace each Common Element covered by the fund at the end of the estimated useful life of each Common Element. The minimum funding level for reserves for
a budget adopted by the Village Board shall be the amount required to achieve twenty-five percent (25%) Fully Funded. If the sum estimated and budgeted at any time proves inadequate for any reason (including non-payment for any reason of any Owner’s Assessment), the Village Board may at any time prepare a supplemental budget, which shall be proposed to the Unit owners for ratification as specified in Section 16.2.

Section 16.2 Approval of Budgets. Within thirty (30) days after adoption of any proposed annual or supplemental budget by the Village Board, the Village Board shall provide a summary thereof to all the Unit Owners and shall set a date for a meeting of all the Unit Owners to consider ratification of the annual or supplemental budget, which date shall be not less than thirty (30) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners of Units to which ninety percent (90%) of the votes in the Village Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Village Board of Directors.

Section 16.3 Monthly Assessments.

16.3.1 Basis for Common Assessments. The sums required by the Village Association for Common Expenses as reflected by the Annual Budget and any supplemental budgets approved by the Unit Owners in accordance with Section 16.2 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 Units subject to this Declaration and their respective Owners in proportion to the Units’ percentages of undivided interest in the Common Elements as set forth on Exhibit C to this Declaration.

16.3.2 Notice of Assessment. The Village Board shall notify each Unit Owner in writing of the amount of the monthly Assessments to be paid for its Unit and shall furnish copies of each budget on which the Assessments are based to all Unit Owners and to all Eligible Mortgagees.

Section 16.4 Payment of Monthly Assessments. Each Owner, by acceptance of a deed to a Unit, whether or not it is so expressed in the deed, is deemed to covenant and agree to pay to the Village Association all Assessments and charges against the Unit pursuant to this Declaration. On or before the first day of each calendar month each Unit Owner shall pay or cause to be paid to the Treasurer of the Village Association the Assessment against their Unit for that month. Any Assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to interest charges and collection procedures as provided in Article 17. Any Assessment not paid within thirty (30) days of the date it becomes due, and deemed uncollectible, shall become a Common Expense chargeable to all Unit Owners, including the Foreclosure sale purchaser of any Unit which has failed to pay such Assessment in proportion to the respective percentages of undivided interest in the Common Elements.

Section 16.5 Proceeds Belong to Village Association. All Assessments and other receipts received by the Village Association on behalf of the Unit Owners shall belong to the Village Association.
Section 16.6  **Failure to Assess.** Any failure by the Village Board or the Village Association to make the Budget and Assessments hereunder before the expiration of any fiscal year for the ensuing fiscal 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 16.7  **Certificate of Unpaid Assessments.** Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Unit, the Village Board will furnish a certificate in recordable form stating the amount, if any, of unpaid Assessments charged to the Unit. The certificate shall be conclusive upon the Village Board and the Village Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and Mortgagees of the Unit who rely on the certificate in good faith. The Village Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

Section 16.8  **Special Allocation of Assessments.** Notwithstanding any other provisions of this Declaration, the Village Board shall specially allocate to the Owners and Units benefited thereby all reserves required for repair, replacement or acquisition of Common Elements which are not common to all Buildings in which Units are located (for example lobbies, elevators, and other unique features of the Building).

ARTICLE 17  LIEN AND COLLECTION OF ASSESSMENTS

Section 17.1  **Assessments Are a Lien; Priority.** All unpaid sums Assessed by the Village Association for the share of the Common Expenses chargeable to any Unit and any sums specially Assessed to any Unit under the authority of this Declaration or the Bylaws shall constitute a lien on the Unit and all its appurtenances from the date the Assessment becomes due, until fully paid. The lien for such unpaid Assessments shall be prior to all other liens and encumbrances on a Unit except:

17.1.1 Liens and encumbrances recorded before the recording of the Declaration;

17.1.2 A Mortgage on a Unit recorded before the date on which the Assessment sought to be enforced became delinquent (except to the extent provided in Section 17.2);

17.1.3 Liens for real Property taxes and other governmental Assessments or charges against the Unit. A lien under this Article 17 is not subject to the provisions of RCW 6.13; and

17.1.4 As provided in RCW 64.34.364.

17.1.5 Liens by the Village Association have equal priority with liens by the Umbrella Association against the same Unit.

Section 17.2  **Special Priority Rules for Mortgagees.** The Assessment lien shall be prior to any Mortgage to the extent of Assessments for Common Expenses based on the Annual Budget provided in Article 16 above, excluding any amounts for Capital Improvements, which became due during the six (6) months immediately preceding the date of the sale under a
Foreclosure proceeding; provided, that the priority of the Assessment lien against a Unit encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Village Association a written request for a notice of delinquent Assessments shall be reduced by up to three (3) months if and to the extent that the Assessment lien includes delinquencies which relate to a period which is

17.2.1 After the Mortgagee becomes an Eligible Mortgagee or requests notice of delinquent Assessments, and

17.2.2 Before the Village Association gives the Mortgagee in question written notice of the delinquency.

If the Village Association forecloses its lien non-judicially pursuant to Chapter 61.24 RCW, the Village Association shall not be entitled to the limited lien priority provided by this Section 17.2 vis-à-vis the lien of any Mortgage. Any Mortgagee may pay any unpaid Assessments payable with respect to the Unit on which such Mortgagee has a Mortgage, and upon such payment, the Mortgagee shall have a lien on the Unit for the amount paid of the same rank as its Mortgage.

Section 17.3 Lien May Be Foreclosed. Any Assessment lien may be enforced judicially by the Village Association or its authorized representative in the manner set forth Chapter 61.12 RCW. In addition, any such Assessment lien may be enforced non-judicially in a manner set forth in Chapter 61.24 RCW. Pursuant to Section 64.34.364(9) of the Act, each Unit is hereby granted to First American Title Insurance Company, or another appropriate trustee company as designated by the Village Board, in trust, with power of sale, to secure the obligations of Unit Owners to the Village Association for the payment of all amounts due hereunder, including all Assessments. The Units are not used principally for agricultural or farming purposes. The power of sale provided for above shall be operative in the case of a default in any Unit Owner’s obligation to pay off any amounts due under this Declaration to the Village Association, including all Assessments.

Section 17.4 Assessments Are Personal Obligations. In addition to constituting a lien on the Unit and all its appurtenances, all sums Assessed by the Village Association chargeable to any Unit, together with interest, late charges, costs and attorney fees in the event of delinquency, shall be the joint and several personal obligations of the Owner of the Unit when the Assessment is made and its grantees. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 17.5 Deed in Lieu of Foreclosure. In a voluntary conveyance in lieu of Foreclosure, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor’s conveyance, without prejudice to the grantee’s right to recover from the grantor the amounts paid by the grantee therefore.

Section 17.6 Appointment of Receiver. From the time of commencement of an action by the Village Association to foreclose a lien for non-payment of delinquent Assessments against a Unit that is not occupied by the Owner thereof, the Village Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit
or permit its rental to others, and apply the rents first to the cost of the receivership and attorney fees, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the Foreclosure action, and then to payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this subsection, and a receiver shall not be appointed less than ninety (90) days after the delinquency. The exercise by the Village Association of the foregoing right shall not affect the priority of pre-existing liens on the Unit.

