

### 15.5 Omission of Assessment.

The omission by the board to fix the estimate and assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

### 15.6 Declarant's Liability.

Declarant shall be liable for all assessments which accrue on each Unit owned by Declarant until closing of the initial sale of such Unit by declarant, at which time the purchaser shall be liable for all assessments imposed on the Unit. Provided, however, that during such time as garbage collection charges and any other utility charges are based on the number of occupied Units, any Unit owned by Declarant and not occupied shall be exempt from assessment for such charges.

### 15.7 Reserve Fund.

An adequate reserve fund for replacement of common element components must be established which must be funded by monthly payments. In addition, there must be a working capital fund for the initial months of operation of the Condominium equal to at least two months estimated common area charge for each component.

## 16. ASSESSMENTS, NOTICE OF INDEBTEDNESS, LIEN, DEFAULT IN PAYMENT OF ASSESSMENTS, COLLECTION, FORECLOSURE, NOTICE OF OBLIGATION.

### 16.1 Personal Liability for Assessments.

Each annual assessment and each special assessment, together with interest computed at 1% per month from the due date thereof and together with all expenses incurred in collecting such assessment and interest, shall be the joint and several personal debt and obligation of the Owner or Owners and contract purchasers of the Units for which the assessments are made. As used herein, expenses incurred in collecting assessments include the costs of obtaining title reports, costs of preparing and serving notices and process, the fees and costs of attorneys in advising the Board or in bringing suit and in appeals, and the fees and costs of witnesses.

### 16.2 Lien for Assessment.

The amount of every assessment and interest, costs and attorneys' fees as provided in Paragraph 16.1 shall be a lien upon the Unit against which such assessment is levied, together with its undivided interest in the Common Areas, Limited Common Areas and all appurtenances. The said lien for payment of common expenses shall have priority over all other liens or encumbrances, recorded or unrecorded, except as provided herein and at RCW 64.34.364. Suit to recover a money judgment for unpaid common expenses may be maintainable without foreclosure or waiving the lien securing the same.

### 16.3 Foreclosure of Assessment Lien; Attorneys' Fees and Costs.

The Board on behalf of the Association may initiate action to foreclose the lien of any assessment in like manner as the foreclosure of a mortgage of real property. In any action to foreclose a lien against any Unit for nonpayment of delinquent assessments, any judgment rendered against the owners of such Unit in favor of the Association shall include the costs and expenses referred to in Paragraph 16.1.

### 16.4 Certificate of Assessment.

The Association upon written request shall furnish to a unit owner or a mortgagee a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid assessments against that unit. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board of Directors, and every unit owner, unless and to the extent known by the recipient to be false.

### 16.5 Security Deposit.

An Owner 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 against said Owner's Unit, which may be collected as other assessments are collected. Such deposit shall be held in a separate fund, credited to such owner, and resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his monthly or other assessments.

### 16.6 Rental Slips.

If a Unit is rented by its Owner, the Board may collect and the tenant or lessee shall pay over to the Board so much of the rent for such Unit as is required to pay any amounts due hereunder,

plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge to the extent of such payment, the lessee's or renter's duty of payment to the Owner for rent, but will not discharge the unpaid liability of the Owner. The Board shall not exercise this power where a receiver has been appointed.

#### 16.7 Remedies Cumulative.

The remedies provided are cumulative and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

#### 16.8 Notice.

The Association shall give the holders of First Mortgages prompt notice of any default in the Unit mortgagor's obligations which is not cured within thirty (30) days after default if said holder of a first mortgage has requested such notice in writing.

### 17. MORTGAGEE PROTECTION.

#### 17.1 Copies of Notices.

In the event the Association gives any Owner(s) any notice that such Owner has failed to meet any obligation under this Declaration, the By-Laws and/or the Act, it shall also give a copy of such notice to any Mortgagee which has requested to be so notified.

### 18. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE; NO WAIVER.

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the By-Laws, or to exercise any right or option 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 such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of the payment of any assessment from an Owner, with knowledge of any breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

### 19. LIMITATION OF LIABILITY.

The Board shall not be liable for any failure of any utility or other service obtained and paid for by the Board, or for

injury or damage to person or property. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort from any action taken to comply with any law, ordinance or orders of a governmental authority. This exemption and limitation of liability extends to the entire Association as well as the Board. This Paragraph 19 shall not be interpreted to impose any form of liability by any implication upon the Board or the Association. This Paragraph 19 also extends to the Declarant or Declarant' Managing Agent exercising the powers of the Board prior to the Board obtaining control of the Condominium.

