

SUNN FJORD
CONDOMINIUM
DECLARATION

Foster Pepper PLLC
Attention: Gary N. Ackerman
1111 Third Avenue, Suite 3400
Seattle, Washington 98101-3299

AMENDED AND RESTATED
CONDOMINIUM DECLARATION
FOR SUNN FJORD, A CONDOMINIUM

Grantor: SUNN FJORD OWNERS ASSOCIATION, a Washington
corporation
Additional names on pg. N/A

Grantee: SUNN FJORD OWNERS ASSOCIATION, a Washington
corporation
Additional names on pg. N/A

Legal Description: Gov. Lot 1, Sec. 28, Twp. 24 N., Rge. 1 E., W.M., Kitsap Co.
Official legal description on Schedule A

Assessor's Tax Parcel ID#: 8035- 001-001-009 through 8035-012-310-0002

Reference # (if applicable): 8012080079
Additional numbers on pg. N/A

	<u>Page</u>
Section 9.8 Pets	8
Section 9.9 Quiet Enjoyment.....	9
Section 9.10 Trash Removal.....	9
Section 9.11 Offensive and Illegal Activities Prohibited	9
Section 9.12 Hazardous Substances	9
Section 9.13 Conveyance by Owners; Notice Required	10
Article 10. ENTRY FOR REPAIRS OR MAINTENANCE.....	10
Article 11. OWNERS ASSOCIATION.....	10
Section 11.1 Form of Association	10
Section 11.2 Bylaws	11
Section 11.3 Qualification and Transfer.....	11
Section 11.4 Powers of the Association	11
Section 11.5 Financial Statements and Records.....	13
Section 11.6 Inspection of Condominium Documents, Books and Records.....	13
Article 12. THE BOARD.	13
Section 12.1 Selection of the Board	13
Section 12.2 Powers of the Board; Concurrent Power to Adopt Rules and Regulations	14
Section 12.3 Managing Agent	14
Section 12.4 Limitations on Board Authority	14
Section 12.5 Right to Notice and Opportunity to Be Heard.....	14
Article 13. BUDGET AND ASSESSMENTS.	15
Section 13.1 Fiscal Year.....	15
Section 13.2 Preparation of Budget.....	15
Section 13.3 Ratification of Budget	15
Section 13.4 Supplemental Budget.....	15
Section 13.5 Monthly Assessments.....	15
Section 13.6 Special Assessments.....	15
Section 13.7 Creation of Reserves; Assessments	16
Section 13.8 Notice of Assessments.....	16
Section 13.9 Payment of Monthly Assessments.....	16
Section 13.10 Proceeds Belong to Association	16
Section 13.11 Failure to Assess.....	16
Section 13.12 Certificate of Unpaid Assessments.....	16
Article 14. LIEN AND COLLECTION OF ASSESSMENTS.	16
Section 14.1 Assessments Are a Lien; Priority	16

	<u>Page</u>
Section 14.2 Lien May be Foreclosed; Judicial Foreclosure.....	17
Section 14.3 Nonjudicial Foreclosure	17
Section 14.4 Receiver During Foreclosure.....	18
Section 14.5 Assessments Are Personal Obligation.....	18
Section 14.6 Extinguishment of Lien and Personal Liability.....	18
Section 14.7 Joint and Several Liability.....	18
Section 14.8 Late Charges and Interest on Delinquent Assessments.....	19
Section 14.9 Recovery of Attorneys' Fees and Costs	19
Section 14.10 Security Deposit	19
Section 14.11 Remedies Cumulative.....	19
 Article 15. ENFORCEMENT OF DECLARATION, BYLAWS AND RULES AND REGULATIONS.	 19
Section 15.1 Rights of Action	19
Section 15.2 Failure of Board to Insist on Strict Performance No Waiver	19
Section 15.3 Board Enforcement.....	20
 Article 16. TORT AND CONTRACT LIABILITY.....	 20
Section 16.1 Limitation of Liability for Utility Failure, etc.....	20
Section 16.2 No Personal Liability.....	20
 Article 17. INDEMNIFICATION.....	 20
 Article 18. INSURANCE.....	 21
Section 18.1 General Requirements	21
Section 18.2 Property Insurance; Deductible; Owner Responsibility.....	21
Section 18.3 Commercial General Liability Insurance	22
Section 18.4 Insurance Trustee; Power of Attorney.....	22
Section 18.5 Additional Policy Provisions.....	23
Section 18.6 Fidelity Insurance	24
Section 18.7 Owners' Individual Insurance	24
Section 18.8 Use of Insurance Proceeds.....	24
 Article 19. DAMAGE AND REPAIR OR DAMAGE TO PROPERTY.....	 25
Section 19.1 Initial Board Determination.....	25
Section 19.2 Notice of Damage.....	25
Section 19.3 Definitions: Damage, Substantial Damage, Repair, Emergency Work	 26
Section 19.4 Execution of Repairs	26
Section 19.5 Damage Not Substantial.....	27
Section 19.6 Substantial Damage.....	27

	<u>Page</u>
Section 19.7 Effect of Decision Not to Repair	28
Article 20. CONDEMNATION	28
Section 20.1 Consequences of Condemnation; Notices	28
Section 20.2 Power of Attorney	28
Section 20.3 Condemnation of a Unit	28
Section 20.4 Condemnation of Part of a Unit.....	29
Section 20.5 Condemnation of Common Element or Limited Common Element.....	29
Section 20.6 Reconstruction and Repair	29
Article 21. EASEMENTS.....	29
Section 21.1 In General	29
Section 21.2 Encroachments	29
Article 22. PROCEDURES FOR SUBDIVIDING, COMBINING OR ALTERING UNITS.....	30
Section 22.1 Subdivision of Units.....	30
Section 22.2 Combination of Units	30
Section 22.3 Minor Alterations; Hard Surface Flooring	31
Section 22.4 Adjoining Units	31
Section 22.5 Substantial Alteration	31
Section 22.6 Procedure After Approval	32
Section 22.7 Relocation of Boundaries -- Adjoining Units.....	32
Article 23. AMENDMENT OF DECLARATION SURVEY MAP AND PLANS, ARTICLES OR BYLAWS.....	32
Section 23.1 Procedures	32
Section 23.2 Percentages of Consent Required.....	33
Article 24. TERMINATION OF CONDOMINIUM.....	34
Section 24.1 Action Required.....	34
Section 24.2 Condominium Act Governs.....	34
Article 25. NOTICES.....	34
Section 25.1 Form and Delivery of Notice.....	34
Section 25.2 Notices to First Mortgagees.....	35
Section 25.3 Notices to Eligible Mortgagees	35
Article 26. SEVERABILITY.....	36
Article 27. EFFECTIVE DATE.....	36

	<i>Page</i>
Article 28. REFERENCE TO SURVEY MAP AND PLANS.....	36
Schedule A Description of Land in Condominium	
Schedule B Unit Data; Allocated Interests; Voting	
Schedule C Parking and Storage Assignments	

AMENDED AND RESTATED
CONDOMINIUM DECLARATION
FOR SUNN FJORD, A CONDOMINIUM

A. On December 8, 1980, Sunn Fjord, Inc., a corporation, created a condominium known as Sunn Fjord, a condominium (the "Condominium"), by recording a Declaration and Covenants, Conditions, Restrictions and Reservations therefor under Kitsap County Auditor's No. 8012080079 (the "Original Declaration") and Survey Map and Plans recorded under Kitsap County Auditor's No. 8012080078, 8408280118 and 8408280120 (the "Survey Map and Plans"). The Original Declaration has been amended by amendments recorded under Kitsap County Auditor's Nos. 8103170069, 8107210076, 8110060075, 8110090040, 8112290060, 8207220048, 8408280119, 8408280121 and 200501140006 (the "Original Declaration as Amended").

B. The owners of the requisite number of Unit Owners in the Condominium desire to amend the Original Declaration as Amended, in its entirety in order to bring the Condominium fully under the Washington Condominium Act, RCW 64.34.

CERTIFICATE:

The undersigned President of Sunn Fjord Owners Association hereby certifies that this Amended and Restated Condominium Declaration for Sunn Fjord, a condominium (the "Declaration"), has been approved in writing by at least 75 percent of the Unit Owners holding at least 75 percent of the voting power in the Association, as required by Section 21.1 of the Original Declaration as Amended.

Dated 10/19/2011

SUNN FJORD OWNERS ASSOCIATION, a
Washington corporation

By: Barbara Sayers
Its President

STATE OF WASHINGTON

ss.

COUNTY OF KITSAP

I certify that I know or have satisfactory evidence that Barbara Sawyer signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President of SUNN FJORD OWNERS ASSOCIATION, a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 17th day of October, 2010.

Melinda Wagner
(Signature of Notary)

Melinda Wagner
(Legibly Print or Stamp Name of Notary)

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

My appointment expires 12/1/12

Article 1. DEFINITIONS.

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

Allocated Interests means the allocation of Common Expense Liability, Interest in Common Elements and voting for each of the Units in the Condominium determined in accordance with the formulas set forth in Section 5.4 and as listed in Schedule B.

Articles means the Articles of Incorporation for the Association.

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

Association means the owners association identified in Article 11.

Article 12. Board means the board of directors of the Association, as described in

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

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

Common Expenses means expenditures made by or financial liabilities of the Association related to the Common Elements and the general operation of the Association, which are allocated to all Units in accordance with Common Expense Liability pursuant to this Declaration, including allocations to reserves.

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

Condominium means Sunn Fjord, a condominium, created under the Original Declaration.

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

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

Declaration means this Amended and Restated Condominium Declaration for Sunn Fjord, a condominium, as it may from time to time be amended.

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

FHLMC means the Federal Home Loan Mortgage Corporation.

First Mortgagee means, with respect to each Unit, the Mortgagee whose Mortgage on the Unit is prior to all other Mortgages on the Unit.

FNMA means the Federal National Mortgage Association.

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

HUD means the Department of Housing and Urban Development.

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

Limited Common Element means a portion of the Common Elements allocated in Article 7 for the exclusive use of one or more but fewer than all of the Units.

Managing Agent means the person designated by the Board under Section 12.3.

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

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

Notice and Opportunity to be Heard means the procedure described in Section 12.5.

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

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

Rules and Regulations means the rules and regulations for the Condominium adopted by the Board or the Owners to supplement this Declaration.

Survey Map and Plans means the survey map and plans for the Condominium referred to in Article 28 and any amendments thereto.

Unit means a physical portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 5.2 and shown on the Survey Map and Plans.

VA means the Veterans Administration.

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

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

Article 2. CONSTRUCTION AND VALIDITY OF DECLARATION.

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

Article 3. NAME OF CONDOMINIUM.

The name of the Condominium created by this Declaration and the Survey Map and Plans is Sunn Fjord, a condominium.

Article 4. DESCRIPTION OF LAND.

The real property included in the Condominium and subjected to the Condominium Act is described in Schedule A.

Article 5. DESCRIPTION OF UNITS; ALLOCATED INTERESTS.

Section 5.1 Number and Identification of Units. The Condominium has 222 Units. The Identifying Number of each Unit is set forth in Schedule B and shown on the Survey Map and Plans.

Section 5.2 Unit Boundaries. The boundaries of the Units are the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the Units, including within the Unit all paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof; provided, that the Units shall not include those Common Elements specified in Section 6.1. All spaces, interior partitions, fixtures, betterments and improvements within the boundaries of each Unit and intended to be a permanent part of the Unit, other than Common Elements described in Section 6.1, are a part of the Unit.

Section 5.3 Unit Data. Schedule B sets forth the following data for each Unit:

- a. The approximate area;
- b. The level upon which the Unit is located;
- c. The number of bathrooms, whole or partial;
- d. The number of rooms designated primarily as bedrooms; and
- e. The Allocated Interests of each Unit.

Each Unit has a built-in fireplace. The location of each Unit is shown in the Survey Map and Plans.

Section 5.4 Allocated Interests. Schedule B sets forth the Allocated Interests of each of the Units in the Condominium for purposes of Common Expense Liability and interest in the Common Elements. The allocations shall be in proportion to the original Unit value as stated in Schedule B.

Article 6. COMMON ELEMENTS.