Section 17.7 Liability of Purchaser at Foreclosure Sale. Except as provided in Section 17.2 above, any Mortgagee or other purchaser of a Unit who obtains the right of possession of the Unit through Foreclosure shall not be liable for Assessments or installments thereof that become due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Unit Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior owner of personal liability for Assessments accruing against the Unit prior to the date from such sale.

Section 17.8 Late Charges and Interest on Delinquent Assessments. The Village 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 twelve percent (12%) per annum. If a monthly Assessment against a Unit is not paid when due, the Managing Agent or the Village Board may elect to declare all monthly Assessments against the Unit for the remainder of the fiscal year to be immediately due and payable.

Section 17.9 Recovery of Attorney 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 attorney fees and all costs and expenses reasonably incurred in connection with prosecuting the action, including any appeal, in addition to taxable costs permitted by law.

Section 17.10 Termination of Utility Service. In addition to and not by way of limitation upon other methods of collecting any Assessments, the Village Board shall have the right (but shall have no obligation), after having given 10 days' notice to any Unit Owner who is delinquent in paying his Assessments, to cut off any or all utility services to the delinquent Owner's Unit until such Assessments are paid.

Section 17.11 Security Deposit. A Unit Owner who has been delinquent in paying the monthly Assessments for three (3) of the five (5) preceding months may be required by the Village Board, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly Assessments, which may be collected and subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten (10) days or more delinquent in paying the monthly or other Assessments.

Section 17.12 Remedies Cumulative. The remedies provided herein are cumulative and the Village 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 17.13 Statement of Delinquencies. Upon written request, the Village Association shall furnish to a Unit Owner or a Mortgagee a statement signed by an Officer or authorized agent of the Village Association setting forth the amount of unpaid Assessments
against that Unit. The statement shall be furnished within fifteen (15) days after the receipt of the request and is binding upon the Village Association, the Village Board of Directors, and every Unit Owner, unless and to the extent known by the recipient to be false.

Section 17.14 Joint Collections. The Village Association may delegate its authority to collect Assessments to the Umbrella Association. If the Umbrella Association collects Assessments on behalf of the Village Association, the costs of collection shall be shared equally between the Umbrella Association and the Village Association. However, if the Assessment being collected is a special Assessment, the Assessing entity shall bear all costs of collection.

ARTICLE 18  FAILURE OF VILLAGE BOARD TO INSIST ON STRICT PERFORMANCE – NO WAIVER

The failure of the Village Board in any instance to insist upon the strict compliance with this Declaration, the Bylaws, or the rules and regulations of the Village 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 Village Board of payment of any Assessment from an Owner, with knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Village Board of any requirement shall be effective unless expressed in writing and signed on behalf of the Village Board.

ARTICLE 19  LIMITATION OF LIABILITY

Section 19.1 Liability for Utility Failure or Other Services. Except to the extent covered by insurance obtained by the Village Board, neither the Village Association nor the Village Board (nor the Managing Agent, nor the Board of Directors) nor the Umbrella Association nor the Umbrella Board (nor its Village Board of Directors nor its Managing Agent) shall be liable for: any failure of any utility or other service to be obtained and paid for by the Village Board, or for injury or damage to Person or Property, including death, caused by or resulting from failure of any fire alarm system, emergency medical notification service system, or the like, or 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 its 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 19.2 No Personal Liability. So long as a Village Board Member, or Village Association committee Member, or Village Association Officer, or the Managing Agent has acted with reasonable and ordinary care, upon the basis of such information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Village 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 19.2 shall not apply where the consequences of such act, omission, error, or negligence are covered by insurance obtained by the Village Board or the Umbrella Association Board.
Section 19.3  Not an Indemnity. This Article 19 is not intended as an indemnity agreement falling within the scope of RCW 4.24.115. If, however, this Article 19 is judicially interpreted as an indemnity, then the limitations of liability contained in Sections 19.1 and 19.2 above shall be deemed to limit the liability of the Persons and entities protected by said Sections solely to the extent such liability arises out of the acts of others.

ARTICLE 20  INDEMNIFICATION

Section 20.1  Indemnification. Each Village Board member and Village Association committee Member and Village Association Officer, and the Managing Agent (collectively and individually, “Indemnitee”) shall be indemnified by the Village Association against all expenses and liabilities, including attorney fees, reasonably incurred or imposed in connection with any proceeding, dispute, or settlement thereof to which Indemnitee may be a party, or in which Indemnitee may become involved, by reason of any individual Indemnitee’s status as Village Association committee Member, Village Association Officer, or Village Board Member, whether or not the individual Indemnitee holds such position at the time such expenses or liabilities are incurred, or by reason of any corporate Indemnitee’s connection to this Condominium in any capacity whatsoever. The indemnification set forth in the preceding sentence shall not apply:

20.1.1 To the extent such expenses and liabilities are covered by insurance;

20.1.2 With regard to acts or omissions that involve intentional misconduct by a Village Indemnitee, or a knowing violation of law by an Indemnitee;

20.1.3 With regard to any transaction from which an Indemnitee will personally receive a benefit in money, Property, or services to which the Indemnitee is not entitled;

20.1.4 If Indemnitee is adjudged guilty of willful malfeasance in the performance of Indemnitee’s duties; and

20.1.5 Unless the Village Board approves such settlement and reimbursement as being for the best interest of the Village Association.

Section 20.2  Negligence. If such liability and expense arise out of the concurrent negligence of Indemnitee and the Village Association, this indemnity shall still apply, but if specifically required by statute, RCW 4.24.115, then this indemnification shall apply only to the extent Indemnitee’s liability arises out of the negligence of Village Association, or out of the negligence of a third party.

ARTICLE 21  INSURANCE

Section 21.1  General Requirements. The Village Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) Property insurance, (b) commercial general liability insurance, (c) fidelity insurance, (d) worker’s compensation insurance to the extent required by applicable laws, (e) Directors and Officers liability insurance, and (f) such other insurance as the Village Board deems advisable. The Village Association may delegate procurement of insurance to the Umbrella Association. The Village Board shall review the adequacy of the Village Association’s insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar
projects, authorized to do business in the state of Washington, and meet the specific requirements of Federal National Mortgage Association ("FNMA"), Housing and Urban Development (HUD), Federal Home Loan Mortgage Corporation ("FHLMC"), and Veteran’s Administration (VA) regarding the qualifications of insurance carriers. Notwithstanding any other provisions herein, the Village Association shall continuously maintain in effect Property and liability insurance that meets the insurance requirements for Condominium projects established by FNMA, HUD, FHLMC, and VA so long as any of them is a holder of a Mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by such entity. All such insurance policies shall provide that coverage may not be cancelled or substantially reduced without at least forty-five (45) days prior written notice (ten (10) days for cancellation for nonpayment of premium) to the Village Association as the first named insurance therein and any First Mortgagee of a Unit.

Section 21.2 Property Insurance; Deductible; Owner Responsibility.

21.2.1 The Property insurance shall, at the minimum and subject to such reasonable deductible as the Village Board may determine, provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the Common Elements, the Units, the limited Common Elements, the interior partitions, equipment, fixtures, betterments and improvements in or serving the Units installed by the Declarant or by Owners intended as a permanent part of the Unit and personal Property of the Village Association with “Agreed Amount Endorsement” or its equivalent, and, FNMA, HUD, FHLMC, and VA, construction code endorsements, such as a “Demolition Cost Endorsement,” a “Contingent Liability from Operation of Building Laws Endorsement,” an “Increased Cost of Construction Endorsement,” and such other endorsements as FNMA, HUD, FHLMC, and VA deems necessary and are available so long as any of them are a Mortgagee or Owner of a Unit.

