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OPAL COMMUNITY LAND TRUST

**CONDOMINIUM DECLARATION
FOR
KIDDER WAY CONDOMINIUM**

Grantor:	<u>OPAL COMMUNITY LAND TRUST</u>
Grantee:	<u>KIDDER WAY CONDOMINIUM</u>
Legal Description (abbreviated):	LOTS A and B OF PLAT ALTERATION OF KIDDER SHORT PLAT
<input checked="" type="checkbox"/> Additional on:	<u>SCHEDULE A</u>
Assessor's Tax Parcel ID #s:	271411023000; 271411002001
Reference Nos. of Related Documents:	<u>2026-0120023</u> (Map) 2025-1217030 (Parking and Setback Easement)

THE MAP WAS RECORDED WITH THE RECORDER OF SAN JUAN COUNTY, WASHINGTON, CONTEMPORANEOUSLY WITH THE RECORDING OF THIS DECLARATION UNDER REC. NO. 2026-0120023, IN VOLUME 2 OF CONDOMINIUMS, PAGES 42 THROUGH 42A.

This Condominium is subject to the Washington Uniform Common Interest Ownership Act, codified at Ch. 64.90 RCW, as it may be from time to time amended.

DECLARATION EXPLANATION

This document is a condominium declaration under a law called WUCIOA: the Washington Uniform Common Interest Ownership Act. A condominium is a type of common interest community where a piece of property is divided into smaller units for separate ownership. Parts of the larger piece of property may also be set aside for owners to use in common. A condominium declaration is legally required by WUCIOA. The declaration helps accomplish division of the property for separate ownership, and it also helps owners manage the property they commonly own together. The declaration provides the “rules of the road” for owners of units in the condominium and for the homeowner’s association that will manage commonly owned property. It is necessarily lengthy: it contemplates everything from how day-to-day expenses will be shared to how improvements will be repaired if they’re destroyed by fire or other casualty (something we hope will not happen).

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LIST OF SCHEDULES:

- Schedule A - Kidder Way Condominium
- Schedule B - Unit Data and Allocated Interests
- Schedule C - Parking Pads Assigned as Limited Common Elements
- Schedule D - Legal Description of Adjacent Property

**CONDOMINIUM DECLARATION
FOR
KIDDER WAY CONDOMINIUM**

THIS CONDOMINIUM DECLARATION is dated _____, 2026, and is made by OPAL Community Land Trust, a Washington nonprofit corporation ("**OPAL**").

RECITALS

- A.** OPAL is the sole owner of the Property located in San Juan County, Washington, legally described in **SCHEDULE A**.
- B.** OPAL recorded a Map of the KIDDER WAY CONDOMINIUM at the same time it recorded this Declaration.
- C.** The Kidder Way Condominium has 10 Units. The Units are known as "airspace condominium units," which means their boundaries are like boxes of air—they are defined by planes in space.
- D.** The Common Elements include all airspace above the top horizontal boundary of the Units—the air above the box of air that is a Unit.
- E.** By recording this Declaration and the Map, OPAL is submitting the Property, along with all improved appurtenances attached to the Property, to the provisions of the Washington Uniform Common Interest Ownership Act, as it may be amended.
- F.** A portion of the Condominium will be located on property (the "**Adjacent Property**") that lies outside the boundaries of the property described in **SCHEDULE A**. The Adjacent Property is legally described on **SCHEDULE D**. The owners of the Adjacent Property have acknowledged, via notarized signature attached to this Declaration, their consent to the terms of this Declaration and the recording hereof.

**ARTICLE 1.
DEFINITIONS**

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

1.1.1. "Allocated Interests" means the allocation of Common Expense Liability, Voting Interests, and undivided interest in Common Elements for each of the Units in the Condominium as set forth in Section 6.4 and as listed in **SCHEDULE B**. The Allocated Interest sets forth the financial responsibility and voting authority for matters impacting the Condominium.

1.1.2. "**Articles**" means the articles of incorporation for the Association. The Articles formally create the Association.