Section 6.1 Description. The Common Elements are all portions of the Condominium other than the Units, including all portions of the walls, floors, or ceilings which are not a part of or within the Unit boundaries provided in Section 5.2. The Common Elements also include any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture which lies partially within and partially outside the designated boundaries of a Unit which serves more than one Unit or any portion of a Common Element.

Section 6.2 Use. Each Owner shall have the right to use the Common Elements in common with all other Owners and a right of access from the Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not

only to each Owner, but also to his agents, servants, tenants, family members, and invitees. The right to use the Common Elements shall be governed by the provisions of the Condominium Act, this Declaration, the Bylaws, and the Rules and Regulations of the Association.

Article 7. LIMITED COMMON ELEMENTS.

Section 7.1 Description. The Limited Common Elements allocated to each Unit are the deck patio and storage room adjacent to the Unit, as shown on the Survey Map and Plans, and any parking space assigned to the Unit pursuant to Section 8.1.

Section 7.2 Reallocation. A Limited Common Element may be reallocated between Units only with the written approval of the Board and by an amendment to this Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section within 30 days, or within such other period provided by this Declaration, unless the proposed reallocation does not comply with the Condominium Act or this Declaration. The failure of the Board to act upon a request within such period shall be deemed the disapproval thereof. The amendment shall be recorded in the names of the parties and of the Condominium. A Common Element may be reallocated as a Limited Common Element or a Limited Common Element may be incorporated into an existing Unit with the approval of 67 percent of the Owners, including the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to this Declaration and the Survey Map and Plans.

Article 8. PARKING.

Section 8.1 Assignment to Units. There are 307 open or uncovered automobile parking spaces, 63 covered (carport) automobile parking spaces and one open motorcycle parking space in the Condominium. The parking spaces that have been assigned to Units as Limited Common Elements are identified by letter and number on the Survey Map and Plans. The assignments to Unit are made in Schedule C.

Section 8.2 Rental of Parking Spaces. The Owner of a Unit may rent a parking space which is a Limited Common Element of that Unit to the owner or occupant of another Unit in the Condominium, but such rental shall be subject to termination upon 15 days' notice. Rental of a parking space shall be terminated automatically and without notice upon the transfer of title of the Unit to which it is a Limited Common Element. The Board may rent unassigned parking spaces to Unit Owners or their tenants.

Section 8.3 Use of Parking Spaces. The parking spaces are to be used for the parking of currently licensed and operable passenger motor vehicles and may not be used for parking trailers or recreational vehicles, or for other purposes except to the extent expressly

allowed by Rules and Regulations. The Board may direct that any vehicle or other thing improperly parked or kept in a Limited Common Element or Common Element parking space be removed at the risk and cost of the owner thereof.

Article 9. PERMITTED USES; MAINTENANCE; CONVEYANCES.

Section 9.1 Residential Units; Timesharing Prohibited. The Units are intended for and restricted to residential use, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, including use as a home office that does not involve use by nonresident employees or regular visits by customers or clients. Timesharing of Units, as defined in RCW 64.34, is prohibited.

Section 9.2 Leases of Units. No lease or rental of a Unit may be for less for than the entire Unit. The minimum initial lease term for a Unit is six months. All leases or rental agreements for Units shall provide that their terms shall be subject in all respects to the provisions of this Declaration and the Bylaws and Rules and Regulations and that any failure by the tenant to comply with the terms of such documents, Rules and Regulations shall be a default under the lease or rental agreement. If any lease or rental agreement under this Section does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be part of the lease and binding upon the Owner and the tenant by reason of their being stated in this Declaration. The Board may adopt a rule that requires any Owner desiring to rent a Unit to have any prospective tenant (other than a relative of the Owner) screened, at the Owner's cost, by a tenant screening service designated or approved by the Board and to furnish the report of the tenant screening service to the Board or its designee prior to Owner's entering into a lease with the prospective tenant. All leases, rental agreements, and licenses shall be in writing. Owners of Units shall deliver to the Association copies of all leases and rental agreements for their Units before the tenancy commences. If any lessee or occupant of a Unit violates or permits the violation by his customers, clients, employees, guests and invitees of any provisions hereof or of the Bylaws or of the Rules and Regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the lessee or occupant of the Unit and the Owner thereof to forthwith cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the tenant or occupant if the Owner fails to do so after Notice from the Board and an Opportunity to be Heard. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorneys' fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 14. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise rent his Unit. No restriction on the right to lease a Unit shall apply to a Unit acquired by a Mortgagee.

Section 9.3 Maintenance of Units, Common Elements, and Limited Common Elements. Except as provided below, the Association is responsible for maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and each Owner is responsible for maintenance, repair and replacement of the Owner's Unit. Each Owner shall, at the Owner's sole expense, keep the interior of the Owner's Unit and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Unit. Each Owner shall keep the Limited Common Elements allocated to the Owner's Unit in a neat and clean condition in accordance with such Rules and Regulations as may be adopted by the Association. Owners shall be responsible for the maintenance, installation, repair and replacement of the glass and frames in the windows, glass doors or exterior doors of their Units. Each Owner shall be responsible for the maintenance, repair, or replacement of any plumbing, plumbing fixtures, wiring, electrical fixtures, water heater, air conditioning unit and equipment, deck or patio drain, fan, heating or other equipment which serve only that Unit, whether or not located in the Unit. The Association may, as a Common Expense, provide for the inspection of any portion of a Unit or Limited Common Element, the failure of which to maintain properly may cause damage to the Common Elements, Limited Common Elements or another Unit or cause unnecessary Common Expenses, including, but not limited to, deck or patio drains, bathtubs, sinks, toilets, air conditioning unit and equipment, hot water tank and plumbing, plumbing fixtures, wiring and electrical fixtures. The Association shall provide at least three days' notice to the occupant of the Unit and shall specify in the notice what items are to be inspected and a time for the inspection. If the inspection discloses the need for repair or replacement, the Association may either require the responsible Owner to make the repair or replacement or to make the repair or replacement itself and allocate the cost thereof to the Owner. The Association may also require or provide for the replacement of any hot water tank that it determines to be in danger of leaking or nearing the end of its useful life and specially assess the cost thereof to the Owner.

Section 9.4 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Association shall provide for the maintenance, repair, and replacement of the exterior of the buildings. No Owner may modify or decorate the exterior of a building, deck, patio, screens, doors, windows, awnings, or other portions of any Unit visible from outside the Unit without the prior written consent of the Board or in accordance with Rules and Regulations of the Association. Interior window coverings visible from outside the Unit, including the sliding door, shall be white or off-white in color, or as permitted in the Rules and Regulations. No solar panels, radio or television antennas, or other appliances may be installed on the exterior of the building without the prior written consent of the Board. Any outdoor furniture placed in a Limited Common Element deck or patio shall be maintained by the Unit Owner in good repair. The Rules and Regulations may regulate the color and style of deck and patio furniture. The Board may regulate the use of barbeque grills on Limited Common Element decks and patios. Except to the extent permitted by law,

Owners may not install antennas, dishes or other receiving devices in or on any portion of the Common Elements or Limited Common Elements.

Section 9.5 Effect on Insurance. Nothing shall be done or kept in any Unit or in any Common Element or Limited Common Element that will increase the rate of insurance on the property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or in any Common Element or Limited Common Element that will result in the cancellation of insurance on any part of the property.

Section 9.6 Use or Alteration of Common Elements and Limited Common Elements. Use of the Common Elements and Limited Common Elements shall be subject to the provisions of this Declaration and the Rules and Regulations. Except as provided in this Declaration or in Rules and Regulations, nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element without the prior written consent of the Board.

Section 9.7 Signs. No sign of any kind shall be displayed to the public view on or from any Unit, Limited Common Element or Common Element without the prior consent of the Board except as set forth herein. The Board may erect, on the Common Elements, a master directory listing Units that are for sale or lease or may regulate the size and location of signs advertising Units for sale or lease.

Section 9.8 Pets. Domesticated cats and dogs (herein referred to as "pets") may be kept in Units subject to Rules and Regulations; provided that no Owner may keep more than two dogs, two cats or one dog and one cat in a Unit and pets, other than registered service animals, may be no greater than 15 inches at the shoulder. Other domesticated and non-domesticated animals including but not limited to birds, reptiles, rodents, insects (whether as pets or food for animals) and "exotic animals" are not permitted in the Condominium except as expressly by Rules and Regulations. The Board may prohibit dangerous breeds of dogs. Pets are not allowed on any Common Element or Limited Common Element unless they are on a leash or held and are being walked to or from the Unit to a public street or sidewalk. Pets, other than registered service animals, are not permitted in the swimming pool, cabana or tennis court areas. The Board may, after Notice and Opportunity to be Heard, at any time require the removal of any pet or other animal which it finds, in its sole discretion, is disturbing other Owners unreasonably, and may exercise this authority for specific pets or other animals even though other pets are permitted to remain. The Board's decision to require removal of a pet or other animal under this Section shall be final and shall not be subject to judicial review. The owner of any pet or other animal in the Condominium shall be responsible for any damage to person or property caused by the pet or other animal and shall indemnify and hold the Association harmless from any and all liability arising from or caused by the pet or other animal, including payment of any attorney's fees incurred by the Association in connection with removal of a pet or other violation of this Section.

Section 9.9 Quiet Enjoyment. No Owner shall permit anything to be done or kept in the Owner's Unit, Limited Common Elements or Common Elements which would interfere with the right of quiet enjoyment of the other residents and occupants of the Condominium. In particular, sound system loudspeakers shall not be rigidly attached to the party wall with another Unit or to the ceilings, walls, shelves or cabinets in a Unit in a manner that will induce vibrations into the structure of the building. The Rules and Regulations may establish "quiet hours" restricting certain noise related activities in the Units, Common Elements or Limited Common Elements.

Section 9.10 Trash Removal. Each Owner shall be responsible for removing all trash or garbage from the Unit and depositing it promptly in proper receptacles as designated by the Association in accordance with such Rules and Regulations as may be adopted. Owners shall make reasonable efforts to comply with recycling laws and regulations. Owners are responsible for removal of oversized items from the property.

Section 9.11 Offensive and Illegal Activities Prohibited. No noxious, offensive or illegal activities shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners. Owners shall not permit any condition to exist that will induce, breed or harbor infectious plant diseases or noxious insects or vermin.

Section 9.12 Hazardous Substances. The Owner of each Unit shall not permit any Hazardous Substance to be generated, processed, stored, transported, handled or disposed of on, under, in or through the Owner's Unit or the Property; and each Owner shall indemnify, defend, and hold harmless the other Owner or Owners and the Association from all fines, suits, procedures, claims and actions of any kind arising out of or in any way connected with any spills or discharges of Hazardous Substances or wastes arising from the operation or use of the Unit or the Property by the Owner or the tenants or invitees of the Unit. As used herein, the term "Hazardous Substance" means any hazardous, toxic or dangerous substance, waste or material which is or becomes regulated under any federal, state or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or cleanup, including without limitation any substance, waste or material which now or hereafter is designated as a "Hazardous Substance" under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), or under any local or state rule or regulation. Without limiting the foregoing, Hazardous Substances shall include, but not be limited to, any substance which after being released into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer and/or genetic abnormalities.

Section 9.13 Conveyance by Owners; Notice Required. The right of an Owner to convey a Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to convey a Unit shall deliver a written notice to the Board on the form provided to the Owner by the Managing Agent, at least two weeks before closing, specifying (a) the Unit being sold; (b) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (c) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid Assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and the Unit Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy under Article 18 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy.

Article 10. ENTRY FOR REPAIRS OR MAINTENANCE.

The Association and its agents or employees may enter any Unit and the Limited Common Elements allocated thereto to effect repairs, improvements, replacements, maintenance or sanitation work deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Owner has failed to perform, or to prevent damage to the Common Elements, the Limited Common Elements or to another Unit. Except in cases of great emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard at least three days in advance of entry. Such entry shall be made with as little inconvenience to the Owners and occupants as practicable. The Board may levy a special Assessment against the Owner of the Unit for all or part of the cost of work that the Owner has failed to perform which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 14. The Board may require Owners and tenants to furnish duplicate keys to their Units to the Board or the Board's designated agent. Owners shall not change entry locks without prior notice to the Board and furnishing of keys for new locks, if required.