21.2.2 The policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The policy may, in the discretion of the Village Board, cover loss due to earthquake, flood, or terrorism. The named insured shall be the Village Association, as trustee for each of the Owners in the percentages established in Article 8. The Village Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner’s Mortgagee, if any, shall be beneficiaries of the policy in accordance with their percentages of undivided interest in the Common Elements and Facilities appertaining to the Owner’s Unit.

21.2.3 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 Village Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Village Association may be a party, or any requirement of law.

21.2.4 Certificates of insurance shall be issued to each Owner and Mortgagee upon request.

21.2.5 Up to the amount of the standard deductible under the Village Association’s policy (but not the deductible for earthquake, flood or terrorism) or for damages otherwise uninsured, each Owner of a Unit shall be responsible for (a) damage limited solely to damage to the Owner’s Unit or the Limited Common Areas assigned to the Unit; (b) damage resulting from negligence, carelessness, or intentional action on the part of the Owner or his/her
tenant, or the family, employees, agents, visitors, or licensees of that Owner or his/her tenant; or (c) damage caused by something within the control of or for which the Owner or his/her tenant, family, employees, agents, visitors, or licensees of that Owner or his/her tenant has the maintenance and/or repair responsibility, which includes damage resulting from faulty or leaking plumbing fixtures or pipes, hot water tanks, fire suppressors, sinks, bathtubs, toilets, dishwashers, and washers, including any connecting hoses or drains in or serving only the Owner's Unit and all other Owner maintenance and/or repair responsibilities as described in Section 10.3. Uninsured damage which exceeds the amount of the standard deductible under the Village Association’s policy shall be governed by Article 22 of the Village Declaration. Only the Village Board, in its sole discretion, is authorized to file claims under the Village Association’s policy. Each Owner of a Unit shall promptly advise the Village Association in writing of any betterment or improvement intended as a permanent part of the Unit costing $10,000 or more.

Section 21.3 Commercial General Liability Insurance. The liability insurance coverage shall insure the Village Board, the Village Association, the Owners, and the Managing Agent, and cover all of the Common Elements in the Condominium with a “Severability of Interest Endorsement” or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Village Association or of another Owner, and shall cover liability of the insureds for Property damage, bodily injury, and death of Persons arising out of the operation, maintenance, and use of the Common Elements, host liquor liability, employers’ liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential Condominium projects of similar construction, location, and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location, and use, the amount as determined by the Village Board of Directors.

Section 21.4 Insurance Claims; Insurance Trustee; Power of Attorney. The named insured under the policies referred to in Sections 21.2 and 21.3 shall be the Village Association, as trustee for each of the Owners in accordance with their percentages of undivided interest in the Common Elements and Facilities. All claims made against the Village Association’s insurance policy must be approved and filed by the Village Board or its Managing Agent. The insurance proceeds may be made payable to any trustee with which the Village Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 21.8, the proceeds must be disbursed first for the repair or restoration of the damaged Property, and Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Village Association, or any insurance trustee or successor trustee designated by the Village Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.
Section 21.5  Additional Policy Provisions. The insurance obtained pursuant to Sections 21.2 and 21.3 shall contain the following provisions and limitations:

21.5.1 Each Owner is an insured Person under the policy with respect to liability arising out of the Owner’s percentage of undivided interest in the Common Elements and Facilities or Membership in the Village Association.

21.5.2 Such policies shall not provide for contribution by or Assessment against Mortgagees or become a lien on the Property superior to the lien of a First Mortgage.

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

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

21.5.5 Coverage may not be canceled or substantially modified without at least thirty (30) days prior written notice (ten {10} days for cancellation for nonpayment of premium) to the Village Association as the first named insurance and any First Mortgagee of a Unit.

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

21.5.7 A standard Mortgagee clause which shall:

21.5.7.1 Provide that any reference to a Mortgagee in the policy shall mean and include all Mortgages of any Unit or Unit lease in their respective order of preference, whether or not named therein;

21.5.7.2 Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Village Board or Owners or any Persons acting under the authority of any of such Persons;

21.5.7.3 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

21.5.7.4 Provide that, without affecting any protection afforded by such Mortgagee clause, any proceeds payable under such policy shall be payable to the Village Association or the insurance trustee.

Section 21.6  Fidelity Insurance. The required fidelity insurance shall afford coverage to protect against dishonest acts on the part of Officers, Directors, Trustees, and employees of the Village Association or the Managing Agent and all other Persons who handle or are
responsible for handling funds of or administered by the Village Association. All such fidelity insurance shall name the Village Association as an obligee, and shall be not less than the amount of all reserve accounts for the Entire Property, plus three (3) months of regular Assessments. The policy shall contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of “employee” or similar expression, and provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five (45) days prior written notice to the Village Association as the first named insured.

Section 21.7 Individual Insurance Policy for Owner. Each Owner of a Unit shall be required to obtain and maintain standard Condominium Unit Owners insurance. The minimum coverage for an Owner policy shall not be less than the amount of the deductible for the Umbrella or Village Association’s policy of Property (Building) insurance, or any greater amount as may be established by the Village Board. Proof that such insurance has been obtained shall be delivered to the Village Association at the closing of the sale of each Unit. The Village Association shall have the right but not the obligation to monitor the maintenance of such insurance by Owners and shall have the right, but not the obligation, to obtain such insurance for an Owner if the Owner fails to obtain or maintain such insurance and specially Assess the cost to the Owner.

Section 21.8 Use of Insurance Proceeds. Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Village Association pursuant to Article 22 unless:  
(a) the Village Association is terminated;  
(b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or  
(c) Owners holding at least eighty percent (80%) of the votes in the Village Association, including every Owner of a Unit or limited Common Elements which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of the portion for which an Owner is responsible under Section 21.2, insurance proceeds and available reserves is a Common Expense. The Owner shall be responsible for the amount of the deductible applicable to damage or loss within the Owner’s Unit. If all of the damaged or destroyed portions of the Unit(s) are not repaired or replaced:

21.8.1 The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Units/Buildings;

21.8.2 The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those limited Common Elements were allocated, or to lienholders, as their interests may appear; and

21.8.3 The remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to their percentage of undivided interest in the Common Elements and Facilities for each Unit.

If the Owners vote not to rebuild any Unit, that Unit’s proportion of undivided interest in the Common Elements and Facilities allocated are automatically reallocated upon the vote as if the Unit had been condemned under any state or local health or safety statute or ordinance, and the Association promptly shall prepare, execute, and record an amendment to this Declaration.
reflecting the reallocations. Notwithstanding the provisions of this Section, Section 21.8 governs the distribution of insurance proceeds of the Village Association if terminated.

ARTICLE 22  DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

Section 22.1  Initial Village Board Determination. In the event of Damage to any Common Elements or to any portion of a Unit or its limited Common Elements, equipment, or appliances covered by the Association’s insurance policy, the Village Board shall promptly, and in all events within thirty (30) days after the date of Damage, make the following determinations with respect thereto, employing such advice as the Village Board deems advisable:

22.1.1 The nature and extent of the Damage, together with an inventory of the improvements and Property directly affected thereby.