1.1.3. "**Assessments**" means all sums chargeable by the Association against a Unit, including (a) general and special Assessments for Common Expenses and any Specially Allocated Expenses; (b) fines or fees levied or imposed by the Association; (c) interest and late charges on any delinquent account; and (d) costs of collection, including reasonable attorneys' fees, incurred by the Association collecting a delinquent Owner's account. The Assessments are usually paid by the Owners on a monthly basis, and you may hear them referred to as "dues."

1.1.4. "**Association**" means the Kidder Way Homeowners Association, a Washington nonprofit corporation. There is more information about the Association in Article 12. The Association is a nonprofit corporation that is governed by the Owners and has control over those Common Elements of the Condominium that are generally located outside of the Units.

1.1.5. "**Board**" means the board of directors of the Association, as described in Article 14. The Board votes on important Association matters and is elected by the Owners.

1.1.6. "**Building**" means a building within which one or more Homes is located.

1.1.7. "**Building Envelope**" means the assemblies, components, and materials of a Building that are intended to separate and protect the interior space of the Building from the adverse effects of exterior climatic conditions.

1.1.8. "**Bylaws**" means the bylaws of the Association as they may be amended. The Bylaws set the rules and procedure for the Association and Board.

1.1.9. "**CLT**" means a community land trust that separates ownership of the land from ownership of the Home as generally described in Section 2.2. OPAL is a CLT.

1.1.10. "**CLT Lease**" means a community land trust ground lease between OPAL as lessor and the CLT Member Owner as lessee as generally described in Section 2.2.

1.1.11. "**CLT Member Owner**" means the owner of the Home within the Unit and the lessee of the Unit from OPAL pursuant to a CLT Lease.

1.1.12. "**CLT Member Owner Class**" means the class of voters consisting of all CLT Member Owners.

1.1.13. "**Common Elements**" means all portions of the Condominium other than the Units and any other interests in real estate for the benefit of any Unit Owners that are subject to the Declaration. Common Elements are the parts of the Condominium owned by the Owners in common. Common Elements may be further designated as Limited Common Elements if they benefit a specific Unit and Unit Owner.

1.1.14. "**Common Expense Liability**" means the liability for Common Expenses allocated to each Unit in proportion to its Allocated Interest.

1.1.15. "**Common Expenses**" means expenditures made by or financial liabilities of the Association made in accordance with the terms of this Declaration, including allocations to reserves.

1.1.16. "**Condominium**" means Kidder Way Condominium, created under the Declaration and the Map.

1.1.17. "**Conveyance**" means any transfer of the ownership of a Unit, including a transfer by deed, by real estate contract, or by CLT Lease, but does not include the creation, transfer, or release of a security interest.

1.1.18. "**Declaration**" means this Condominium Declaration for Kidder Way Condominium, as it may from time to time be amended.

1.1.19. "**Development Rights**" means any right, if expressly reserved by OPAL in this Declaration to: (a) add real property or improvements to the Condominium; (b) create Units, Common Elements or Limited Common Elements within the Condominium; (c) subdivide Units or convert Units into Common Elements; (d) withdraw real property from the Condominium; or (e) reallocate Limited Common Elements with respect to Units that have not been conveyed by OPAL.

1.1.20. "**Eligible Mortgagee**" means any 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.

1.1.21. "**FHLMC**" means the Federal Home Loan Mortgage Corporation.

1.1.22. "**FNMA**" means the Federal National Mortgage Association.

1.1.23. "**Foreclosure**" means a statutory forfeiture or judicial or nonjudicial foreclosure of a Mortgage or a deed in lieu of foreclosure.

1.1.24. "**Governing Documents**" means the Articles, Bylaws, Declaration, Map, rules, or other written instruments, as each may be amended, by which the Association makes decisions related to Condominium.

1.1.25. "**Home**" means the improvements located or to be located within a Unit, exclusive of any Common Elements located within such Unit. Each Home is designed and intended for use and occupancy as a single-family residence.

1.1.26. "**Home Footprint**" means the portions of the Unit on which the Home is originally constructed within that Unit, as shown on the Map.

1.1.27. "**HUD**" means the Department of Housing and Urban Development.

1.1.28. "**Identifying Number**" means the number, symbol, or designation on the Map and as listed in SCHEDULE B, which identifies each Unit in the Condominium.