Article 11. OWNERS ASSOCIATION.

Section 11.1 Form of Association. The Owners of Units shall constitute an owners association to be known as Sunn Fjord Owners Association or such other name as the Board shall determine. The Association shall be organized as a nonprofit corporation. It will be governed by the Board, the number of members of which shall be specified in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of the Condominium Act, this Declaration and the Bylaws.

Section 11.2 Bylaws. The Board will adopt Bylaws to supplement this Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Act or this Declaration.

Section 11.3 Qualification and Transfer. Each Owner of a Unit shall be a member of the Association and shall be entitled to one membership for each Unit owned, which membership shall be considered appurtenant to that member's Unit. Ownership of a Unit shall be the sole qualification for membership in the Association. A membership shall not be transferred in any way except upon the transfer of title to the Unit and then only to the transferee of title to the Unit; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association to the new Owner.

Section 11.4 Powers of the Association. In addition to those actions authorized elsewhere in this Declaration, the Association shall have the power to:

- 11.4.1 Adopt and amend the Bylaws and the Rules and Regulations;
- 11.4.2 Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Assessments for Common Expenses from Owners;
- 11.4.3 Hire and discharge or contract with Managing Agents and other employees, agents, and independent contractors;
- 11.4.4 Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium;
- 11.4.5 Make contracts and incur liabilities;
- 11.4.6 Provide for or regulate the use, maintenance, repair, replacement, and modification of Common Elements and Limited Common Elements;
- 11.4.7 Cause additional improvements to be made as a part of the Common Elements and Limited Common Elements;
- 11.4.8 Maintain the landscaping within the public rights-of-way adjacent to the Condominium;

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

11.4.9.1 If the estimated cost of any separate property acquisition or addition or improvement to the Condominium exceeds \$10,000, the approval of the Owners holding a majority of the votes in the Association shall be required; and

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

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

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

11.4.12 Impose and collect reasonable fees relating to conveyance or change in occupancy of the Units, such as move-in/move-out fees and transfer fees;

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

11.4.14 Impose and collect charges for late payment of Assessments as further provided in Article 14 and, after Notice and an Opportunity to be Heard by the Board or by such representative designated by the Board and in accordance with such procedures as provided in this Declaration, the Bylaws, or Rules and Regulations, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of this Declaration, the Bylaws and the Rules and Regulations;

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

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

11.4.17 Assign its right to future income, including the right to receive Assessments;

11.4.18 Provide or pay, as a Common Expense, the following utility service to the Units: water, sewer and garbage removal;

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

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

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

Section 11.5 Financial Statements and Records. The Association shall keep financial records in accordance with accrual based accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.34.425. All financial records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with accrual based or generally accepted accounting principles. The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner and shall be completed within 120 days following the end of the fiscal year. Any Mortgagee shall, upon request, be entitled to receive a copy of the annual financial statement within a reasonable time. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at the Owner's expense, may at any reasonable time conduct an audit of the books of the Board and Association.

Section 11.6 Inspection of Condominium Documents, Books and Records. The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the Rules and Regulations, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Article 12. THE BOARD.

Section 12.1 Selection of the Board. The Owners shall elect Board members in the manner provided in the Bylaws. A majority of Board members shall be Owners. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members

of the Board and officers shall take office upon election. Removal of Board members shall be provided in the Bylaws.

Section 12.2 Powers of the Board; Concurrent Power to Adopt Rules and Regulations. Except as provided in this Declaration, the Bylaws or the Condominium Act, the Board shall at all times act on behalf of the Association and may exercise all powers of the Association. The Owners shall have the concurrent authority with the Board to adopt, amend or revoke Rules and Regulations.

Section 12.3 Managing Agent. The Board shall contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Termination of professional management and assumption of self-management by the Association shall be subject to the provisions of Section 23.2. Any contract with a Managing Agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

Section 12.4 Limitations on Board Authority. The Board shall not act on behalf of the Association to amend this Declaration in any manner that requires the vote or approval of the Unit Owners, First Mortgagees or Eligible Mortgagees pursuant to Article 23, to terminate the Condominium pursuant to Article 24, or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board. The Board may, in accordance with the Bylaws, fill vacancies in its membership for the unexpired portion of any term.

Section 12.5 Right to Notice and Opportunity to Be Heard. Whenever this Declaration requires that an action of the Board be taken after "Notice and Opportunity to be Heard," the following procedure shall be observed: The Board shall give written notice of the proposed action to all Owners, tenants or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five days from the date notice is delivered by the Board. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the Board. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Article 13. BUDGET AND ASSESSMENTS.

Section 13.1 Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

Section 13.2 Preparation of Budget. Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the Common Expenses and Specially Allocated of the Association to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for the operation, maintenance, repair, and replacement of the Common Elements and the Limited Common Elements, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association.

Section 13.3 Ratification of Budget. Within 30 days after adoption of any proposed budget for the Condominium after the Transition Date, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 60 days after mailing of the summary. Unless at that meeting the Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

Section 13.4 Supplemental Budget. If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessments, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget shall be subject to ratification by the Owners pursuant to Section 13.3.

Section 13.5 Monthly Assessments. The amounts required by the Association for Common Expenses as reflected by the annual budget and any supplemental budgets shall be divided into installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly Assessment for each Unit is the Common Expense Liability of that Unit times the total monthly installment for Common Expenses for all Units.

Section 13.6 Special Assessments. For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Units, subject to ratification by the Owners pursuant to Section 13.3. To the extent that any Common Expense is caused by the misconduct of an Owner or tenant of any Unit, the Association may, after Notice and Opportunity to be Heard, levy a special Assessment for the expense against the Unit.

Section 13.7 Creation of Reserves; Assessments. The Board shall create reserve accounts for anticipated expenses for repairs and replacement to the Common Elements and Limited Common Elements which will occur in the future in order to accumulate sufficient funds to pay such expenses when they occur. The operation of reserve accounts and Assessments for reserve accounts shall be further governed by the Bylaws.

Section 13.8 Notice of Assessments. The Board shall notify each Owner in writing of the amount of the monthly general and special Assessments to be paid for the Owner's Unit and shall furnish copies of all budgets and the Common Expense Liability of the Unit on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if requested.

Section 13.9 Payment of Monthly Assessments. On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or designated agent of the Association all Assessments against the Unit for that month. Any Assessment not paid by the fifteenth day of the calendar month for which it is due, or such other day specified by the Board, shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 14.

Section 13.10 Proceeds Belong to Association. All Assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.

Section 13.11 Failure to Assess. Any failure by the Board or the Association to make the budgets and Assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay Assessments during that or any subsequent year, and the monthly Assessments amounts established for the preceding year shall continue until new Assessments are established.

Section 13.12 Certificate of Unpaid Assessments. Upon the request of any Owner or Mortgagee of a Unit, the Board will furnish a certificate stating the amount, if any, of unpaid Assessments charged to the Unit. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and Mortgagees of the Unit who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

Article 14. LIEN AND COLLECTION OF ASSESSMENTS.

Section 14.1 Assessments Are a Lien; Priority. The Association has a lien on a Unit for any unpaid Assessment levied against a Unit from the time the Assessment is due. A lien under this Article shall be prior to all other liens and encumbrances on a Unit except: (a) liens and encumbrances recorded before the recording of this Declaration; (b) a Mortgage on the

Unit recorded before the date on which the Assessment sought to be enforced became delinquent, EXCEPT to the extent of Assessments for Common Expenses excluding any amounts for capital improvements, based on the periodic budgets adopted by the Association pursuant to Article 13 which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for judicial foreclosure by either the Association or a Mortgagee, the date of a trustee's sale in a nonjudicial foreclosure of a Mortgage, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract; PROVIDED that the priority of the Association's lien against Units encumbered by a Mortgage held by an First Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such Mortgagee becomes a First Mortgagee or an Eligible Mortgagee or has given such notice and before the Association gives such Mortgagee a written notice of the delinquency; and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Recording of this Declaration constitutes record notice and perfection of the lien for Assessments; however, the Association may record a notice of claim of lien for Assessments in the real property records of the county in which the Condominium is located. Such recording shall not constitute the written notice of delinquency to a Mortgagee referred to above.

Section 14.2 Lien May be Foreclosed: Judicial Foreclosure. The lien arising under this Article may be enforced judicially by the Association or its authorized representative in the manner set forth in RCW 61.12, or nonjudicially in the manner set forth in Section 14.3. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this Section shall prohibit the Association from taking a deed in lieu of foreclosure. Except as provided in the exception to (b) in Section 14.1, the holder of a Mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure shall not be liable for any Assessments or installments thereof that became due prior to such right of possession. Such unpaid Assessments shall be deemed to be Common Expenses collectible from all the Owners, including such Mortgagee or other purchaser of the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against the Unit prior to the date of such sale.

Section 14.3 Nonjudicial Foreclosure. A lien arising under this Article may be foreclosed nonjudicially in the manner set forth in RCW 61.24 for nonjudicial foreclosure deeds of trust. For the purpose of preserving the Association's nonjudicial foreclosure option, this Declaration shall be considered to create a grant of each Unit in trust to Chicago Title Insurance Company or its successors or assigns ("Trustee"), to secure the obligations of each Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of Assessments.

Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of an obligation to pay Assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay Assessments. The Units are not used principally for agricultural or farming purposes. If the Association forecloses its lien nonjudicially pursuant to this Section, it shall not be entitled to the lien priority over Mortgages provided in exception (b) of Section 14.1.

Section 14.4 Receiver During Foreclosure. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent Assessments against a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rent is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental Units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent Assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

Section 14.5 Assessments Are Personal Obligation. In addition to constituting a lien on the Unit, all sums assessed by the Association chargeable to any Unit, including all charges provided in this Article, shall be the personal obligation of the Owner of the Unit when the Assessments are made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 14.6 Extinguishment of Lien and Personal Liability. A lien for unpaid Assessments and the personal liability for payment of Assessments is extinguished unless proceedings to enforce the lien or collect the debt are instituted within three years after the amount of the Assessments sought to be recovered becomes due.

Section 14.7 Joint and Several Liability. In addition to constituting a lien on the Unit, each Assessment shall be the joint and several obligation of the Owner or Owners of the Unit to which the same are assessed as of the time the Assessment is due. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Suit to recover a personal judgment for any delinquent Assessment shall be maintainable in any court of competent jurisdiction without foreclosing or waving the lien securing such sums.

Section 14.8 Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and/or a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established nonusurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

Section 14.9 Recovery of Attorneys' Fees and Costs. The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment.

Section 14.10 Security Deposit. An Owner who has been delinquent in paying monthly Assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other Assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying Assessments. If used to cover delinquent Assessments, the Owner shall promptly restore the security deposit.

Section 14.11 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

Article 15. ENFORCEMENT OF DECLARATION, BYLAWS AND RULES AND REGULATIONS.

Section 15.1 Rights of Action. Each Owner, the Board and the Association shall comply strictly with this Declaration, the Bylaws, and the Rules and Regulations adopted pursuant thereto, as they may be lawfully amended from time to time, and the decisions of the Board. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board on behalf of the Association or by an Owner.

Section 15.2 Failure of Board to Insist on Strict Performance No Waiver. The failure of the Board in any instance to insist upon the strict compliance with this Declaration, the Bylaws or Rules and Regulations, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the

Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

Section 15.3 Board Enforcement. The Board has the authority to enforce this Declaration and the Bylaws and Rules and Regulations by imposing the remedies provided herein. After repeated violations of the Declaration, Bylaws, or Rules and Regulations by an Owner and after an Owner's Right to Notice and Opportunity to be Heard, the Board shall have the authority to file an action for damages and for injunctive relief, including in a proper case, removal of the Owner from the Owner's Unit and the authority to pursue any and all remedies available in law or equity.

Article 16. TORT AND CONTRACT LIABILITY.

Section 16.1 Limitation of Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Association, neither the Association or any of its officers, directors or committee members shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may leak or flow from outside or from any parts of the building, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

Section 16.2 No Personal Liability. So long as an officer, director or committee member of the Association has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Association.

Article 17. INDEMNIFICATION.