22.1.2 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.

22.1.3 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.

22.1.4 The amount to be paid by any Owner with respect to Damage or loss within the Owner’s Unit or as otherwise provided by Section 22.2 of this Declaration.

22.1.5 The amount of available reserves or other Village Association funds, although the Village Board is not required to use any reserves or other Village Association funds; and

22.1.6 The amount, if any, by which the estimated cost of repair exceeds the amount to be paid by any Unit Owner (under Section 22.2 or any other requirement of this Declaration), expected insurance proceeds and available reserves or other Village Association funds, and the amount of the Assessments that would have to be made against each Unit if the excess cost were to be paid as a Common Expense and Assessed against all the Units in proportion to their Common Expense Liabilities.

Section 22.2  Notice of Damage. The Village Board shall promptly, and in all events within thirty (30) days after the date of Damage, file a proof of loss statement with the insurance company if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Village Board determines it would not be in the best interest of the Village Association to file a proof of loss. If the Village Board does not proceed with repair to the Damage, the Village Board shall then provide each Unit Owner with a written notice describing the Damage and summarizing the initial Village Board determinations made under Section 22.1. If the Damage affects a material portion of the Village Property, the Village Board shall also send the notice to each Eligible First Mortgagee; and if the Damage affects a Unit, the Village Board shall send the notice to the Eligible First Mortgagee of that Unit. If the Village Board fails to do so within the thirty (30) day period, any Owner or Mortgagee may make the determinations required under Section 22.1 and give the notice required under this Section 22.2.
Section 22.3  Definitions: Damage, Substantial Damage, Repair, Emergency Work.
As used in this Section:

22.3.1 “Damage” shall mean all kinds of damage, whether of slight degree or total destruction resulting from an Occurrence or an Event and shall not include construction defects, deterioration, or wear and tear. “Occurrence” or “Event” shall mean a sudden and unexpected event such as a storm, a tree falling, or a pipe bursting.

22.3.2 “Substantial Damage” shall mean that in the judgment of the Village Board, the estimated Village Assessment determined under Subsection 22.1.6 for any one Unit exceeds 5% of the value of the Unit before the Damage occurred, as determined by the then current Assessment for the purpose of real estate taxation.

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

22.3.4 “Emergency Work” shall mean work that the Village Board deems reasonably necessary to avoid further Damage or substantial diminution in value to the improvements and to protect the Unit Owners from liability due to the condition of the site.

Section 22.4  Execution of Repairs.

22.4.1 The Village Board shall promptly repair the Damage and use the available insurance proceeds therefore as provided in Article 21; but only the Village Board may authorize a claim under the Village Association’s insurance policy. If the cost or repair exceeds the amount to be paid by a Unit Owner’s anticipated insurance proceeds, and available reserves or other Village Association funds, the Village Board shall impose Assessment(s) against all Units in proportion to their Common Expense Liabilities in an aggregate amount sufficient to pay the excess costs.

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

22.4.3 The Village Board may enter into a written agreement with a reputable financial institution, trust or escrow company and that institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in the amount determined by the Village Board, or shall collect the insurance proceeds and carry out the provisions of this Section.

Section 22.5  Damage not Substantial. If the Damage is not Substantial Damage as determined under subsection 22.3.2, provisions of this Section 22.5 shall apply.
22.5.1 Either the Village Board or the requisite number of Unit Owners, within thirty (30) days after the notice required under Section 22.2 has been given, may, but shall not be required, to call a special Owners Meeting in accordance with the Bylaws to decide whether to repair the Damage.

22.5.2 Except for emergency work, no repairs shall be commenced until after the thirty (30) day period and until after the conclusion of the special Meeting if such a meeting is called within the thirty (30) days.

22.5.3 A decision to not repair or rebuild may be made in accordance with Section 22.6. A failure to call a special Owners Meeting shall be considered a unanimous decision to repair the Damage as determined by the Village Board.

Section 22.6 Substantial Damage. If the Damage determined under subsection 22.3.2 is deemed to be Substantial Damage, the provisions of this Section shall apply.

22.6.1 The Village Board shall promptly, and in all events within thirty (30) days after the date of Damage, call a special Owners Meeting to consider repairing the Damage. If the Village Board fails to do so within thirty (30) days, then notwithstanding the provisions of the Bylaws, any Owner or First Mortgagee may call and conduct the Meeting.

22.6.2 Except for emergency work, no repairs shall be commenced until the conclusion of the special Owners Meeting.

22.6.3 At the Owners special Meeting to determine consent, the following consent requirements will apply:

22.6.3.1 The Owners shall be deemed to have elected to repair the Damage to the condition existing prior to the Damage unless the Owners of at least eighty percent (80%) of the total voting power of the Village Association, including every Owner of a Unit which will not be rebuilt and every Owner of a Unit to which a limited Common Element which will not be rebuilt is allocated, have given their written consent not to repair the Damage.

22.6.3.2 Eighty percent (80%) consent of all Owners will be required to elect to rebuild in accordance with a plan that is different from the condition existing prior to the Damage.

22.6.3.3 In addition to the consent by the Owners specified above, any election not to repair the Damage or not to rebuild substantially to the condition existing before the Damage will require the approval of First Mortgagees of Units to which greater than fifty percent (50%) of the votes in the Village Association are allocated.

22.6.3.4 Failure to conduct the Special Meeting provided for under subsection 22.6.1 within ninety (90) days after the date of Damage shall be deemed a unanimous decision to repair the Damage to the condition existing prior to the Damage.

Section 22.7 Effect of Decision Not to Repair. In the event of a decision under either Subsection 22.5.3 or 22.6.3 not to repair the Damage, the Village Board may nevertheless expend so much of the insurance proceeds and common funds as the Village Board deems reasonably necessary for emergency work (which emergency work may include but is not
necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the Property shall thereafter be held and distributed as provided in Section 21.8.

ARTICLE 23 CONDEMNATION

Section 23.1 Consequences of Condemnation: Notices. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority (referred to herein as a “taking”), written notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each First Mortgagee, and the provisions of this Article 23 shall apply.

Section 23.2 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 Village Association.

Section 23.3 Complete Taking. If the Entire Property is taken, the Unit Ownership shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective percentages of undivided interest in the Common Elements. Each Owner’s share shall be applied first to the payment of all Mortgages and liens on the interest of such Owner in accordance with the existing priorities, and any remaining balance of each share shall be distributed to the Owner.

Section 23.4 Partial Taking. If less than the Entire Property is taken, the Unit Ownership shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award determined in the following manner:

23.4.1 As soon as practicable the Village Board shall, reasonably and in good faith, allocate the Condemnation Award among compensation for Property taken, severance damages, or other proceeds, and shall make the further sub-allocations described below:

23.4.1.1 Compensation for Property Taken. The Village Board shall apportion the compensation for Property taken between amounts allocable to taking of the Common Elements, and amount allocable to Units or portions thereof. Amounts allocated to taking of Common Elements and not affecting any Unit shall be apportioned among Owners in proportion to their respective undivided interests in the Common Elements. The amounts allocated to the taking of or injury to a particular Unit or portion thereof shall be apportioned to the Owner of that Unit.