1.1.29. "**Limited Common Element**" means a portion of the Common Elements allocated in Article 8 for the exclusive use of one or more but fewer than all of the Units. For example, a Limited Common Element may be a parking space that is located outside a Unit that only one specific Owner may use.

1.1.30. "**Major Decision**" means any of the following decisions or actions of the Association, regardless of whether made or taken directly or indirectly by Owners, officers, or directors acting or purporting to act on behalf of the Association:

a. Approval by the Board (but not ratification by the Owners) of the initial annual budget;

b. Any capital additions or improvements or acquisition of real or personal property having a total cost in excess of \$25,000 in any 12-month period excluding those expenditures contemplated by the budget;

c. Approval by the Board and/or Owners of the use of any of the Association's reserve funds;

d. The levying of any special Assessments or an increase in general Assessments for controllable operating costs, which taken together with general Assessments exceed 110% of the previous year's Assessments;

e. Borrowing money in an amount greater than \$25,000;

f. Any Mortgage, financing, or encumbrance of any Association property;

- g. Making any loans or extending credit or guarantees from the Association to any Person;
- h. Any amendment to the Declaration, Articles, Bylaws, or rules and regulations of the Association, including any termination of the Condominium;
- i. Any transfer or sale of Association property;
- j. Any determination not to repair or rebuild the Common Elements or not to repair any damage or destruction under Article 21 or Article 22;
- k. Approval of any final settlement in any condemnation proceedings described in Article 22, and the allocation of any condemnation award among the Owners;
- l. Any final settlement of an insurance claim involving the Common Elements;
- m. Selecting any financial institution to hold funds of the Association that is not a conventional financial institution with accounts insured by the FDIC;
- n. Dissolution of the Association;
- o. Seeking protection from creditors under federal or state bankruptcy or insolvency laws;
- p. Initiating or settling any claim that would result in any Assessments to any Owner; and
- q. Approval of the request by an Owner to rezone its Unit or modify any land-use permit or land-use approval to which such Owner's Unit or Limited Common Elements are subject.

1.1.32. "**Map**" means the survey map and plans recorded with this Declaration and any later amendments filed.

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

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

1.1.35. "**Notice and Opportunity to Be Heard**" means the procedure described in Section 14.3.1.

1.1.36. "**OPAL**" means OPAL Community Land Trust, a Washington nonprofit corporation, and its successors and assigns. OPAL stands for "Of People And Land." OPAL is a community land trust aimed at addressing the ongoing need for permanently affordable housing in the communities in which it works. OPAL is the "declarant" under WUCIOA. OPAL is also an Owner: OPAL is the owner of the underlying fee interest in the Unit and the lessor of the Unit to the CLT Member Owner pursuant to a CLT Lease.

1.1.37. "**OPAL Class**" means the class of voters consisting only of OPAL in its capacity as an Owner (and not in its capacity as "declarant" under WUCIOA).

1.1.38. "**OPAL Control**" means the right of OPAL or persons designated by OPAL to appoint and remove officers and members of the Board, or to veto or approve a proposed action of the Board or Association, pursuant to Section 13.1.

1.1.39. "**Owner**" or "**Unit Owner**" means any Person who owns a Unit, but does not include any Person who (i) has an interest in a Unit solely as security for an obligation, or (ii) is the beneficiary of rights under easements and/or covenants granted by an Owner. In this Condominium there are two classes of Owner: OPAL and the CLT Member Owner. OPAL owns the fee interest in the Unit but not the Home or Structures, and leases the land in the Unit to the CLT Member Owner pursuant to a CLT Lease. The CLT Member Owner owns the Structures and Home on the Unit and leases the land in the Unit from OPAL pursuant to a CLT Lease. As used in the Governing Documents, the terms "Owner" and "Unit Owner" include OPAL and the CLT Member Owner unless indicated otherwise.

1.1.40. "**Person**" means an individual, corporation, partnership, limited partnership, limited liability company, trust, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity. "Person" has this definition because many parties involved with real estate are not natural persons, but artificial persons—entities like banks that loan money to a homebuyer.