## 20. INDEMNIFICATION OF LIABILITY.

Except to the extent such liability, damage or injury is covered by any type of insurance, each member of the Board shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or it may be a party, or in which he or it may become involved, by reason of being or having been a member of the Board, or any settlement thereof, whether or not he is a member of the Board at the time such expenses or liabilities are incurred; except in such cases wherein the member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, 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. This paragraph shall extend to and apply also for the indemnification of the Declarant until the Board obtains control of the Condominium. The Board shall have the authority to purchase indemnity insurance in amounts deemed appropriate by the Board.

## 21. INSURANCE.

### 21.1 Coverage Required.

The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies and bonds necessary to provide casualty insurance (more fully described in Paragraph 21.2); comprehensive liability insurance (more fully described in Paragraph 21.3); fidelity bonds (more fully described in Paragraph 21.4;) workmen's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable, insurance, if available, for the protection of the Association's directors, officers, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable. All insurance shall be obtained from an insurance carrier rated Triple A by Best's Insurance Reports or

equivalent rating service, and licensed to do business in the State of Washington.

### 21.2 Casualty Insurance.

The casualty insurance shall, at the minimum, consist of a standard form of fire insurance policy with extended coverage endorsement in an amount equal to the full replacement value (i.e., 100% of current replacement cost exclusive of land, foundation, excavation, and other items normally excluded from coverage) of the Common Areas and Facilities, Limited Common Areas, Units and all fixtures and equipment belonging to the Association with an "Agreed Amount Endorsement" or its equivalent, and an "Increased Cost of Construction Endorsement" or its equivalent, "Demolition and Contingent Liability from Operation of Building Laws Endorsement" or its equivalent, and an "Earthquake Damage Endorsement" or its equivalent. In addition to protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, the policy shall provide protection against loss or damage from sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as are customarily covered with respect to similar condominium projects in the greater Chelan County area. The policy or policies shall provide for separate protection for each Unit and appurtenant Limited Common Area to the full insurable replacement value thereof (limited as above provided), and a separate loss payable endorsement in favor of the First Mortgagee of each Unit. The policy or policies shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a part, or any requirement of law.

### 21.3 Comprehensive Public Liability Insurance/Individual Insurance.

The comprehensive policy of public liability insurance shall insure the Board, the Association, the Owners, Declarant, and the Managing Agent, and shall cover all of the Common Areas and Facilities and public ways in the condominium, with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurer from denying claim of an Owner because of the negligent acts of the Association or of another Owner, and shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such risks as are customarily covered with respect to similar condominium projects in the greater Chelan County, Washington area. The limits of liability shall be not less than \$1,500,000 for property damage and bodily injury for each occurrence.

In addition, each owner shall carry an applicable insurance policy with liability limits of not less than \$500,000 for property damage and bodily injury for each occurrence.

21.4 Additional Policy Provisions.

The insurance obtained by the Condominium pursuant to Paragraphs 21.2 and 21.3 above shall contain the following provisions and limitations:

21.4.1. 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;

21.4.2. The insurer waives its right to subrogation under the policy against any unit owner, member of the owner's household, and lessee of the owner;

21.4.3. No act or omission by any unit owner, unless acting within the scope of the owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy; and

21.4.4. If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the association's policy provides primary insurance.

21.4.5. A standard mortgagee clause which shall:

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

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

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

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

### 21.5 Fidelity Bonds.

The required fidelity bonds shall afford coverage to protect against dishonest acts on the parts of officers, directors, managers, volunteers, trustees, and employees of the Association or the Managing Agent and all other persons who handle or are responsible for handling funds of the Association and shall be in an amount equal to at least 150% of the estimated annual operating expenses of the Condominium, including reserves. All such fidelity bonds shall name the Association as an obligee, contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, and provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including Owners and Mortgagees.