23.4.1.2 Severance Damages. The total amount allocated to severance damages shall be apportioned among the Units or portions thereof that were not taken in accordance with their respective undivided interest in the Common Elements.

23.4.1.3 Other Proceeds. The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Village Board determines to be equitable in the circumstances.
23.4.2 If an allocation of the Condemnation Award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the Condemnation Award the Village Board shall employ that allocation to the extent it is relevant and applicable.

23.4.3 Distribution of apportioned proceeds shall be made to the Owners and their respective Mortgagees in the manner provided in Section 23.3

Section 23.5 Reduction of Condominium Upon Partial Taking.

23.5.1 Units Taken Not Subject to Condominium Status. If one or more of the Units or portions thereof and their appurtenant Common Elements are taken in a partial condemnation, and the condemning authority does not agree to hold the Unit(s) and its (their) appurtenant Limited Common Elements so taken subject to the Act, this Declaration and the Village Association’s Articles of Incorporation, Bylaws and rules and regulations, then the Units or portions thereof and their appurtenant Limited Common Elements and Common Elements so taken shall thereafter be totally excluded from the Act, the Declaration and the Village Association’s Articles of Incorporation, Bylaws and rules and regulations, and only those Units or portions thereof and their appurtenant Limited Common Elements and the Common Elements that were not taken by the condemning authority shall then constitute the Condominium. Any Limited Common Elements which were appurtenant to a Unit which are not also taken shall become Common Elements of the Condominium.

23.5.2 Adjustment of Percentage of Undivided Interest. The remaining Units’ percentages of undivided interest in the Common Elements shall be recalculated on the basis of areas stated for them in Exhibit C.

23.5.3 Correction of Public Records. The Village Board, as soon as practicable, shall record in the records of King County, Washington, such corrections to the Declaration and the Survey Map and Plans as are necessary accurately to state the revised percentages of the undivided interest in the Common Elements and the revised legal description and survey of the Property resulting from such partial taking.

Section 23.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 22 above for repair of damage, provided that the Village 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 22.

ARTICLE 24 EASEMENTS AND RECIPROCAL RIGHTS

Section 24.1 In General. Each Unit has an easement in and through each other Unit and the Common Elements and the Limited Common Elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each Unit is granted an easement to which each other Unit and all the Common Elements and the Limited Common Elements are specifically subject for the location and maintenance of electrical wiring and plumbing and any other systems, equipment and facilities benefiting such Unit, including heat pump. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements and Facilities reserved by law.
Section 24.2  **Encroachments.** Each Unit and all Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements for a purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, settlement, shifting, or movement of any portion of the Condominium, repairs, or any other similar cause, and any encroachment due to Building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units, 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 a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section 24.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

Section 24.3  **Non-Exclusive Easements.** Subject only to specific limiting provisions (24.1) of this Village Declaration, Bylaws, and Rules and Regulations or (24.2) in the case of an Umbrella and Village Property subject to the Condominium Act, set forth in or arising out of a Condominium Declaration or the Condominium Act and having to do with the restricted use of particular limited Common Elements (as defined in the applicable Condominium Declaration), the Village Association hereby grants, reserves and declares for the benefit of the present and future Owners, of all or any part of the Village Property, and Umbrella Property, and each of their grantees, tenants, successors, heirs, executors, administrators, and assigns, the following non-exclusive easements:

24.3.1 An easement to install on the surface, and to have access to, and to tie into using underground lines, a heat pump exchange unit or air conditioning unit and related equipment and housing located in an area reasonably approved by the Umbrella Board, such easement to be enjoyed by the Unit Owner or Unit Owners during such times as each such Owner wishes to have its Unit benefited by a heat pump exchange unit; and

24.3.2 An easement from the Village Property onto any Umbrella Property and from any Umbrella Property onto the Village Property for purposes of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, settlement, shifting, or movement of improvements, repairs, or any other similar cause, and any encroachment due to Building overhang projection, together with an easement for the maintenance of the encroaching improvements, areas and facilities so long as the encroachments shall exist, and the rights and obligations of Owners, the Village Association or Umbrella Association shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created if the encroachment was caused by the willful act with full knowledge of the encroaching Owner.

Section 24.4  **Survival.** All easements set forth in or arising out of this Article 24 shall be perpetual, shall run with the land, and shall bind each and every Owner thereof for the benefit of every other Owner or Person intended to be benefited thereby, and shall survive any termination, whether voluntary or involuntary, of this Declaration.
ARTICLE 25  ROLE OF, AND INTEGRATION OF ENTIRE PROPERTY THROUGH UMBRELLA ASSOCIATION

Section 25.1  Role of Umbrella Association. The Umbrella Property contains facilities (such as roads, recreational facilities, maintenance facilities, security guard kiosk, and greenbelt), that are necessary or convenient for the economical and pleasurable enjoyment of the Entire Property. To permit the continued availability of those facilities to the Owners and occupants of this Village, the Umbrella Association is authorized by the Umbrella Declaration and by its Articles of Incorporation and Bylaws to operate, preserve, maintain, repair, replace and manage the Umbrella Property and any and all facilities and Improvements thereon on behalf of and for the common benefit of the Owners and occupants of the Entire Property. This Declaration is and shall forever remain subject and subordinate to the Umbrella Declaration and the Articles of Incorporation and Bylaws of the Umbrella Association, as they or either of them may hereafter be amended from time to time, all of which shall be binding upon and inure to the benefit of this Entire Property and all Owners.

Section 25.2  Submission to Umbrella Association. The Village Association, each Owner, and all Persons who now own or hereafter acquire an interest in or occupy any of the Property, including any Unit, by accepting a deed, lease or other conveyance, or entering into occupancy, hereby fully, completely and unconditionally submit themselves to, and agree to be bound by, each and every term, covenant, condition, restriction, easement and reservation of the Umbrella Declaration, the Articles of Incorporation and Bylaws, of the Umbrella Association and all rules and regulations duly adopted by the Umbrella Association or the Umbrella Board, as they or any of them are now or hereafter exist, including, but not limited to, the power of the Umbrella Association to levy and enforce the collection of Assessments against its Members and Owners.

Section 25.3  Delegation to Umbrella Association of Specified Authority. The delegation of authority to the Umbrella Association, or pursuant to Section 15.4 (Managing Agent), shall include all powers and duties of the Village Association and the Village Board which are incidental to, or necessary or convenient with regard to, the powers so delegated. The Umbrella Association or the Umbrella Board alone, and not this Village Association or the Village Board of this Village Association, shall exercise such powers or undertake such duties except insofar as the Umbrella Board or the Umbrella Association from time to time declines to exercise the powers and rights delegated to either of them by this Declaration. The following powers are delegated to the Umbrella Board:

25.3.1 Adopt and amend rules and regulations related to the use of the Property, Common Elements and limited Common Elements outside of the Buildings;

25.3.2 Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors for maintenance of the Village Property other than the Buildings;

25.3.3 Make contracts and incur liabilities, except that the Village shall retain authority regarding Building maintenance, repair and restoration;

25.3.4 Regulate the use, maintenance, repair, replacement, and modification of Common Elements, except that the Village shall retain such authority regarding the Buildings;
25.3.5 Grant easements, leases, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;

25.3.6 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements, other than limited Common Elements described in RCW 64.34.204 (2) and (4), and for services provided to Unit Owners, except that the Village shall also have this same powers related to the Buildings;

25.3.7 Impose and collect charges for late payment of Assessments pursuant to RCW 64.34.364(13) and, after notice and an opportunity to be heard by the Board of Directors or by such representative designated by the Board of Directors and in accordance with such procedures as provided in the Declaration or Bylaws or rules and regulations adopted by the Board of Directors, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board of Directors and furnished to the Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association, except that the Village shall also have this power as relates to the Buildings and Common Elements within the Village Condominium;

25.3.8 Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration, resale certificates required by RCW 64.34.425, and statements of unpaid Assessments, except that the Village will also have this right if separate resale certificates are required;

25.3.9 Exercise any other powers necessary and proper for the governance and operation of the Providence Point community as a whole.