Each Board officer, director and committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which such person may be a party, or in which such person may become involved, including appeals of such proceedings, by reason of holding or having held such position, or any settlement thereof, whether or not such person holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of

insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of such person's duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

Article 18. INSURANCE.

Section 18.1 General Requirements. The Association shall maintain, to the extent reasonably available, a policy or policies and bonds necessary to provide (a) property insurance; (b) commercial general liability insurance; (c) fidelity insurance; (d) worker's compensation insurance to the extent required by applicable laws; (e) directors and officers liability insurance; and (f) such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, authorized to do business in the state of Washington, and meet the specific requirements of FNMA, FHLMC, HUD and VA, so long as any of them is a Mortgagee or Owner of a Unit, regarding the qualifications of insurance carriers. The Board shall allocate the premium for the Association's insurance to the Unit Owners as a Common Expense. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect property, liability and fidelity insurance that meets the insurance requirements for condominium projects established by FNMA, FHLMC, HUD and VA, so long as any of them is a Mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by them. All such insurance policies shall provide that coverage may not be cancelled or substantially reduced without at least 45 days' prior written notice (10 days for cancellation for nonpayment of premium) to the Association as the first named insured therein.

Section 18.2 Property Insurance; Deductible; Owner Responsibility. The property insurance shall, at the minimum and subject to such reasonable deductible as the 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 interior partitions, equipment, fixtures, betterments and improvements in or serving the Units, whether installed originally or later, intended as a permanent part of the Unit and personal property of the Association with an "Agreed Amount Endorsement" or equivalent endorsement and, if required by FNMA or FHLMC, construction code endorsements, such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," an "Increased Cost of Construction Endorsement," and such other endorsements as FNMA or FHLMC deems necessary and are available. The Association's policy shall provide a separate loss payable endorsement in favor of the Mortgagee of each Unit. The policy may, in the discretion of the Board, cover loss due to earthquake. The Association or insurance trustee, if any, shall hold insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Each Owner and the Owner's Mortgagee, if any, shall be beneficiaries of the policy

in accordance with the interest in the Common Elements appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. Up to the amount of the standard deductible under the Association's policy (but not the deductible for earthquake), each Owner of a Unit shall be responsible for (a) damage or loss within the Owner's Unit to equipment for which the Owner is responsible under Section 9.3 (b) damage to another Unit or to the Common Elements resulting from the negligence or misconduct of the Unit Owner or tenant of the Owner's Unit or licensee of the Owner or tenant; or (c) damage resulting from faulty or leaking plumbing fixtures or pipes, hot water tanks, sinks, bathtubs, toilets, dishwashers, washers, including any connecting hoses or drains in or serving only the Owner's Unit. Each Owner of a Unit shall promptly advise the Association in writing of any betterment or improvement intended as a permanent part of the Unit costing \$5,000 or more.

Section 18.3 Commercial General Liability Insurance. The liability insurance coverage shall insure the Board, the 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 Association or of another Owner, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Common Elements, host liquor liability, employers' liability insurance, automobile liability insurance, and such other risks as are customarily covered with respect to residential condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally required by Mortgagees for projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

Section 18.4 Insurance Trustee; Power of Attorney. The named insured under the policies referred to in Section 18.2 and Section 18.3 shall be the Association, as trustee for each of the Owners in accordance with their respective interests in the Common Elements. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of Section 18.8, the proceeds must be disbursed first for the repair or restoration of the damaged property, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purposes.

Section 18.5 Additional Policy Provisions. The insurance obtained pursuant to Section 18.2 and Section 18.3 shall contain the following provisions and limitations:

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

18.5.2 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.

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

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

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

18.5.6 A standard mortgagee clause which shall:

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

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

18.5.6.3 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

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

Section 18.6 Fidelity Insurance. The required fidelity insurance shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all other persons who handle or are responsible for handling funds of or administered by, the Association. The Managing Agent shall maintain fidelity insurance for its officers, employees, and agents who handle or who are responsible for handling funds of, or funds administered by the Association. All such fidelity insurance shall name the Association as an obligee and shall be not less than the estimated maximum of funds, including reserve funds, in custody of the Association at any time during the term of each policy, but, in no event, shall the aggregate amount of insurance be less than three months' aggregate Assessments. At closing each purchaser of a Unit shall deliver to the closing agent and the Association a certificate of insurance or other proof that such insurance has been obtained.

Section 18.7 Owners' Individual Insurance. An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit. Each Unit Owner shall be required to obtain and maintain standard condominium unit owners insurance. The minimum coverage for Unit Owners' policies may be established in the Rules and Regulations. The Association shall have right but not the obligation to monitor the maintenance of insurance by Owners and shall have to right, but not the obligation, to obtain such insurance for the Unit Owner if the Owner fails to obtain or maintain and specially assess the cost thereof to the Owner. Each policy of insurance required by this Section shall include a provision that requires the insurance provider to notify the Association in the same manner that the insured is notified if the Owner's policy is cancelled or terminated, or if coverage is reduced.

Section 18.8 Use of Insurance Proceeds. Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to Article 19 unless: (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) Owners holding at least 80% of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of the deductible, insurance proceeds and reserves is a Common Expense. The Owner of each Unit 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 Condominium are not repaired or replaced: (i) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear; and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion

to the Interest in Common Elements of each Unit. If the Unit Owners vote not to rebuild any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article 20, and the Association promptly shall prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section, Article 24 governs the distribution of insurance proceeds if the Condominium is terminated.

Article 19. DAMAGE AND REPAIR OR DAMAGE TO PROPERTY.

Section 19.1 Initial Board Determination. In the event of damage to any Common Element or to any portion of a Unit or its Limited Common Elements, equipment or appliances covered by the Association's insurance policy, the Board shall promptly (but not later than 60 days after the date of damage) make the following determinations with respect thereto, employing such advice as the Board deems advisable:

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

19.1.2 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.

19.1.3 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.

19.1.4 The amount of the deductible to be paid by a Unit Owner with respect to damage or loss within the Owner's Unit.

19.1.5 The amount of available reserves or other Association funds, although the Board is not required to use any reserves or other Association funds.

19.1.6 The amount, if any, by which the estimated cost of repair exceeds the portion of the deductible to be paid by a Unit Owner, expected insurance proceeds and available reserves or other 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 19.2 Notice of Damage. The Board shall promptly, and in all events within 60 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 Board determines it would not be in the best interest of the Association to file a proof of loss. The Board shall then provide each Owner with a written notice describing the damage and summarizing the initial Board determinations made under Section 19.1. If the

damage affects a material portion of the Condominium, the Board shall also send the notice to each Mortgagee; and if the damage affects a Unit, the Board shall send the notice to the Mortgagee of that Unit. If the Board fails to do so within the 60-day period, any Owner or Mortgagee may make the determinations required under Section 19.1 and give the notice required under this Section.

Section 19.3 Definitions: Damage, Substantial Damage, Repair, Emergency Work.
As used in this Article:

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

19.3.2 Substantial Damage shall mean that in the judgment of the Board the estimated Assessment determined under Subsection 19.1.6 for any one Unit exceed ten percent of the full, fair market value of the Unit before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

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

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

Section 19.4 Execution of Repairs.

19.4.1 The Board shall promptly repair the damage and use the available insurance proceeds therefor as provided in Section 18.8. If the cost of repair exceeds the amount of the deductible to be paid by a Unit Owner, expected insurance proceeds and available reserves or other Association funds, the Board shall impose Assessments against all Units in proportion to their Common Expense Liabilities in an aggregate amount sufficient to pay the excess costs.

19.4.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

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

Section 19.5 Damage Not Substantial. If the damage as determined under Subsection 19.3.2 is not substantial, the provisions of this Section shall apply.

19.5.1 Either the Board or the requisite number of Owners, within 15 days after the notice required under Section 19.2 has been given, may but shall not be required to, call a special Owners' meeting in accordance with Section 11.4 and the Bylaws to decide whether to repair the damage.

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

19.5.3 A decision to not repair or rebuild may be made in accordance with Section 18.8.

Section 19.6 Substantial Damage. If the damage determined under Subsection 19.3.2 is substantial, the provisions of this Section shall apply.

19.6.1 The Board shall promptly, and in all events within 60 days after the date of damage, call a special Owners' meeting to consider repairing the damage. If the Board fails to do so within 60 days, then notwithstanding the provisions of Section 11.4 and the Bylaws, any Owner or first Mortgagee of a Unit may call and conduct the meeting.

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

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

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

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

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

19.6.3.4 Failure to conduct the special meeting provided for under Section 23.1 within 90 days after the date of damage shall be deemed a unanimous decision to repair the damage in accordance with the original plan.

Section 19.7 Effect of Decision Not to Repair. In the event of a decision under either Subsection 19.5.3 or 19.6.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as provided in Section 18.8.

Article 20. CONDEMNATION.

Section 20.1 Consequences of Condemnation; Notices. If any Unit or portion thereof or the Common Elements or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each holder of a first Mortgage and the provisions of this Article shall apply.

Section 20.2 Power of Attorney. Each Owner appoints the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings and negotiations, settlements and agreements with the condemning authority for acquisition of Common Elements or any part thereof, from the condemning authority. The Board may appoint a trustee to act on behalf of the Owners in carrying out the foregoing functions in lieu of the Association. Should the Association not act, based on their right to act pursuant to this Section, the affected Owners may individually or jointly act on their own behalf.

Section 20.3 Condemnation of a Unit. If a Unit is acquired by condemnation, or if part of a Unit is acquired by condemnation leaving the Unit Owner with a remnant of a Unit which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation of a Unit shall be paid to the Owner or lienholder of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall

promptly prepare, execute, and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

Section 20.4 Condemnation of Part of a Unit. Except as provided in Section 20.3, if part of a Unit is acquired by condemnation, the award must compensate the Unit Owner for the reduction in value of the Unit and its appurtenant interest in the Common Elements, whether or not any Common Elements are acquired. The proceeds from the condemnation awarded to the Unit Owner shall be paid to the Owner or lienholders of the Unit, as their interests may appear. Upon acquisition, unless the decree otherwise provides: (a) that the Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit; and (b) the portion of the Allocated Interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

Section 20.5 Condemnation of Common Element or Limited Common Element. If part of the Common Elements is acquired by condemnation the portion of the award attributable to the Common Elements taken shall be paid to the Owners based on their respective interests in the Common Elements, or to lienholders, as their interests may appear. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of the acquisition, or to lienholders, as their interests may appear. If the Board determines that a particular Owner's interest in the Common Elements diminished with respect to other Owners, by the acquisition of a Common Element, this Declaration may be amended to adjust that Owner's Common Expense Liability allocation, or to remove the allocation of a Limited Common Element to that Owner's Unit, as the case may be.

Section 20.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 19.

Article 21. EASEMENTS.

Section 21.1 In General. Each Unit has an easement in and through each other Unit and the Common Elements and Limited Common Elements for all support elements and utility, wiring, heat, plumbing and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium.

Section 21.2 Encroachments. To the extent not provided by the definition of "Unit" in this Declaration and in the Condominium Act, each Unit and all Common Elements and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction,

reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements and Limited Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

Article 22. PROCEDURES FOR SUBDIVIDING, COMBINING OR ALTERING UNITS.

Section 22.1 Subdivision of Units. No Unit may be subdivided either by agreement or legal proceedings, except as provided in this Article.

22.1.1 An Owner may propose subdividing a Unit by submitting a proposal in writing to the Board and to all other Owners and Mortgagees of the Unit to be subdivided. The proposal must include complete plans and specifications for accomplishing the subdivision and proposed amendments of this Declaration and the Survey Map and Plans which amendments shall be executed by the Owner of the Unit to be subdivided upon approval pursuant to Subsection 22.1.2, and which amendments assign an identifying number to each Unit created, and prorate the Allocated Interest of the Unit between or among the new Units based on the relative areas of the new Units or such other reasonable method as the Owner shall propose. The Owner of the Unit to be subdivided shall bear all costs of the subdivision, including the cost of professional consultants, such as architects and engineers, retained by the Board to review Owner's plans and specifications.

22.1.2 A proposal that contemplates subdivision of a Unit will be accepted only if approved in writing by all Owners and Mortgagees of the Unit to be subdivided and the Board.

Section 22.2 Combination of Units. No Units shall be combined either by agreement or legal proceedings, except as provided in this Article.