1.1.41. "**Phase 1 Property**" means the portion of the Property legally described on the attached **SCHEDULE A**. As of the recording of this Declaration, the Phase 1 Property and the Property are the same, but it is anticipated that the Property comprising the Condominium will be expanded as an additional phase is added to the Condominium, as described in Article 4.

1.1.42. "**Phase Amendment**" means an amendment to this Declaration described in Section 4.4 to add Units and/or some of the Subsequent Phase Property to the Condominium as a "Subsequent Phase".

1.1.43. "**Project Mortgagee**" means the holder of a Mortgage secured by OPAL's interest in the Condominium, including any Units owned by OPAL or any Special Declarant Rights held by OPAL.

1.1.44. "**Property**" means the real property described in **SCHEDULE A** subjected to WUCIOA and made part of the Condominium. The Property includes both the Units and Common Elements.

1.1.45. "**Reserve Study**" means a reserve study prepared by a reserve study professional engaged by the Association in accordance with WUCIOA that estimates the anticipated major maintenance, repair, and replacement costs the Association is projected to incur, and provides the amount to be collected to establish and fund reserve accounts in amounts sufficient to pay those costs when due.

1.1.46. "**Special Declarant Rights**" means rights reserved for the benefit of OPAL as specified in Article 10.

1.1.47. "**Specially Allocated Expenses**" means certain expenditures or liabilities of the Association that are specially allocated among Units in accordance with usage or benefit, if any.

1.1.48. "**Structure**" means any building, fence, wall, pole, driveway, walkway, patio, antenna or the like within a Unit, exclusive of any Common Elements located within such Unit.

1.1.49. "**Subsequent Phase Property**" means the Property designed as the Subsequent Phase Property on **SCHEDULE A** and shown on the Map, which OPAL has reserved the Development Right to add to the Condominium through future phases, and on which OPAL has reserved the Development Rights to create Units and to assign Limited Common Elements as part of a future phase of the Condominium.

1.1.50. "**Transition Date**" means the date when the period of OPAL Control terminates as determined in Section 13.1.

1.1.51. "**Transition Meeting**" means the meeting of Owners held pursuant to Section 13.3.

1.1.52. "**Unit**" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 6.2 and shown on the Map, exclusive of any Common Elements that may be located within such boundaries. Each Unit is intended for ownership by both OPAL and a CLT Member Owner. OPAL owns the fee interest in the Unit but not the Home or Structures, and leases the land and base interest of the Unit to the CLT Member Owner pursuant to a CLT Lease. The CLT Member Owner owns the Home and Structures on the Unit and leases the land and base interest of the Unit from OPAL pursuant to a CLT Lease.

1.1.53. "VA" means the Veterans Administration.

1.1.54. "Voting Interest" means the proportionate number of votes in the Association allocated to each Owner of a Unit, as described in Section 6.4. The Voting Interest may change if additional Units are added to the Community.

1.1.55. "WUCIOA" means the Washington Uniform Common Interest Ownership Act, codified at Ch. 64.90 RCW, as it may be amended. WUCIOA was enacted to provide protection to homeowners and uniformity in the governance of common interest communities. Common interest communities are communities like this one where homeowners own individual elements of the community, but the homeowners collectively own other parts of the community. Condominiums, cooperatives, and plat communities are examples of common interest communities. This Declaration is a requirement of WUCIOA.

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

ARTICLE 2. CREATION OF CONDOMINIUM

2.1. **Purpose.** OPAL has recorded this Declaration to establish a system of governance for the Condominium and to support the community land trust model of affordable homeownership. The Declaration and WUCIOA provide the framework by which the Condominium is created and operated. If the provisions of the Declaration conflict with WUCIOA, WUCIOA shall prevail. If the provisions of this Declaration conflict with the Bylaws, the Declaration shall prevail except to the extent the Declaration is inconsistent with WUCIOA. 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, the Map, or any amendment to the Declaration or Map to comply with WUCIOA.

2.2. **Community Land Trust Program.** This Section outlines certain unique characteristics of the Condominium related to ownership of parts of the Condominium by a community land trust.