Section 25.4 Right to Delegate Other Powers of the Village Association to Umbrella Association. The Village Association or the Village Board shall have the full and complete power and authority to delegate to the Umbrella Association and the Umbrella Board any other portion of the powers and duties of the Village Association or the Village Board not delegated above, by written agreement that is mutually acceptable to the Village Board and the Umbrella Association. Any such delegation shall automatically include all powers and duties of the Village Association and the Village Board which are incidental to, or necessary or convenient with regard to, the powers so delegated. All provisions of this Declaration for the protection of the Village Association, the Village Board or the Members of the Village Association shall be extended to and shall apply to the Umbrella Association, the Umbrella Board, its Members and agents with regard to their actions taken pursuant to any delegation of powers and duties (including the delegation referenced in Section 25.3). To the extent responsibilities respecting Common Elements are delegated to the Umbrella Association or the Umbrella Board, its or their rules and regulations regarding such Common Elements shall be controlling, provided that copies of such rules and regulations and amendments thereto are furnished to Unit Owners.

ARTICLE 26 PROCEDURES FOR SUBDIVIDING OR COMBINING

Section 26.1 Submission of Proposal. No Unit, Units, or Common Elements shall be subdivided or combined, either by agreement or legal proceedings, except as provided in this Article 26. Any Unit Owner may propose subdividing or combining of any Unit or Units, or Common Elements, by submitting the proposal in writing to all other Unit Owners and the Mortgagees of the Units to be subdivided or combined. If the proposal contemplates the subdivision of any Unit, the proposal must also be given to every First Mortgagee of any Unit in
the Condominium. The proposal must include complete plans and specifications for accomplishing the subdivision or combination and proposed amendments of this Declaration and the Survey Map and Plans.

Section 26.2 Approval Required for Subdivision. A proposal that contemplates subdivision of any Unit, its appurtenant Limited Common Elements, or other Common Elements, will be accepted only if approved in writing by all Owners and Mortgagees of the Unit or Units to be subdivided (if subdivision of a Unit is contemplated), the Owners of eighty percent (80%) of the undivided interest in the Common Elements held by Owners and every First Mortgagee.

Section 26.3 Approval Required for Combination. A proposal that contemplates only combination of Units without subdividing any of them will be accepted if approved in writing by the Owners of sixty percent (60%) of all owners and all of the Owners and Mortgagees of the Units to be combined. A combined unit shall have the percentage ownership of the Common Elements and the percentage of common expenses liability of the units combined.

Section 26.4 Procedure After Approval. Upon approval of the proposal, the Owner making it may proceed according to the proposed plans and specifications; provided that the Village Board may in its discretion require that the Village Board administer the work or that provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion for 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 on record as amendments thereto. The Unit Owner who has proposed the subdivision or combination of a Unit shall be responsible for any costs associated with the subdivision or combination, including but not limited to costs of conducting a vote of the Unit Owners and costs of recording an amendment to this Declaration.

ARTICLE 27 AMENDMENTS OF DECLARATION, SURVEY MAP AND PLANS

Section 27.1 Submission to a Vote by the Association. Any Unit Owner may propose amendments to this Declaration, the Survey Map, or the Plans (collectively, for the purposes of this Article 27, the “Declaration”) to the Village Board. A majority of the Members of the Village Board may cause a proposed amendment to be submitted to the Members of the Village Association for their consideration. If an amendment is proposed by Owners of twenty percent (20%) or more of the Units in the Condominium, then, irrespective of whether the Village Board concurs in the proposed amendment, it shall be submitted to the Members of the Village 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 Village 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 Village Association.

Amendments that combine units, reallocate limited Common Elements between units, or are made for the correction of typographical errors may be made with the approval of the Board and any affected unit.

Section 27.2 Amendments Which Require the Consent of Ninety Percent (90%) of the Unit Owners and of the Owner of the Unit Particularly Affected. No amendment may increase the number of Units, change the boundaries of any Unit, the percentage of undivided interest in
the Common Elements, or the uses to which any Unit is restricted, in the absence of the vote or agreement of the Owner of each Unit particularly affected, and the Owners of ninety percent (90%) of the Units.

Section 27.3 Consent for Amendments Not Otherwise Provided For. Any amendment of the Declaration for which no other level of voting or other approval is provided for by the Declaration or the Act shall require the approval of sixty-seven percent (67%) of the Unit Owners.

Section 27.4 Execution and Recording of Amendments. Amendments to the Declaration shall be prepared, executed, recorded, and if necessary certified, on behalf of the Village Association by an Officer of the Village Association designated for that purpose or in the absence of designation, by the President of the Village Association.

Section 27.5 Requirement of Mortgagee Approval. In addition to other provisions of this Declaration and of the Act, the prior written approval of seventy-five percent (75%) of the Institutional Holders of First Mortgages on Units (determined on the basis of the number of Mortgages held) will be required for any Material Amendment of this Declaration, the Articles of Incorporation, or the Bylaws including, but not limited to, any amendment falling under Section 27.2 above. A Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have consented to such request, provided the request was delivered by certified or register mail, return receipt requested.

ARTICLE 28 ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS

Except in cases of substantial damage to the Property as provided in Article 22, the Condominium status of the Property shall not be abandoned or terminated by reason of any act or omission by the Owners or the Village Association except with the consent of eighty percent (80%) of the Unit Owners, and sixty-seven percent (67%) of all First Mortgagees (counted on the basis of the number of Units on which First Mortgages are held) and in accordance with the procedures specified in the Act.

ARTICLE 29 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 Act or, as covenants, affect the common plan.

ARTICLE 30 PARLIAMENTARY PROCEDURES

The Village Association and Village Board shall be governed by the parliamentary procedures prescribed in Robert’s Rules of Order, latest edition.

ARTICLE 31 DISPUTE RESOLUTION

Section 31.1 Policy. The parties hope there will be no disputes arising out of their relationship. To that end, each commits to cooperate in good faith and to deal fairly in performing its duties under this Declaration in order to accomplish their mutual objectives and avoid disputes. Any parties who believe they have a dispute involving the Village Association,
any Village Board member or Officer, a Unit Owner, or an agent or employee of the above, shall first seek resolution of the dispute by submitting, in writing, a statement of the dispute to the party they believe is responsible. This written demand for resolution shall include a description of the action taken in violation of the Governing Documents, the damage that resulted, and a proposed solution that would resolve the dispute. The party who receives this settlement demand shall respond within fourteen (14) days to the Complainant directly, in writing, and shall either agree to the proposed resolution or propose an alternate means of resolution. If a resolution cannot be agreed upon, or if no response is received within fourteen (14) days of the initial demand for resolution, the dispute shall proceed to binding arbitration, which may be supplemented by additional negotiation or mediation, as described in this Section 31. The parties confirm that by agreeing to this alternate dispute resolution process, they intend to give up their right to have any dispute decided in court by a judge or jury.