### 21.6 Owners' Individual Insurance.

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

## 22. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY.

### 22.1 Initial Board Determination.

In the event of damage to any part of the Property, the Board shall promptly, and in all events within forty-five (45) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

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

c. 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.

d. The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds and the amount of the assessments that would have to be made against each Unit if the excess cost were to be paid as a maintenance expense and special assessment against all the Units in proportion to their pro-rata share.

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

#### 22.2 Notice of Damage.

The Board shall promptly, and in all events within forty-five (45) days after the date of damage, provide each Owner and each First Mortgagee with a written notice describing the damage and summarizing the initial Board determination made under Paragraph 22.1. If the Board fails to do so within said forty-five (45) days, any Owner or Mortgagee may make the determinations required under Paragraph 22.1 and give the notice required under this Paragraph 22.2.

#### 22.3 Definitions: Damage, Repair, Emergency Work.

As used in this Paragraph 22:

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

b. Repair shall mean restoring the Improvements to substantially the same condition in which they existed before they were damaged, with each Unit and the Common Areas and Facilities having substantially the same vertical and horizontal boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

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

#### 22.4 Execution of Repairs.

a. Unless prior to the commencement of repair work (other than emergency work) the Owners shall have decided in accordance with this Paragraph 22 not to repair, the Board shall promptly repair the damage and use the available insurance proceeds



therefor. If the cost of repair exceeds the available insurance proceeds the Board shall impose a special assessment against all Units in proportion to their percentages of undivided interest in the Common Areas in an amount sufficient to pay the excess costs.

b. The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to effect the repair. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has made provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with the repair work if the Board is satisfied that such work will be satisfactorily carried out, and such authorization does not contravene any insurance trust agreement to which the Association may be a party or any requirement of law.

c. The Board may enter into a written agreement with any reputable financial institution or trust or escrow company under which 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 Paragraph 22.

#### 22.5 Damage Not Substantial; Assessment Under \$10,000.

If the amount of the estimated assessment determined under Paragraph 22.1 does not exceed \$10,000, as adjusted for inflation at the Seattle Metropolitan rate with 1992 being the base year, the damage will be deemed not to be substantial and the provisions of this Paragraph 22.5 shall apply.

a. Either the Board or a requisite number of Owners, within fifteen (15) days after the notice required under Paragraph 22.2 has been given, may, but shall not be required to, call a special Owners' meeting in accordance with Paragraph 13.6 to decide whether to repair the damage.

b. Except for emergency work, no repair shall be commenced until after the fifteen (15) day period and until after the conclusion of the special meeting if such a meeting is called with the fifteen (15) days.

c. A unanimous decision of the Owners and the holders of First Mortgages on Units will be required to elect not to repair the damage. The failure of the Board and the Owners within the fifteen (15) day period to call a special meeting shall be deemed a decision to repair the damage.

#### 22.6 Substantial Damage; Assessment Over \$10,000.

If the amount of the estimated assessment determined under Paragraph 21 is \$10,000 or more, the damage will be deemed substantial and the provisions of this Paragraph 22.6 shall apply.

a. The Board shall promptly, and in all events within forty-five (45) days after the date of damage, call a special Owners' meeting to consider repairing the damage. If the Board fails to do so within forty-five (45) days, then any owner or First Mortgagee of a Unit may call and conduct the meeting.

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

c. A concurring vote of at least eighty percent (80%) of the total voting power will be required to elect not to repair the damage.

#### 22.7 Effect of Decision Not to Repair.

In the event of a decision under either Paragraph 22.5 or 22.6 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

a. In the event that all or substantially all of the project has been damaged or destroyed and will not continue to be operated as a marina:

i. The Property shall be owned in common by the Owners and shall no longer be subject to this Declaration or to condominium ownership.

ii. The undivided interest in the Property owned in common which appertains to each Owner shall be the percentage of undivided interest he previously owned in the Common Areas and Facilities.

iii. Any mortgages or liens affecting any of the Units shall be deemed transferred in accordance with the existing priorities the percentage of the undivided interest of the Owner in the Property.

iv. The Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance

on the Property, if any, shall be considered as one fund; such fund shall be divided into separate shares one for each Owner in a percentage equal to the percentage of undivided interest owned by each such Owner in the Property; then, after first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all mortgages and liens on the interest of such owner, the balance remaining in each share shall be distributed to the Owner.

b. In the event of only partial destruction or damage to the project:

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.