22.2.1 An Owner may propose two or more Units by submitting the proposal in writing to the Board and to all other Owners and Mortgagees of Unit to be combined. The proposal must include complete plans and specifications for accomplishing the combination and proposed amendments of this Declaration and the Survey Map and Plans which amendments shall be executed by all Owners of the Unit to be combined upon approval by the Board, assign an identifying number to resulting Unit and aggregate the Allocated Interests of the combined Units to the new Unit. The Owner of the Units to be combined shall

bear all costs of the combination, including the cost of professional consultants, such as architects and engineers, retained by the Board to review Owner's plans and specifications.

22.2.2 A proposal that contemplates combination of two or more Units will be accepted only if approved in writing by all Owners and Mortgagees of the Units to be combined and the Board.

Section 22.3 Minor Alterations: Hard Surface Flooring. No Unit may be altered in any way except in accordance with this Article. An Owner may make any improvements or alterations to the Owner's Unit that do not change the structural walls; reduce the fire resistance rating of any wall, ceiling, space or separation between the Unit and another Unit or the Common Elements; or affect the structural integrity or acoustical properties of the building or the plumbing, mechanical or electrical systems or lessen the support of any portion of the Condominium. The Owner of a Unit may not change the flooring from carpeting to hard surface flooring in a portion of the Unit that is over or under another Unit without the prior written approval of Owners of the Units above and below the Unit and the Board, which approvals may be withheld in their discretion. In connection with change from carpet to hard surface flooring, the Board may condition its approval upon the installation of an acoustical subflooring material and/or coverage of certain floor areas with carpet. An Owner may not penetrate the boundaries of the Unit as defined in Section 5.2 without the prior written approval of the Board, which may be withheld in its sole discretion or conditioned upon an inspection by a third party selected by the Board at the Owner's cost and expense. Alterations which penetrate the boundaries of a Unit include, but are not limited to, the installation of recessed spice racks, medicine cabinets, recessed lighting and recessed speakers. An Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Association pursuant to the procedures of Section 22.5.

Section 22.4 Adjoining Units. After acquiring an adjoining Unit, an Owner may, with approval of the Board pursuant to Section 22.5, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or acoustical properties of the building, reduce the fire resistance rating of any structure, space or separation; or adversely affect the plumbing, mechanical or electrical systems serving another Unit or the Common Elements or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this subsection is not a relocation of boundaries or a combination of Units. The Owner's proposal to act under this Section shall be submitted to the Board and shall include the plans and specifications for the proposed removal or alteration.

Section 22.5 Substantial Alteration. A proposal that contemplates substantial alteration of one or more Units is subject to approval by the Board. The Board shall approve an Owner's request under this Section within 30 days of receipt of plans and specifications,

unless the proposed alteration does not comply with Section 22.4 or impairs the structural integrity or acoustical properties of the building or the plumbing, mechanical or electrical systems serving another Unit or the Common Elements or lessen the support of any portion of the Condominium. The Board may also retain, at the Owner's expense, an architect or engineer to review the plans and require evidence satisfactory to it that all permits necessary for the work have been obtained. The failure of the Board to act upon a request within such period shall be deemed approval thereof. The Board may establish reasonable hours and conditions for performance of work within Units.

Section 22.6 Procedure After Approval. Upon approval of a proposal under this Article, the Owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work. The changes in the Survey Map Plans and Declaration shall be placed of record as amendments thereto.

Section 22.7 Relocation of Boundaries -- Adjoining Units. The boundaries between adjoining Units may only be relocated by an amendment to this Declaration, pursuant to Article 23, upon application to the Board by the Owners of those Units. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application must state the proposed reallocations. Unless the Board determines within 30 days, that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations, is executed by the Unit Owners, contains words of conveyance between them, and is recorded in the name of the grantor and the grantee. The Association shall obtain and record an amendment to the Survey Map and Plans complying with the requirements of RCW 64.34.232(4) necessary to show the altered boundaries between adjoining Units and their dimensions and identifying numbers. The Owner or Owners benefited by a reallocation of Unit boundaries shall bear all costs associated therewith in proportion to the relative benefits to each such Unit as determined by the Board or as the Owners of such Units agree.

Article 23. AMENDMENT OF DECLARATION SURVEY MAP AND PLANS,
ARTICLES OR BYLAWS.

Section 23.1 Procedures. This Declaration, the Survey Map and Plans, the Articles and the Bylaws may be amended only by vote or agreement of the Owners, as specified in this Article. An Owner may propose amendments to this Declaration or the Survey Map and Plans, the Articles or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with 20% or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next

regular or special meeting for which timely notice must be given or submitted to the members for consent in writing or by electronic transmission. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted vote of the members at a meeting of the Association or in writing or by electronic transmission, as designated by the Board, of the requisite number of persons entitled to vote, after notice has been given to all persons (including First Mortgagees and Eligible Mortgagees) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of First Mortgagees and Eligible Mortgagees as provided below, amendment to this Declaration or the Survey Map and Plans will become effective when it is recorded or filed in the real property records in the county in which the Condominium is located. The amendment shall be indexed in the name of the Condominium and shall contain a cross-reference by recording number to this Declaration and each previously recorded amendment thereto. Such amendments shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. An amendment to the Articles shall be effective upon filing the amendment with the Secretary of State. An amendment to the Bylaws shall be effective upon adoption.

Section 23.2 Percentages of Consent Required. Except as provided in Article 19 and Article 20 in the case of damage or condemnation of the property, the percentages of consent of Owners and Mortgagees required for adoption of amendments to this Declaration, the Survey Map and Plans, the Articles and the Bylaws are as follows:

23.2.1 The consent of Owners holding at least 67% of the votes in the Association and the consent of Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated shall be required to materially amend any provisions of this Declaration, the Survey Map and Plans, the Articles or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (a) voting rights; (b) Assessments, Assessment liens, or subordination of such liens; (c) reserves for maintenance, repair, or replacement of the Common Elements; (d) responsibility for maintenance and repair of any portion of the Condominium; (e) rights to use Common Elements and Limited Common Elements; (f) reallocation of interests in Common Elements or Limited Common Elements or rights to their use; (g) redefinition of Unit boundaries; (h) convertibility of Units into Common Elements or Common Elements into Units; (i) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium; (j) hazard or fidelity insurance requirements; (k) imposition of any restriction on the right of an Owner to sell or transfer a Unit; (l) establishment of self-management of the Condominium; (m) restoration or repair (after damage or partial condemnation) in a manner other than

specified in this Declaration or Survey Map and Plans; or (n) any provisions that are for the express benefit of holders of first Mortgages.

23.2.2 Except as provided in Article 22 or elsewhere in this Declaration, an amendment that increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted including restrictions on leasing or rental, shall require the vote or agreement of the Owner of each Unit particularly affected and the Owners holding at least 90% of the votes in the Association.

23.2.3 The consent of First Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages shall be required for any amendment to this Declaration or the Articles or Bylaws of a material adverse nature to Mortgagees.

Section 23.3 All other amendments shall be adopted if consented to by the Owners holding 67% of the votes in the Association.

Article 24. TERMINATION OF CONDOMINIUM.

Section 24.1 Action Required. Except as provided in Article 19 and Article 20, the Condominium may be terminated only by agreement of Owners of Units to which at least 80% of the votes in the Association are allocated and with the consent of First Mortgagees and any Eligible Mortgagees of Units to which at least 67% of the votes in the Association are allocated and in accordance with the Condominium Act. A First Mortgagee or an Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within 60 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

Section 24.2 Condominium Act Governs. The provisions of the Condominium Act relating to termination of a condominium contained in RCW 64.34.268, as it may be amended, shall govern the termination of the Condominium, including, but not limited to, the disposition of the real property in the Condominium and the distribution of proceeds from the sale of that real property.

Article 25. NOTICES.

Section 25.1 Form and Delivery of Notice. Unless provided otherwise in this Declaration, all notices given under the provisions of this Declaration or the Bylaws or Rules and Regulations shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to

the Board. Notices may also be delivered by electronic transmission if the Owner has consented in writing or by electronic transmission to the receipt of notices by electronic transmission and designated the address to which notices should be sent.

Section 25.2 Notices to First Mortgagees. The Board shall send to First Mortgagees timely written notice of (a) any proposed amendment to the Declaration that is of a material adverse nature to Mortgagees, (b) in accordance with Article 19 and Article 20, any proposed action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons, (c) any condemnation or casualty loss that affects a material portion of the Condominium or the Unit securing the First Mortgagee's Mortgage; (d) any 60-day delinquency in the payment of Assessments or charges owned by the Owner of the Unit securing the First Mortgagee's Mortgage; (e) if not provided by the insurance company, a lapse, cancellation or material modification of any insurance policy maintained by the Association; and (f) any proposed action that requires the consent of a specified percentage of First Mortgagees in this Declaration or in the Act. A First Mortgagee who receives a written request to consent to an amendment, termination or other action who does not deliver or post to the requesting party a negative response within 60 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

Section 25.3 Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Board a written request that it be given copies of the notices listed below. The request must state the name and address of the Eligible Mortgagee and the Identifying Number or address of the Unit on which it has (or insures or guarantees) a Mortgage. Until such time thereafter that the Eligible Mortgagee withdraws the request or the mortgage held, insured, or guaranteed by the Eligible Mortgagee is satisfied, the Board shall send to the Eligible Mortgagee timely written notice of (a) any proposed amendment of the Declaration or Survey Map and Plans effecting a change in (i) the boundaries of any Unit, (ii) the exclusive easement rights, if any, appertaining to any Unit, (iii) the interest in the Common Elements or the liability for Common Expenses of any Unit, (iv) the number of votes in the Association allocated to any Unit, or (v) the purposes to which a Unit or the Common Elements are restricted; (b) any proposed termination of condominium status, transfer of any part of the Common Elements, or termination of professional management of the Condominium; (c) any condemnation loss or casualty loss that affects a material portion of the Condominium or that affects any Unit on which an Eligible Mortgagee has a first mortgage; (d) any delinquency which has continued for 60 days in the payment of Assessments or charges owed by an Owner of a Unit on which an Eligible Mortgagee had a mortgage; (e) any lapse, cancellation, or material modification of any insurance policy maintained by the Association pursuant to Article 18; (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees under this Declaration. An Eligible Mortgagee who receives a written request to consent to an amendment, termination or other action who does not deliver or post to the requesting party a negative

response within 60 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

Article 26. 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 remaining provision or provisions comply with the Condominium Act.

Article 27. EFFECTIVE DATE.

This Declaration shall take effect upon recording.

Article 28. REFERENCE TO SURVEY MAP AND PLANS.

Reference is made to Survey Maps and Plans for the Condominium or amendments thereto filed with the Auditor of Kitsap County, Washington under File Nos. 8012080078, 8408280118, 8408280120 and _____.

DATED: 10/19/2011, 2010.

SUNN FJORD OWNERS ASSOCIATION, a
Washington corporation

By: Barbara Sayer
Its President

STATE OF WASHINGTON
COUNTY OF KITSAP | ss.

I certify that I know or have satisfactory evidence that Barbara Sayer signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President of SUNN FJORD OWNERS ASSOCIATION, a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 19th day of October, 2010.

Melinda Wagner
(Signature of Notary)

Melinda Wagner
(Legibly Print or Stamp Name of Notary)

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

My appointment expires 12/1/12

SCHEDULE A

SUNN FJORD, A CONDOMINIUM

Description of Land in Condominium

That portion of Government Lot 1, Section 28, Township 24 North, Range 1 East, Willamette Meridian, in Kitsap County, Washington, described as follows:

Commencing at the Northwest corner of said Government Lot 1; thence S 001° 00' 01" W along the West line of said Government Lot 1, 375.61 feet to the true point of beginning; thence S 88° 30' 19" E 1295.03 feet; thence S 01° 41' 34" W 150.24 feet; thence N 88° 25' 36" W 20.20 feet; thence S 28° 45' 48" W 190.19 feet; thence N 88° 30' 19" W 283.25 feet; thence S 01° 41' 34" W 103.29 feet; thence N 88° 30' 19" W 899.92 feet; thence N 01° 00' 01" E 422.57 feet to the point of beginning.