Section 31.2 Arbitration. If a dispute arises, which cannot be resolved without taking formal action, the parties agree to resolve all disputes by the Arbitration process outlined in this Article 31, provided that during this process the parties agree to pursue a settlement in good faith. Any claim between or among any party subject to this Declaration (including without limitation, the Village Association, any Village Board members or officers, Unit Owners, and their employees or agents) arising out of or relating to this Declaration, a Unit or Units, the Condominium or the Association shall be determined by Arbitration in the county in which the Condominium is located. The aggrieved party shall submit a written demand for arbitration. Unless otherwise agreed upon by all parties, the parties agree that the Arbitrator shall be selected from the Washington Arbitration and Mediation Services panelists. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder.

Section 31.3 Mediation. At the request of either party made not later than forty-five (45) days after the initial arbitration demand, the parties will attempt to resolve any dispute by nonbinding mediation (but without delaying the arbitration hearing date or other scheduled deadlines). The appointed arbitrator shall serve as the mediator during this process, unless the parties agree on a selection of an alternate mediator. The arbitrator shall have the authority to appoint a third party to serve as mediator if he/she determines it is not feasible to serve as both mediator and arbitrator. The arbitrator shall also have the authority to decide any disputes that arise out of mediation, including but not limited to, allocation of the costs and fees associated with mediation.

Section 31.4 Hearing – Law – Appeal Limited. The arbitrator shall take such steps as may be necessary to hold a private hearing within ninety (90) days of the initial demand for arbitration and to conclude the hearing within three (3) days; and the arbitrator’s written decision shall be made not later than fourteen (14) calendar days after the hearing. The arbitrator shall authorize such discovery as may be necessary to ensure a fair hearing. These time limits are intended to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause afford or permit reasonable extensions or delays, which shall not affect the validity of the award. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including without limitation, attorney fees and costs to the prevailing party, joinder of parties or consolidation of this arbitration with any other involving common issues or law or fact or which may promote judicial economy; but shall not have the power to award punitive or exemplary damages.
Section 31.5  **Enforceability of Arbitration.** The court shall not have jurisdiction in any dispute except to enforce the Dispute Resolution provisions of this Section of the Declaration. Where the Declaration is silent, the provisions of the Uniform Arbitration Act as adopted in Washington (RCW 7.04A et seq.) shall apply, as determined by the arbitrator. The Declaration shall control over any inconsistencies. Absent fraud, collusion or willful misconduct by an arbitrator, the award and decision shall be final, and the judgment may be entered in any court having jurisdiction thereof.

**ARTICLE 32  FINES, FEES, ATTORNEY FEES, AND COSTS.**

After notice and an opportunity to be heard by the Village Board or by such representative designated by the Village Board, and in accordance with such procedures as provided in the rules and regulations adopted by the Village Board of Directors, the Association may levy reasonable fines in accordance with a previously established schedule thereof adopted by the Village Board of Directors and furnished to the Owners for violations of the Declaration, Bylaws, and rules and regulations of the Association. The Association shall be entitled to recover attorney fees and other expenses and costs incurred for the benefit of a particular Owner or Owners; due to the misconduct of a particular Owner, its guests, tenants, or pets; to record a document reflecting changes in assignment of Limited Common Elements, or for any other reason determined by the Village or Umbrella Board to justify a particular expense be Assessed against a particular Owner or Owners.

**ARTICLE 33  EFFECTIVE DATE**

This Village Declaration shall take effect upon recording in the records of the Department of Records and Elections of King County, Washington.

**ARTICLE 34  DECLARATION – EFFECT AS COVENANTS OR SERVITUDES**

The covenants of this Declaration and the Survey Map and Plans, and all amendments thereto now or hereafter made, shall be operative as covenants running with the land or equitable servitudes, supplementing and interpreting the Act and operating independently of the Act should the Act be, in any respect, inapplicable, to establish the common plan for the Condominium development and its operation as indicated herein and in the Survey Map and Plans; provided, however, that the provisions of this Declaration shall not be so applied that the Property is removed from submission to the Act or discontinued in whole or in part as a Condominium development unless such continued application of all or a part of the Declaration is specifically called for or reasonably implied for all or part of the Property.
DATED AND ATTESTED this 10th day of June, 2011.

Hilltop Village I Association of Apartment Owners

By: ____________________________  By: __________________________
__________________________, President  ________________, Secretary

STATE OF WASHINGTON  )
) ss.
COUNTY OF KING  )

On this 10th day of June, 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Glenn Buckholt and Eugene J. Dale, to me known to be the President and Secretary of Hilltop Village I Association of Apartment Owners, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledge that instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument on behalf of said Association.

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

____________________________________
(Print Name)
Notary Public in and for the State of Washington, residing at ________________
My commission expires:_______________
Exhibit A
Legal Description of Parcel for Hilltop Village

PARCEL 58

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 569.01 FEET;
THENCE N88° 15' 32"W 1124.55 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S29° 33' 51"W 82.50 FEET;
THENCE N60° 26' 09"W 127.79 FEET;
THENCE N29° 33' 51"E 84.00 FEET;
THENCE S60° 26' 09"E 42.25 FEET;
THENCE S29° 33' 51"E 15.00 FEET;
THENCE S60° 26' 09"E 54.00 FEET;
THENCE S29° 33' 51"W 16.50 FEET;
THENCE S60° 26' 09"E 31.54 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 59

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 717.19 FEET;
THENCE N88° 15' 32"W 1012.75 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S23° 15' 48"W 103.00 FEET;
THENCE N66° 44' 12"W 155.67 FEET;
THENCE N23° 15' 48"E 57.91 FEET;
THENCE N68° 37' 30"E 64.18 FEET;
THENCE S66° 44' 12"E 110.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 60

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 711.95 FEET;
THENCE N88° 15' 32"W 849.06 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S53° 50' 30"W 127.79 FEET;
THENCE N36° 09' 30"W 84.00 FEET;
THENCE N53° 50' 30"E 42.25 FEET;
THENCE N36° 09' 30"W 15.00 FEET;
THENCE N53° 50' 30"E 54.00 FEET;
THENCE S36° 09' 30"E 16.50 FEET;
THENCE N53° 50' 30"E 31.54 FEET;
THENCE S36° 09' 30"E 82.50 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 61

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 804.42 FEET;
THENCE N88° 15' 32"W 894.03 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S73° 01' 47"W 151.75 FEET;
THENCE N16° 58' 13"W 88.13 FEET;
THENCE N73° 01' 47"E 31.54 FEET;
THENCE S16° 58' 13"E 112.42 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 62

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 977.30 FEET;
THENCE N88° 15' 32"W 944.18 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S51° 39' 41"W 127.79 FEET;
THENCE N06° 39' 41"E 11.31 FEET;
THENCE N51° 39' 41"E 34.25 FEET;
THENCE S38° 20' 19"W 15.00 FEET;
THENCE N51° 39' 41"E 54.00 FEET;
THENCE S38° 20' 19"E 120.21 FEET;
THENCE N51° 39' 41"E 31.54 FEET;
THENCE S38° 20' 19"E 82.50 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 63