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 common element interests of all the units. 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 and the association promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations.

### 23. ENFORCEMENT.

Each Owner shall comply strictly with the provisions of this Declaration and with the Bylaws, and administrative rules and regulations. Failure to comply with this Declaration and with the Bylaws, and administrative rules and regulations shall be grounds for an action to recover sums due for damage or injunctive relief, or both, maintainable by the Board acting through its officers on behalf of the Owners, or by an aggrieved Owner on his own behalf.

### 24. REMODELING, COMBINATION OF OR SEPARATION OF MOORAGE SLIPS.

#### 24.1 Generally.

Except for work of an emergency nature, no work other than painting or work which causes no significant noise shall be done in the Units or the Limited Common Areas except during normal working hours on normal business days. Any such work must meet all the requirements of all governmental bodies having or exercising jurisdiction over the subject matter. Upon written notice from the Board, any work being done upon or to any of the Units or Limited

Common Areas which the Board believes is an unreasonable interference with other Owners will be suspended and may not be resumed until agreed by the Board or until the Superior Court for Chelan County, Washington, has ruled that there are no reasonable grounds, considering all the circumstances and the provisions of this Declaration, to prohibit the continuation of such work.

#### 24.2 Subdivision or Combination.

Except as provided in Paragraphs 3.1 and 24.4, and notwithstanding the provisions of Paragraph 26.1, no Unit or any of the Common Areas shall be subdivided or combined except on approval by one hundred percent (100%) of the Owners at a meeting of the Association called for that purpose. Written notice of such meeting expressly setting for the purpose thereof, shall be given to each Owner as provided in the Association's Bylaws. Upon any such subdivision or combination, the resultant Unit(s) will have the same total (based on the pro-rata formula set out herein) of undivided interest as such Unit or Slips had prior to subdivision or combination, as the case may be, apportioned, in the case of subdivision, on the basis of resultant areas of Units. Upon approval, the Association shall be authorized to and shall file with the Chelan County Auditor such amendments to this Declaration and to the Survey Map and Plans as may be necessary to fully describe such combined or subdivided Unit(s) or Common Areas and to reflect the change in the percentage of undivided interest of each Unit, as the case may be.

#### 24.3 Prohibition Against Modifications or Structural Changes by Unit Owners.

a. An Owner shall not alter, or in any manner modify, paint or otherwise change his Unit or any of the Improvements, including any part of the Limited Common Areas or the Common Areas without the prior written consent of the Board. No covered moorage shall be allowed unless it is not a violation of applicable law and is approved by all Owners. If the Owner violates the provisions of this Paragraph 24.3 or the provisions of Paragraph 24.4 below, such Owner shall pay all costs of every kind and nature which are reasonably incurred by the Board in putting the Unit and/or the Improvements in the same condition as prior to such violation by the Owner.

b. An Owner shall not do any act or work which will impair the structural soundness or integrity of the Improvements or safety of Harris Chelan Marina or impair any easement or hereditament with respect to Harris Chelan Marina. No Owner shall make or permit to be made any structural alterations, improvements or additions of whatever kind or type, in or to his Unit, or in or to any of the Improvements, including any part of the Common Areas, paint or decorate any portion of the Improvements, including any part of the Common Areas, without first

obtaining the written consent of seventy percent (70%) of the members of the Board.

24.4 Declarant's Modifications to Unit Configuration.

Notwithstanding any other provisions in this Declaration, Declarant may alter or modify the configuration of any unsold Unit or alter or modify or add to any improvement which is part of the Limited Common Areas for any unsold Unit; provided however, that the percentage interest (based on the pro-rata formula set out herein) in the Common Areas for any Unit shall not be modified or amended, nor shall the percentage interest regarding assessments be increased or any Owner's voting rights in the Association affected except as provided in Paragraphs 3.2 and 3.3 hereof. Each Owner by the acceptance of a deed to any Condominium consents and agrees that the Declarant may record with the Chelan County Auditor an amendment to this Declaration or to the Specifications contemplated by this Paragraph 24.4 and each Owner by the acceptance of a deed to any Condominium authorizes the Owner to execute any such amendments in his behalf and as his attorney-in-fact.