Schedule A

SCHEDULE B

SUNN FJORD, A CONDOMINIUM

Unit Data; Allocated Interests

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
A	A-1	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-2	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-3	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-4	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-5	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-6	2 BR, 2 BA, F	1	997	\$62,950	0.412
A	A-7	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A-8	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A-9	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A10	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A-11	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A-12	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
A	A-13	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
A	A-14	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
A	A-15	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
A	A-16	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
A	A-17	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
A	A-18	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
C	C-37	1 BR, 1 BA, F	1	766	\$48,950	0.318
C	C-38	2 BR, 2 BA, F	1	1,008	\$62,950	0.412
C	C-39	2 BR, 2 BA, F	1	1,008	\$62,950	0.412
C	C-40	1 BR, 1 BA, F	1	766	\$48,950	0.318
C	C-41	1 BR, 1 BA, F	2	778	\$54,950	0.359
C	C-42	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
C	C-43	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
C	C-44	1 BR, 1 BA, F	2	778	\$54,950	0.359
C	C-45	1 BR, 1 BA, F	3	778	\$54,950	0.359
C	C-46	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
C	C-47	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
C	C-48	1 BR, 1 BA, F	3	778	\$54,950	0.359
D	D-49	3 BR, 2 BA, F	1	1,203	\$68,950	0.452
D	D-50	2 BR, 2 BA, F	1	1,008	\$62,950	0.412
D	D-51	2 BR, 2 BA, F	1	1,008	\$62,950	0.412
D	D-52	2 BR, 2 BA, F	1	1,008	\$62,950	0.412

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
D	D-53	2 BR, 2 BA, F	1	1,008	\$62,950	0.412
D	D-54	3 BR, 2 BA, F	1	1,203	\$68,950	0.452
D	D-55	2 BR, 2 BA, F	2	1,228	\$69,950	0.460
D	D-56	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
D	D-57	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
D	D-58	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
D	D-59	2 BR, 2 BA, F	2	1,033	\$64,950	0.425
D	D-60	3 BR, 2 BA, F	2	1,228	\$69,950	0.460
D	D-61	3 BR, 2 BA, F	3	1,228	\$69,950	0.460
D	D-62	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
D	D-63	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
D	D-64	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
D	D-65	2 BR, 2 BA, F	3	1,033	\$64,950	0.425
D	D-66	2 BR, 2 BA, F	3	1,228	\$69,950	0.460
E	E-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-106	2 BR, 1½ BA, F	1	982	\$69,950	0.460
E	E-201	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-202	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-203	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-204	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-205	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-206	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
E	E-301	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
E	E-302	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
E	E-303	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
E	E-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
E	E-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
E	E-306	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
F	F-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
F	F-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460
F	F-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
F	F-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
F	F-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
F	F-201	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
F	F-202	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
F	F-203	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
F	F-204	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
F	F-205	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
F	F-301	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
F	F-302	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
F	F-303	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
F	F-304	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
F	F-305	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
G	G-101	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-102	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-103	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-104	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-105	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-106	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
G	G-201	2 BR, 1 BA, F	2	1,012	\$69,950	0.460
G	G-202	2 BR, 1 BA, F	2	990	\$69,950	0.460
G	G-203	2 BR, 1 BA, F	2	990	\$69,950	0.460
G	G-204	2 BR, 1 1/2 BA, F	2	990	\$69,950	0.460
G	G-205	2 BR, 1 1/2 BA, F	2	990	\$69,950	0.460
G	G-206	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
G	G-301	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
G	G-302	2 BR, 1 1/2 BA, F	3	984	\$69,950	0.460
G	G-303	2 BR, 1 1/2 BA, F	3	984	\$69,950	0.460
G	G-304	2 BR, 1 1/2 BA, F	3	984	\$69,950	0.460
G	G-305	2 BR, 1 1/2 BA, F	3	984	\$69,950	0.460
G	G-306	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460
H	H-101	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-102	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-103	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-104	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-105	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-106	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-107	2 BR, 1 1/2 BA, F	1	982	\$69,950	0.460
H	H-201	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-202	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-203	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-204	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-205	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-206	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-207	2 BR, 1 1/2 BA, F	2	1,012	\$69,950	0.460
H	H-301	2 BR, 1 1/2 BA, F	3	1,005	\$69,950	0.460

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
H	H-302	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
H	H-303	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
H	H-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
H	H-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
H	H-306	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
H	H-307	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
I	I-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-106	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-107	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-108	2 BR, 1½ BA, F	1	982	\$69,950	0.460
I	I-201	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
I	I-202	2 BR, 1½ BA, F	2	990	\$69,950	0.460
I	I-203	2 BR, 1½ BA, F	2	990	\$69,950	0.460
I	I-204	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
I	I-205	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
I	I-206	2 BR, 1½ BA, F	2	990	\$69,950	0.460
I	I-207	2 BR, 1½ BA, F	2	990	\$69,950	0.460
I	I-208	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
I	I-301	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
I	I-302	2 BR, 1½ BA, F	3	984	\$69,950	0.460
I	I-303	2 BR, 1½ BA, F	3	984	\$69,950	0.460
I	I-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
I	I-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
I	I-306	2 BR, 1½ BA, F	3	984	\$69,950	0.460
I	I-307	2 BR, 1½ BA, F	3	984	\$69,950	0.460
I	I-308	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-106	2 BR, 1½ BA, F	1	982	\$69,950	0.460
J	J-201	2 BR, 1 BA, F	2	1,012	\$69,950	0.460
J	J-202	2 BR, 1 BA, F	2	1,012	\$69,950	0.460
J	J-203	2 BR, 1 BA, F	2	1,012	\$69,950	0.460
J	J-204	2 BR, 1 BA, F	2	1,012	\$69,950	0.460

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
J	J-205	2 BR, 1 BA, F	2	1,012	\$69,950	0.460
J	J-206	2 BR, 2 BA, F	2	1,251	\$69,950	0.460
J	J-301	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-302	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-303	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
J	J-306	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
K	K-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-106	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-107	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-108	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-109	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-110	2 BR, 1½ BA, F	1	982	\$69,950	0.460
K	K-201	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
K	K-202	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-203	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-204	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
K	K-205	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
K	K-206	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-207	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-208	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-209	2 BR, 1½ BA, F	2	990	\$69,950	0.460
K	K-210	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
K	K-301	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
K	K-302	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-303	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
K	K-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
K	K-306	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-307	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-308	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-309	2 BR, 1½ BA, F	3	984	\$69,950	0.460
K	K-310	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
L	L-101	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-102	2 BR, 1½ BA, F	1	982	\$69,950	0.460

Building	Unit	Unit Data*	Level(s)	Area (Sq. Ft.)	Declared Value	Allocated Interests
L	L-103	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-104	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-105	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-106	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-107	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-108	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-109	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-110	2 BR, 1½ BA, F	1	982	\$69,950	0.460
L	L-201	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
L	L-202	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-203	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-204	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
L	L-205	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
L	L-206	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-207	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-208	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-209	2 BR, 1½ BA, F	2	990	\$69,950	0.460
L	L-210	2 BR, 1½ BA, F	2	1,012	\$69,950	0.460
L	L-301	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
L	L-302	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-303	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-304	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
L	L-305	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
L	L-306	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-307	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-308	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-309	2 BR, 1½ BA, F	3	984	\$69,950	0.460
L	L-310	2 BR, 1½ BA, F	3	1,005	\$69,950	0.460
TOTAL:					\$15,220,900	100.00

* Legend:

BR - bedroom
BA - bathroom
F - fireplace

^{1/1}Allocated Interests are determined by relative declared value of Units; rounded to equal 100%.

SCHEDULE C

SUNN FJORD, A CONDOMINIUM

Parking Assignments

Building	Unit	Parking
A	A-1	A-2
A	A-2	A-7
A	A-3	A-8
A	A-4	A-13
A	A-5	A-14
A	A-6	A-19
A	A-7	A-3
A	A-8	A-6
A	A-9	A-9
A	A10	A-12
A	A-11	A-15
A	A-12	A-18
A	A-13	A-4
A	A-14	A-5
A	A-15	A-10, A-27
A	A-16	A-11
A	A-17	A-16
A	A-18	A-17
C	C-37	C-56
C	C-38	C-59
C	C-39	C-62
C	C-40	C-1
C	C-41	C-57
C	C-42	C-60
C	C-43	C-63
C	C-44	C-65
C	C-45	C-55
C	C-46	C-58
C	C-47	C-61
C	C-48	C-64
D	D-49	D-33, D-38
D	D-50	D-39
D	D-51	D-40
D	D-52	D-41
D	D-53	D-42
D	D-54	D-29, D-50

Building	Unit	Parking
D	D-55	D-34, D-47
D	D-56	D-45
D	D-57	D-32, D-44
D	D-58	D-48
D	D-59	D-43
D	D-60	D-31, D-51
D	D-61	D-35, D-37
D	D-62	D-46
D	D-63	D-28, D-52
D	D-64	D-49
D	D-65	D-53
D	D-66	D-30, D-54
E	E-101	E-1
E	E-102	E-6
E	E-103	E-9
E	E-104	E-11
E	E-105	E-16
E	E-106	E-17
E	E-201	E-2
E	E-202	B-5
E	E-203	E-8
E	E-204	E-10
E	E-205	E-15
E	E-206	E-12
E	E-301	E-19
E	E-302	E-3
E	E-303	E-7
E	E-304	E-18
E	E-305	E-14
E	E-306	E-13
F	F-101	F-14, F-16
F	F-102	F-10
F	F-103	F-7
F	F-104	F-1
F	F-105	F-5
F	F-201	F-15
F	F-202	F-11
F	F-203	F-8
F	F-204	F-3
F	F-205	F-2
F	F-301	F-13
F	F-302	F-12

Building	Unit	Parking
F	F-303	F-9
F	F-304	F-4
F	F-305	F-6
G	G-101	G-17
G	G-102	G-16
G	G-103	G-15
G	G-104	G-8
G	G-105	G-14
G	G-106	G-13
G	G-201	G-2
G	G-202	G-18
G	G-203	G-3
G	G-204	G-5
G	G-205	G-10
G	G-206	G-12
G	G-301	G-1
G	G-302	G-4
G	G-303	G-6
G	G-304	G-7
G	G-305	G-9
G	G-306	G-11
H	H-101	H-1
H	H-102	H-4
H	H-103	H-5
H	H-104	H-9
H	H-105	H-10
H	H-106	H-14
H	H-107	H-15
H	H-201	H-2
H	H-202	H-3
H	H-203	H-6
H	H-204	H-8
H	H-205	H-11
H	H-206	H-13
H	H-207	H-16
H	H-301	H-21
H	H-302	H-20
H	H-303	H-19
H	H-304	H-7
H	H-305	H-12
H	H-306	H-18
H	H-307	H-17

Building	Unit	Parking
I	I-101	I-1
I	I-102	I-3
I	I-103	I-5
I	I-104	I-7
I	I-105	I-8
I	I-106	I-10
I	I-107	I-15
I	I-108	I-12
I	I-201	I-24
I	I-202	I-23
I	I-203	I-22
I	I-204	I-20
I	I-205	I-19
I	I-206	I-18
I	I-207	I-16
I	I-208	I-17
I	I-301	I-2
I	I-302	I-4
I	I-303	I-6
I	I-304	I-21
I	I-305	I-9
I	I-306	I-11
I	I-307	I-13
I	I-308	I-14
J	J-101	J-3
J	J-102	J-17
J	J-103	J-15
J	J-104	J-13
J	J-105	J-12
J	J-106	J-9
J	J-201	J-1
J	J-202	J-2
J	J-203	J-4
J	J-204	J-5
J	J-205	J-6
J	J-206	J-238, J-256
J	J-301	J-18
J	J-302	J-16
J	J-303	J-14
J	J-304	J-7
J	J-305	J-11
J	J-306	J-10