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 1026.74 FEET;
THENCE N88° 15' 32"W 791.30 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S19° 49' 56"W 84.00 FEET;
THENCE N70° 10' 04"W 132.79 FEET;
THENCE N19° 49’ 56”E 82.50 FEET;  
THENCE S70° 10’ 04”E 31.54 FEET;  
THENCE N19° 49’ 56”E 16.50 FEET;  
THENCE S70° 10’ 04”E 54.00 FEET;  
THENCE S19° 49’ 56”W 15.00 FEET;  
THENCE S70° 10’ 04”E 47.25 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 64

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;  
THENCE ALONG THE EAST LINE THEREOF N01° 44’ 28”E 891.07 FEET;  
THENCE N88° 15’ 32”W 670.96 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE S67° 03’ 18”W 111.61 FEET;  
THENCE N32° 56’ 42”W 125.97 FEET TO THE EASTERNLY LINE OF TRACT “L” OF HILLTOP VILLAGE I, A CONDOMINIUM AS RECORDED IN VOLUME 81 OF CONDOMINIUMS AT PAGES 5-16, INCLUSIVE, UNDER RECORDING NO. 8606250656, RECORDS OF SAID COUNTY;  
THENCE ALONG SAID EASTERNLY LINE N52° 13’ 57”E 116.67 FEET;  
THENCE LEAVING SAID EASTERNLY LINE S32° 56’ 42”E 121.17 FEET;  
THENCE S15° 17’ 40”E 15.33 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 65

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;  
THENCE ALONG THE EAST LINE THEREOF N01° 44’ 28”E 700.80 FEET;  
THENCE N88° 15’ 32”W 608.19 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE S45° 49’ 20”W 88.00 FEET;  
THENCE N44° 10’ 40”W 186.25 FEET;  
THENCE N45° 49’ 20”E 88.00 FEET;  
THENCE S44° 10’ 40”E 26.54 FEET;  
THENCE N45° 49’ 20”E 17.00 FEET;  
THENCE S44° 10’ 40”E 117.58 FEET;  
THENCE S45° 49’ 20”W 17.00 FEET;  
THENCE S44° 10’ 40”E 42.13 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 66

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44’ 28”E 476.25 FEET;
THENCE N88° 15’ 32”W 396.84 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S66° 00’ 07”W 84.00 FEET;
THENCE N23° 59’ 53”W 132.79 FEET;
THENCE N66° 00’ 07”E 71.16 FEET;
THENCE S52° 36’ 59”E 58.13 FEET;
THENCE S23° 59’ 53”E 34.51 FEET;
THENCE S66° 00’ 07”W 15.00 FEET;
THENCE S23° 59’ 53”E 47.25 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 67  (REVISED LEGAL DESCRIPTION)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44’ 28”E 684.17 FEET;
THENCE N88° 15’ 32”W 276.04 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S30° 53’ 38”W 91.80 FEET;
THENCE N59° 06’ 06”W 148.65 FEET;
THENCE N30° 53’ 38”E 105.80 FEET;
THENCE S59° 06’ 06”E 115.65 FEET;
THENCE S30° 53’ 38”W 14.00 FEET;
THENCE S59° 06’ 06”E 33.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 68  (REVISED LEGAL DESCRIPTION)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44’ 28”E 791.53 FEET;
THENCE N88° 15’ 32”W 461.07 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S49° 38’ 00”W 78.67 FEET;
THENCE N09° 32’ 51”W 35.59 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 198.00 FEET;
THENCE NORTHERLY 28.28 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08° 10’ 56”;
THENCE N49° 38’ 00”E 35.22 FEET;
THENCE S54° 05’ 46”E 52.72 FEET;
THENCE S40° 22’ 00”E 161.83 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 69

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 1125.63 FEET;
THENCE N88° 15' 32"W 708.52 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S50° 52' 57"W 69.95 FEET TO THE BEGINNING OF A NON-TANGENT CURVE
CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 153.00 FEET (A RADIAL LINE
THROUGH SAID BEGINNING BEARS N28° 16' 10"E);
THENCE NORTHWESTERLY 27.29 FEET ALONG SAID CURVE THROUGH A CENTRAL
ANGLE OF 10° 13' 10";
THENCE N39° 07' 03"W 127.54 FEET;
THENCE N50° 52' 57"E 101.50 FEET;
THENCE S39° 07' 03"E 114.04 FEET;
THENCE S50° 52' 57"W 18.88 FEET;
THENCE S39° 07' 03"E 37.62 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 70

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP
24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 935.15 FEET;
THENCE N88° 15' 32"W 1130.74 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S43° 15' 52"W 106.29 FEET;
THENCE N46° 44' 08"W 120.04 FEET;
THENCE N43° 15' 52"E 106.29 FEET;
THENCE S46° 44' 08"E 120.04 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 71

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP
24 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;
THENCE ALONG THE EAST LINE THEREOF N01° 44' 28"E 795.41 FEET;
THENCE N88° 15' 32"W 1189.35 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S69° 30' 28"W 23.09 FEET;
THENCE N50° 29' 32"W 49.29 FEET;
THENCE S50° 29' 32"E 36.50 FEET;
THENCE S50° 29' 32"E 120.21 FEET TO THE TRUE POINT OF BEGINNING.
Exhibit B
Description of Units

1. Matters Common to All Buildings and Units

   All units have an entry hall, a kitchen, and a living room with a fireplace (except units M and I have a second fireplace in the master bedroom). Each unit has access to an exterior deck or patio. There are nine unit types as follows:

2. Description of Unit Floor Plans

   Type C – is approximately 1,012 square feet in area, and has a living room with dining area, one bedroom with two closets, a study, and one and one-half bathrooms.

   Type D – is approximately 1,205 square feet in area, and has a living room, a dining room, two bedrooms, and two full bathrooms.

   Type E – is approximately 1,394 square feet in area, and has a living room, a dining room, two bedrooms, and two full bathrooms.

   Type F – is approximately 1,604 square feet in area, and has a living room, a dining room, a den, two bedrooms, and two full bathrooms.

   Type G – is approximately 1,170 square feet in area, and has a living room with dining area, a dining nook in the kitchen, two bedrooms, and one and one-half bathrooms.

   Type I – is a townhouse unit on the second and third floors of the building in which it is located. It is approximately 2,086 square feet in area, has a dining nook in the kitchen, a living room with fireplace and dining area, a master suite containing bedroom with fireplace and full bathroom with dressing area and walk-in closet, a second bedroom/bathroom suite, a third bedroom and laundry and storage areas.

   Type L – is approximately 1,055 square feet in area, and has a living room with dining room, two bedrooms, and one full bathroom.

   Type M – is approximately 1,975 square feet in area, has a dining nook in the kitchen, a living room with fireplace, a dining room, a master suite containing bedroom with fireplace and full bathroom with walk-in closet, and a second bedroom with full bathroom.

   Type N – is approximately 1,520 square feet in area, has a dining nook in the kitchen, a living room with fireplace and dining area, a master suite containing bedroom and full bathroom with walk-in closet, and a second bedroom with full bathroom.
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14 Bldgs 71 Units 104,323
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