25. STATUS AS CONDOMINIUM.

In the event that the Act is interpreted by a court of competent jurisdiction, after all appeals, if any, to be inapplicable to this Project, or if the Act is amended to the same effect, than all the property constituting the condominium shall automatically be owned by all the Owners as tenants in common the same percentage of interest as their former ownership in the Common Areas. All provisions of this declaration shall remain binding upon the Owners as covenants running with the land and shall govern the relationships among the Owners.

26. AMENDMENT OF DECLARATION, SURVEY MAP, PLANS.

26.1 Declaration Amendment.

Amendments to the Declaration shall be made in an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. As limited by Paragraphs 3.2 and 3.3 hereof and except as otherwise expressly provided in this Declaration, amendments shall be adopted at any meeting of the Owners which was properly called upon the affirmative vote of at least sixty-seven percent (67%) of the Owners voting upon such amendment, or without any meeting if notice has been given to all the Owners and sixty percent (60%) of the Owners consent in writing to such amendment. In any case where the Declarant have the power to amend the Declaration by its own act, Declarant shall sign the amendment. In all other events, the amendment which adopted shall bear the signature of the president of the Board and shall be

attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate government offices. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the section being amended or the amendment itself.

#### 26.2 Survey Map and Plans Amendment.

Except as otherwise provided herein, the Survey Map and Plans may be amended by revised versions or revised portions thereof referred to and generally described in an amendment to the Declaration adopted as provided for herein. Copies of any such proposed amendment to the Survey Map and Plans shall be made available for the examination of every Owner. Such amendment to the Survey Map and Plans shall also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

#### 26.3 Amendments by Declarant.

So long as Declarant have management authority, the Declarant may at any time record an amendment to the Declaration to change the person who is to receive service of process and the designation of the managing agent and such amendment need be acknowledged only by the Declarant and need not otherwise comply with the requirements of this section. Declarant shall have the further right to amend the Declaration as specifically provided in Paragraph 3 and 24 hereof.

### 27. CONDEMNATION.

#### 27.1 Consequences of Condemnation, Notices.

If any Unit or portion thereof, Limited Common Area or the Common Areas and Facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (referred to herein as a "taking") notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each Mortgagee and the provisions of this Paragraph 27 shall apply.

## 27.2 Proceeds.

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

## 27.3 Complete Taking.

If the entire Property is taken, the Condominium ownership shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective percentages of undivided interest in the Common Areas and Facilities; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the taking, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. After first paying out of the share of each Owner, to the extent sufficient for the purpose, all mortgages and liens on the interest of such Owner in accordance with the existing priorities, the balance remaining in each share shall then be distributed to the Owner.

## 27.4 Partial Taking.

If less than the entire Property is taken, the condominium ownership shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award determined in the following manner.

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

b. The Board shall apportion the amounts so allocated to taking of or injury to the Common Areas and Facilities, which in turn shall be apportioned among Owners in proportion to their respective undivided interests in the Common Areas and Facilities.

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

d. The amounts allocated to the taking or injury to a particular Unit and/or improvements an Owner had made within his own Unit shall be apportioned to that Unit.

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

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

g. Distribution of apportioned proceeds shall be made to the Owners and their respective Mortgagees in the manner provided in Paragraph 27.3.

#### 27.5 Reconstruction and Repair.

Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Paragraph 22 above for repair of damage, provided that the Board may retain and apply such portion of each Owner's share of the Condemnation Award as is necessary to discharge the Owner's liability for any special assessment arising from the operation of Paragraph 22.

#### 28. ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS.

Except in cases of substantial damage to the Property as provided in Paragraph 22, or as provided by Paragraph 25, the condominium status of the Property shall not be abandoned or terminated by reason of any act or omission by the Owners or the Association except with the consent of all Owners by an instrument to that effect duly recorded, and then only if the Mortgagees and holders of all liens affecting any of the Units consent thereto or agree, in either case by an instrument duly recorded, that their mortgages and liens be transferred to the percentage of the undivided interest of the Owner in the Property.

#### 29. INTERPRETATION.

##### 29.1 Liberal Construction.

The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of this condominium under the provisions of applicable Washington statutes. It is intended and covenanted also that, insofar as it affects this Declaration and Condominium, the provisions of the Act referenced herein under which this Declaration is operative, shall be liberally construed to effect the intent of this Declaration insofar as reasonably possible.