Building	Unit	Parking
K	K-101	K-1
K	K-102	K-3
K	K-103	K-5
K	K-104	K-7
K	K-105	K-9
K	K-106	K-11
K	K-107	K-14
K	K-108	K-16
K	K-109	K-19
K	K-110	K-22
K	K-201	K-30
K	K-202	K-29
K	K-203	K-28
K	K-204	K-27
K	K-205	K-26
K	K-206	K-12
K	K-207	K-25
K	K-208	K-18
K	K-209	K-24
K	K-210	K-23
K	K-301	K-2
K	K-302	K-4
K	K-303	K-6
K	K-304	K-8
K	K-305	K-10
K	K-306	K-13
K	K-307	K-15
K	K-308	K-17
K	K-309	K-20
K	K-310	K-21
L	L-101	L-1
L	L-102	L-3
L	L-103	L-6
L	L-104	L-7
L	L-105	L-9
L	L-106	L-10
L	L-107	L-13
L	L-108	L-14
L	L-109	L-17
L	L-110	L-18
L	L-201	L-30
L	L-202	L-29

Building	Unit	Parking
L	L-203	L-28
L	L-204	L-27
L	L-205	L-25
L	L-206	L-24
L	L-207	L-23
L	L-208	L-22
L	L-209	L-21
L	L-210	L-20
L	L-301	L-2
L	L-302	L-4
L	L-303	L-5
L	L-304	L-26
L	L-305	L-8
L	L-306	L-11
L	L-307	L-12
L	L-308	L-15
L	L-309	L-16
L	L-310	L-19

SUNN FJORD
CONDOMINIUM
FIRST AMENDMENT

SUNN FJORD

A Condominium

First Amendment

NE. 1/4 NW. 1/4, Sec. 28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington

DEDICATION

THE UNDERSIGNED PRESIDENT OF SUNN FJORD OWNERS ASSOCIATION, A WASHINGTON NONPROFIT CORPORATION (THE "ASSOCIATION"), PURSUANT TO THE DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS FOR SUNN FJORD, A CONDOMINIUM (THE "CONDOMINIUM"), RECORDED UNDER KITSAP COUNTY AUDITOR'S NO. 8012080078, AND AMENDED BY AMENDMENTS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8103170069, 8107210076, 8110060075, 8110090040, 8112290060, 8207220048, 8408280119, 8408280121 AND 200501140006 (THE "ORIGINAL DECLARATION AS AMENDED") AND THE SURVEY MAP AND PLANS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8012080078, 8408280119 AND 8408280120 (THE "SURVEY MAP AND PLANS") HEREBY CERTIFIES THAT THIS FIRST AMENDMENT TO THE SURVEY MAP AND PLANS HAS BEEN APPROVED IN WRITING BY AT LEAST 75 PERCENT OF THE UNIT OWNERS HOLDING AT LEAST 75 PERCENT OF THE VOTING POWER IN THE ASSOCIATION, AS REQUIRED BY SECTION 24.1 OF THE ORIGINAL DECLARATION AS AMENDED. THE FIRST AMENDMENT TO THE SURVEY MAP AND PLANS SHOWS THE CORRECT LOCATION OF ALL PARKING SPACES, THE NUMBER OF THE PARKING SPACES ASSIGNED AS LIMITED COMMON ELEMENTS TO RESPECTIVE UNITS, AND THE LOCATION OF ALL UNASSIGNED, UNNUMBERED GUEST PARKING SPACES WITHIN THE CONDOMINIUM. REFERENCE IS MADE TO THE AMENDED AND RE-STATED CONDOMINIUM DECLARATION FOR SUNN FJORD, A CONDOMINIUM, RECORDED UNDER KITSAP COUNTY AUDITOR'S NO. _____

SUNN FJORD OWNERS ASSOCIATION
A WASHINGTON NONPROFIT CORPORATION

By: _____
ITS PRESIDENT

LEGAL DESCRIPTION

SUNN FJORD, A CONDOMINIUM RECORDED UNDER KITSAP COUNTY AUDITOR'S NO. 8012080078, AND AMENDED BY AMENDMENTS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8103170069, 8107210076, 8110060075, 8110090040, 8112290060, 8207220048, 8408280119, 8408280121 AND 200501140006 AND THE SURVEY MAP AND PLANS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8012080078, 8408280119 AND 8408280120.

RECORDING CERTIFICATE

FILED FOR RECORD AT THE REQUEST OF _____ THIS _____ DAY OF _____ 20____ AT _____ MINUTES PAST _____ M. AND RECORDED IN VOLUME _____ OF CONDOMINIUMS, PAGES _____, RECORDS OF KITSAP COUNTY, WASHINGTON. AUDITOR'S FILE NUMBER: _____

KITSAP COUNTY AUDITOR _____ BY: DEPUTY _____

ACKNOWLEDGEMENT

STATE OF WASHINGTON }
COUNTY OF KITSAP } ss.

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ SIGNED THIS INSTRUMENT, ON OATH STATED THAT _____ WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE PRESIDENT OF SUNN FJORD OWNERS ASSOCIATION, A WASHINGTON NONPROFIT CORPORATION, TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.
DATED THIS _____ DAY OF _____ 2010.

(Signature of Notary) _____
(Legibly Print or Stamp Name of Notary)
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON,
RESIDING AT _____
MY APPOINTMENT EXPIRES _____

REASON FOR AMENDMENT

THIS IS AN AMENDMENT OF SUNN FJORD, A CONDOMINIUM RECORDED UNDER KITSAP COUNTY AUDITOR'S NO. 8012080078, AND AMENDED BY AMENDMENTS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8103170069, 8107210076, 8110060075, 8110090040, 8112290060, 8207220048, 8408280119, 8408280121 AND 200501140006 AND THE SURVEY MAP AND PLANS RECORDED UNDER KITSAP COUNTY AUDITOR'S NOS. 8012080078, 8408280119 AND 8408280120, TO AMEND THE PARKING SPACES AND THEIR DESIGNATIONS.