29.2 Consistent with Act.

The terminology used herein is intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terminology would produce an illegal or improper result.

29.3 Covenant Running with Land.

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

29.4 Declarant are Original Owners.

Declarant are the original owners of each Unit and the Property and will continue to be deemed the owner thereof except as conveyances or documents changing such ownership regarding specifically described Units are filed of record.

30. SEVERABILITY.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act or as covenants effect the common plan.

31. EFFECTIVE DATE.

The Declaration shall take effect upon recording.

32. REFERENCE TO SURVEY MAP AND PLANS.

The Survey Map and Plans for the buildings referred to herein were filed with the Recorder of Chelan County, Washington, simultaneously with the recording of this Declaration under File No. 930714003 in Volume 22 of Condominiums, pages 46-48.

33. CERTIFICATE OF COMPLETION. The Declarant hereby certifies that all structural components and mechanical systems of all buildings containing or comprising any Units hereby created by this Declaration (except for Units which may be added by future development pursuant to Section 3.3) are substantially completed.

DATED this 11<sup>th</sup> day of July, 199~~8~~<sup>3</sup>.

**DECLARANT:**

LODGE POLE FOREST PRODUCTS, INC.

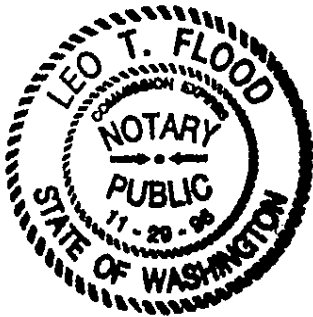
By: Robert Harris  
ROBERT HARRIS, President

STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF CHELAN )

On this day personally appeared before me, ROBERT HARRIS, to me known to be the President of Lodgepole Forset Products, Inc., the corporation that executed the within and foregoing instrument, and acknowledged that he signed the same as the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned.

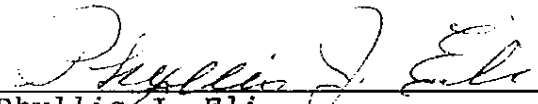
GIVEN under my hand and official seal this 11<sup>th</sup> day of July, 1997<sup>3</sup>

Leo T. Flood  
NOTARY PUBLIC in and for the State of  
Washington, residing at CHELAN  
My commission expires: 11/29/96



**CONSENT TO DECLARATION:**

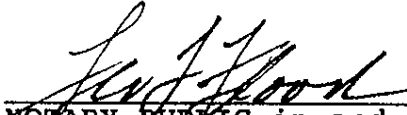
The undersigned is the contract vendor under the Real Estate Contract dated April 14, 1992, and recorded under Chelan County Auditor's No. 9204150091 and owner of the fee of the land described herein. I hereby consent to the dedication of the property to condominium purposes and to submission of the property to the Washington condominium act, R.C.W. 64.34.

  
\_\_\_\_\_  
Phyllis J. Eli

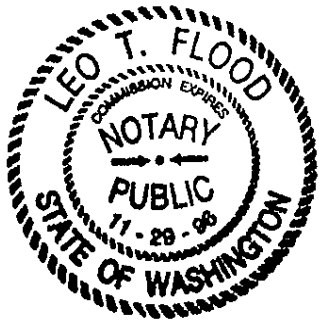
STATE OF WASHINGTON )  
                                  ) **CHELAN** ss.  
County of ~~Pierce~~ )

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Phyllis J, Eli, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12<sup>th</sup> day of July, 1993.

  
\_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at:  
My appointment expires:

0460\decs.fn5



## LEGAL DESCRIPTION

ALL OF LOTS 7 AND 8, A PORTION OF LOT 6, BLOCKS 1 AND 4 OF BRUNTON'S ADDITION TO LAKESIDE, CHELAN COUNTY, WASHINGTON, AS FILED IN VOLUME 2 OF PLATS AT PAGE 47, RECORDS OF CHELAN COUNTY, LYING NORTHERLY OF S.R.-97A (OLD STATE HIGHWAY NO. 10), TOGETHER WITH ALL VACATED STREETS AND ALLEYS ADJOINING THIS PROPERTY THAT WOULD ATTACH BY LAW, (LAKESIDE ORDINANCE NO. 24, MAY 02, 1927) AND THE SECOND CLASS SHORELANDS ABUTTING TO THE NORTH OF THIS PROPERTY, SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A REBAR AND CAP ON THE CENTERLINE OF BAKER STREET ON THE SOUTHERLY RIGHT OF WAY OF SAID HIGHWAY, FROM WHICH ANOTHER REBAR AND CAP ON THE SAME CENTER LINE BEARS SOUTH 00 DEGREES 13 MINUTES 03 SECONDS EAST FOR A DISTANCE OF 195.22 FEET;

THENCE NORTH 00 DEGREES 13 MINUTES 03 SECONDS WEST ALONG SAID CENTERLINE FOR A DISTANCE OF 60.52 FEET TO THE NORTHERLY RIGHT OF WAY OF SAID HIGHWAY AND THE TRUE POINT OF BEGINNING.

THENCE NORTH 82 DEGREES 40 MINUTES 36 SECONDS WEST ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 124.98 FEET;

THENCE LEAVING SAID RIGHT OF WAY NORTH 00 DEGREES 13 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 61.88 FEET;

THENCE NORTH 89 DEGREES 46 MINUTES 57 SECONDS EAST FOR A DISTANCE OF 5.00 FEET;

THENCE NORTH 00 DEGREES 13 MINUTES 03 SECONDS WEST TO THE 1079 FOOT CONTOUR LINE;

THENCE EASTERLY ALONG SAID 1079 FOOT CONTOUR LINE TO A POINT WHICH BEARS NORTH 00 DEGREES 13 MINUTES 03 SECONDS WEST FROM THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 13 MINUTES 03 SECONDS EAST TO THE TRUE POINT OF BEGINNING.

REFERENCE: RECORD OF SURVEY FILED IN BOOK 24 AT PAGE 81, AND DEED FILED IN BOOK 839, PAGE 903, RECORDS OF CHELAN COUNTY, WASHINGTON.

ATTACHMENT "A"

BK099816017

LEGAL DESCRIPTION OF ADJOINING PROPERTY

Lots 2, 3, 4, 5 and part of Lot 6, inclusive, Blocks 1 and 4 of Brunton's Addition to Lakeside, Chelan County, Washington, as filed in Volume 2 of Plats at page 47, records of Chelan County, together with all vacated streets and alleys adjoining this property that would attach by law, (Lakeside Ordinance No. 24, May 2, 1927), and the Second Class Shorelands adjoining the North of this property, lying northerly of State Highway No. 10 (SR97 A).

ATTACHMENT "B"

BK0998PG0177

DESCRIPTION FOR HARRIS CHELAN MARINA CONDOMINIUMS  
D.N.R. LEASE AREA

May 26, 1993

Commencing at a rebar and cap on the centerline of Baker Street on the southerly right of way of S.R.- 97A. (Old State Highway No. 10), from which another rebar and cap on the same center line bears South 00 degrees 13 minutes 03 seconds East for a distance of 195.22 feet;

Thence North 00 degrees 13 minutes 03 seconds West along said centerline for a distance of 60.52 feet to the northerly right of way of said highway;

Thence North 82 degrees 40 minutes 36 seconds West along said right of way for a distance of 124.98 feet;

Thence leaving said right of way North 00 degrees 13 minutes 03 seconds West for a distance of 61.88 feet;

Thence North 89 degrees 46 minutes 57 seconds East for a distance of 5.00 feet;

Thence North 00 degrees 20 minutes 52 seconds West for 371.45 feet to the TRUE POINT OF BEGINNING;

Thence North 00 degrees 20 minutes 52 seconds West for 72.45 feet;

Thence North 90 degrees 00 minutes 00 seconds East for 71.62 feet;

Thence South 00 degrees 25 minutes 44 seconds East for 20.59 feet;

Thence South 89 degrees 15 minutes 35 seconds West for 20.41 feet;

Thence South 00 degrees 16 minutes 51 seconds East for 29.55 feet;

Thence South 66 degrees 39 minutes 05 seconds West for 55.62 feet to the TRUE POINT OF BEGINNING.

ATTACHMENT "C"

dnr.des

BK0998PG01

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 AND  
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