Drawn By	B.J.M.
Date	4/28/10
Checked By	S.E.O.
Job No.	4005

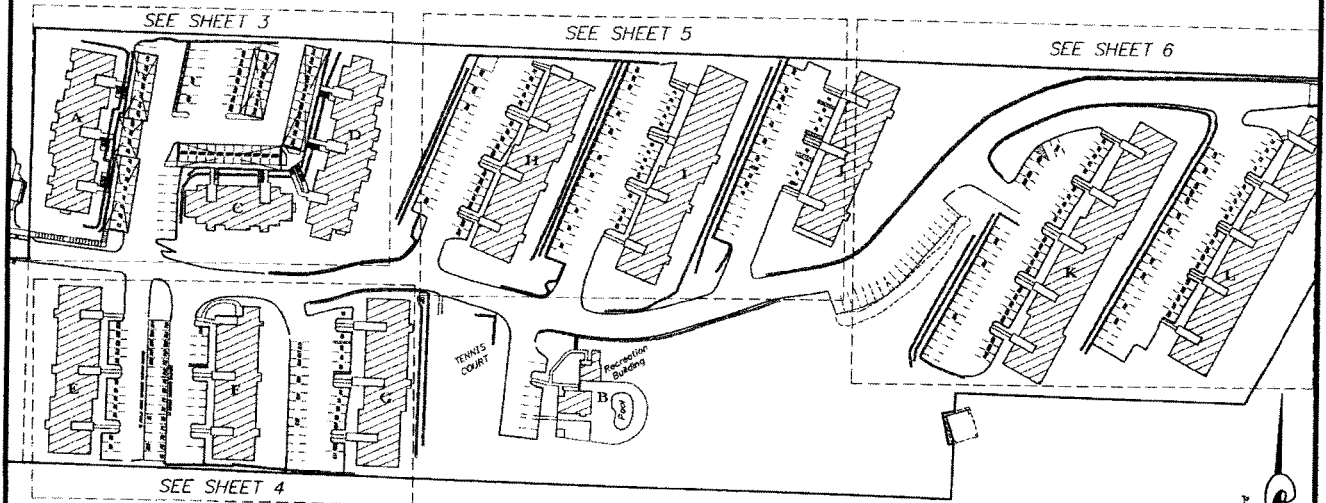


SUNN FJORD

A Condominium

First Amendment

NE.1/4 NW.1/4, Sec.28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington



INDEX MAP



Drawn by	B.J.M.
Date	1/28/10
Checked by	S.E.O.
Job no.	4006

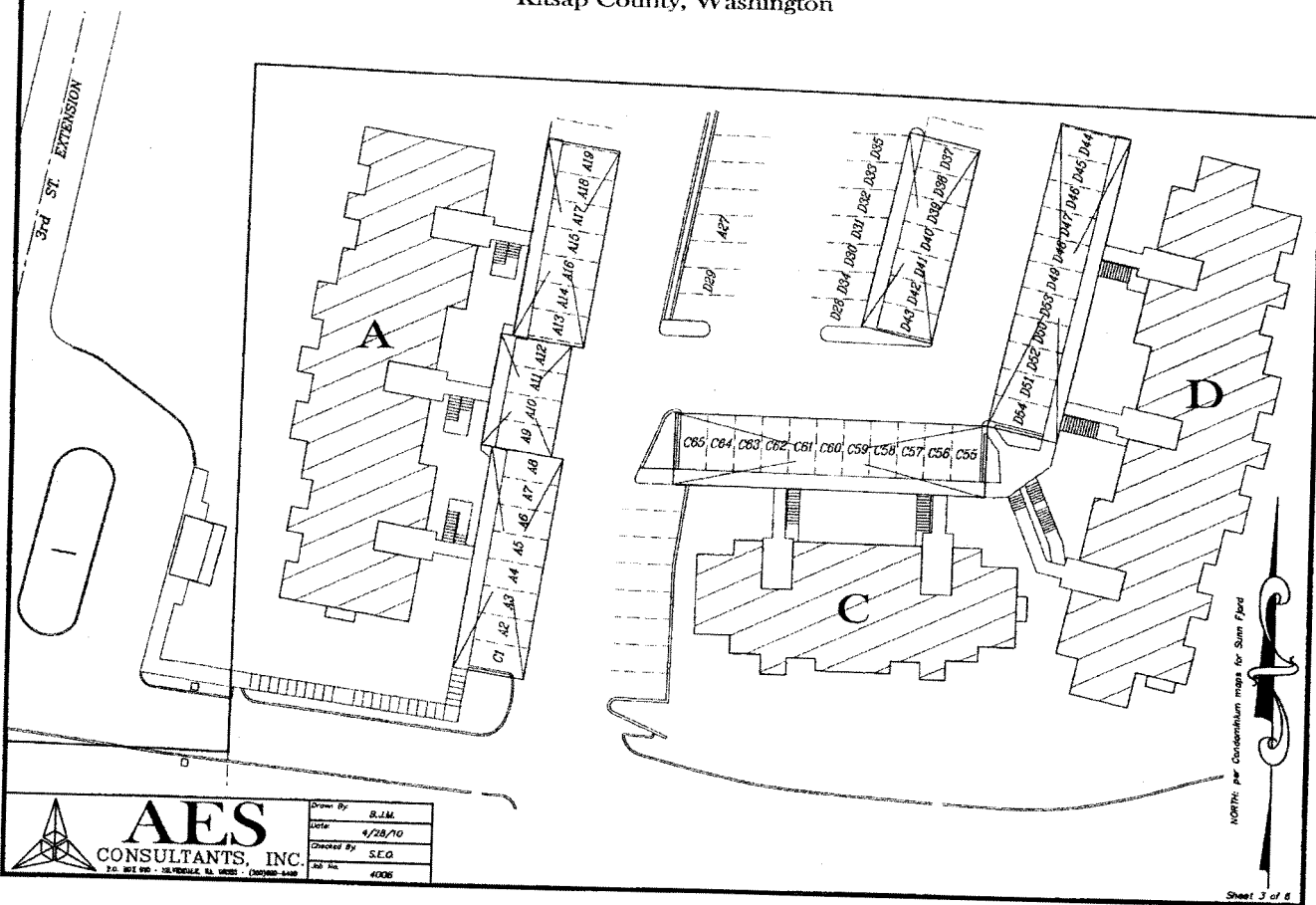
NOT TO BE CONSIDERED AS A CONDOMINIUM MAP FOR SUNN FJORD

SUNN FJORD

A Condominium

First Amendment

NE.1/4 NW.1/4, Sec.28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington



Drawn By:	S.L.M.
Date:	4/28/10
Checked By:	S.E.G.
Job No.:	4006

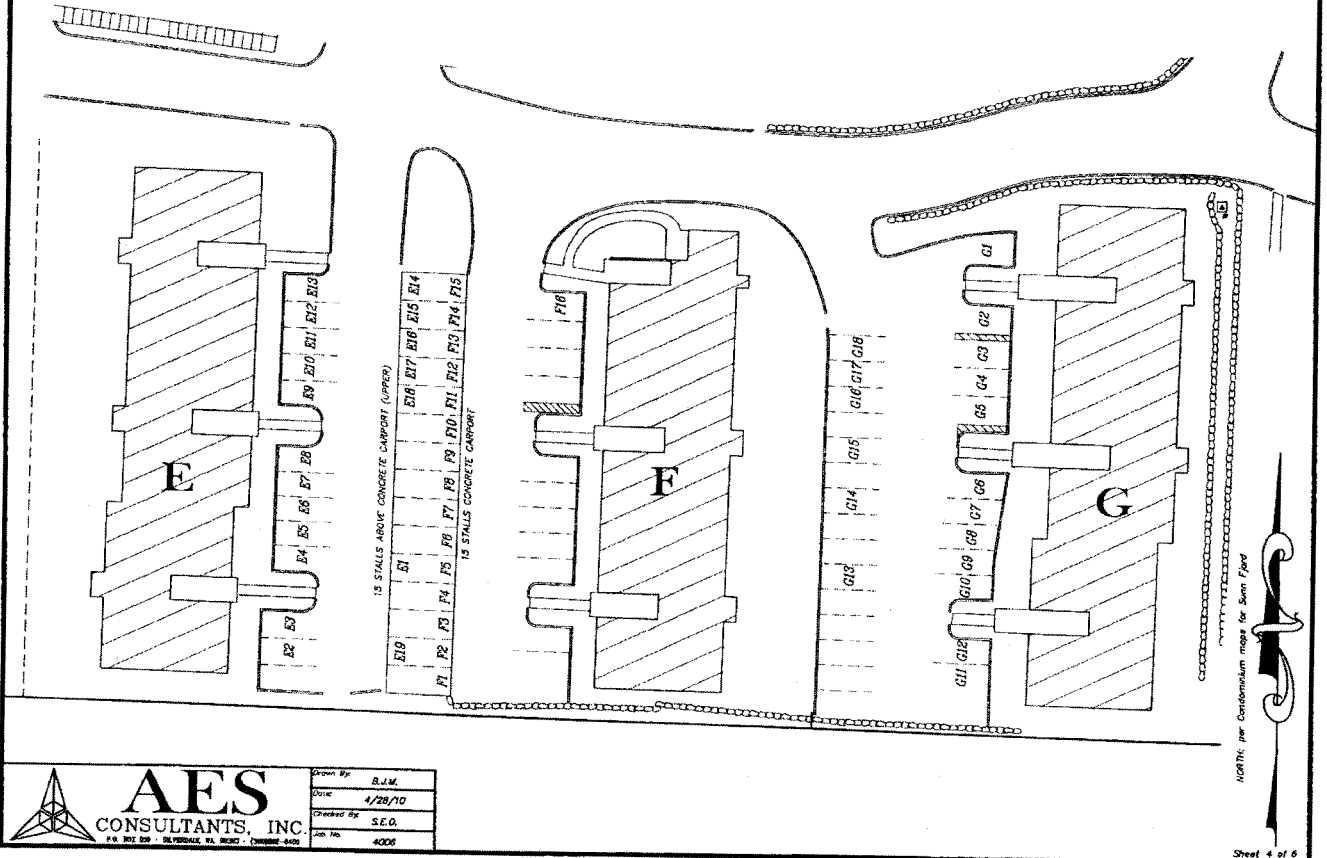
North: per Condominium maps for Sunn Fjord

SUNN FJORD

A Condominium

First Amendment

NE.1/4 NW.1/4, Sec.28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington



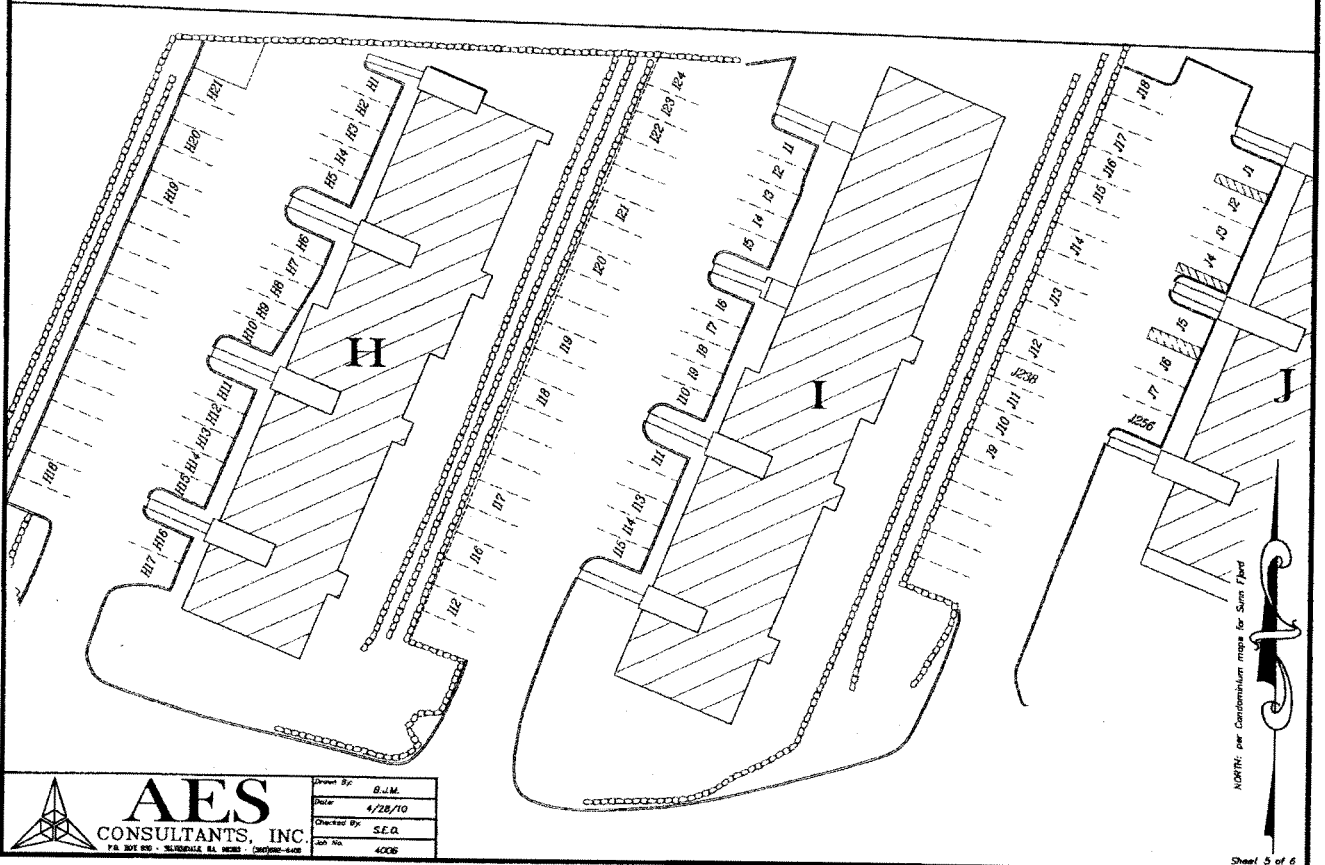
<p>AES CONSULTANTS, INC. P.O. BOX 220 - SILVERDALE, WA 98283 - CHIEF 4400</p>	Drawn By:	B.J.M.
	Date:	4/28/10
	Checked By:	S.E.O.
	Job No.:	4000

SUNN FJORD

A Condominium

First Amendment

NE.1/4 NW.1/4, Sec.28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington



AES
CONSULTANTS, INC.
P.O. BOX 20 - SILVERDALE, WA 98138 (206) 896-4400

Drawn By:	B.J.M.
Date:	4/28/10
Checked By:	S.E.O.
Job No:	4006

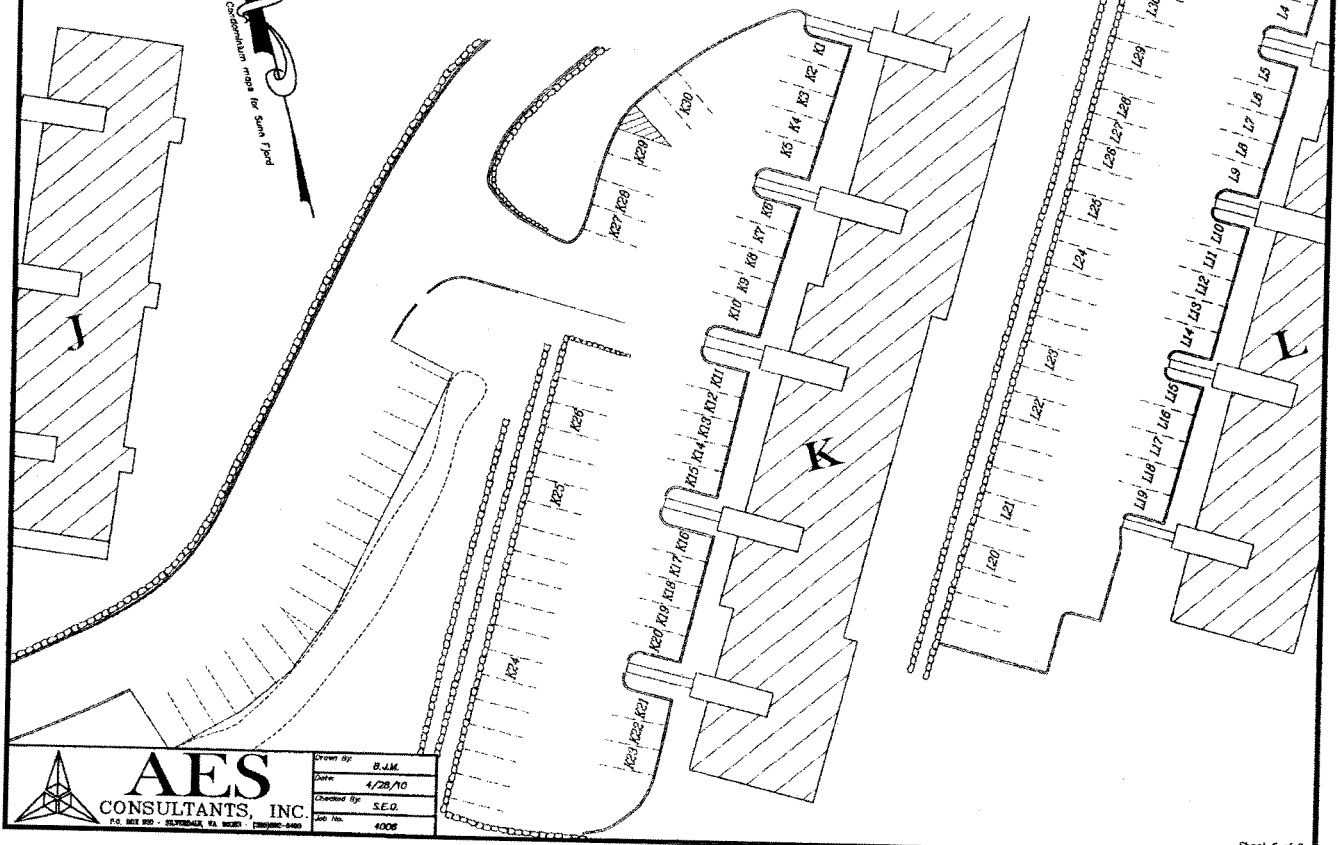
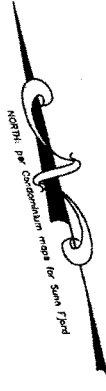
NORTH: per Condominium map for Sunn Fjord

SUNN FJORD

A Condominium

First Amendment

NE.1/4 NW.1/4, Sec.28, Twp. 24N., Rg. 1E., W.M.
Kitsap County, Washington



Drawn by	B.J.M.
Date	4/28/10
Checked by	S.E.O.
Doc No.	4008