2.2.1. OPAL is a nonprofit corporation organized for the purposes of acquiring and holding land for the benefit of the community, and providing affordable, secure homeownership opportunities for households with low and moderate income.

2.2.2. OPAL preserves the long-term affordability of land and homes through a community land trust, which separates ownership of the land from ownership of the home.

2.2.3. Homebuyers in an OPAL community own their homes and other improvements and lease the land beneath the home pursuant to a long-term ground lease.

2.2.4. The CLT Lease has a term of 99 years, is renewable and inheritable, and provides for a monthly lease payment. It also limits the equity that a homebuyer can accrue in their home and restricts resale of the Home to successor purchasers who are income-qualified buyers.

2.2.5. To maintain the affordability of the Homes within the Condominium, OPAL will convey ownership of the Homes and Structures on the Unit to the homebuyers. OPAL will simultaneously enter into a CLT Lease of the corresponding Unit with the homebuyer. As a result, OPAL will own the land or base interest in the condominium unit (excluding the Home and Structures) and the homebuyer will own the Home and Structures.

2.2.6. The Governing Documents grant rights to OPAL as a Unit Owner (but not in its capacity as the “declarant” under WUCIOA) to consent to certain Association actions and decisions.

2.2.7. The rights and obligations of the parties under this Declaration and the other Governing Documents are independent of the rights and obligations of OPAL and any homebuyer that is party to a CLT Lease under the CLT Lease. The Condominium is not a “leasehold common interest community” as that term is defined by WUCIOA because the CLT Leases are entered into on a Unit-by-Unit basis and the termination of the CLT Leases will not terminate the Condominium or reduce its size.

ARTICLE 3. NAME OF CONDOMINIUM

The name of the Condominium created by this Declaration and the Map is Kidder Way Condominium.

ARTICLE 4. DESCRIPTION OF REAL PROPERTY

4.1. Description of Real Property. The real property included in the Condominium is described in the Map and legally described on **SCHEDULE A**. OPAL has created 10 Units. After recording this Declaration, OPAL will sever the ownership of the Homes and Structures in the Units from the Ownership of the land in and base interest of the Units, by conveying 10 Homes and Structures in the Units to the CLT Member Owners and ground leasing the underlying fee interest in and base interest of the Units to the corresponding CLT Member Owners. OPAL reserves the Development Right to add some or all of the Subsequent Phase Property to the Condominium.

4.2. Development in Phases. OPAL may elect to add additional phases to the Condominium by adding some or all of the Subsequent Phase Property to the Condominium in one or more additional phases. The first phase of the Condominium consists of the Phase 1 Property and the Units listed in **Schedule B** and shown on the Map. The Phase 1 Property on which the Phase 1 Units are located is described in **Schedule A**. OPAL reserves the Development Rights to create additional Units within the Condominium by adding Subsequent Phases to the Condominium, up to a maximum of three additional units. Any such right to add Subsequent Phase Property to the Condominium and/or to create additional Units on the Property shall be exercised by OPAL recording a Phase Amendment for the Subsequent Phase which (a) amends **Schedule A** to show all phases of Property currently in the Condominium, (b) amends **Schedule B** to list all of the Units then in the Condominium, including those being created, together with all of the information called for by that schedule and to reallocate the Allocated Interests among all of the Units, and (c) if necessary, amends this Declaration to describe any additional Limited Common Elements in that Subsequent Phase. Concurrently with the recording of a Phase Amendment, OPAL shall also record an amendment to the Map showing the portion of the Subsequent Phase Property added to the Condominium through such future phases(s) and the Units and Common Elements created within the same.

4.3. Liens. Any liens that arise in connection with OPAL's ownership of the Subsequent Phase Property, or any Units created from such Subsequent Phase Property, shall attach only to OPAL's interest in any Units owned by OPAL or against OPAL's Development Rights and Special Declarant Rights, and shall not adversely affect the rights of other Unit Owners or the priority of Mortgages on the Units.

4.4. Election to Add, Transfer or Withdraw Subsequent Phase Property from the Condominium. OPAL may at any time or times elect to (i) transfer to any party and not add to the Condominium any of the Subsequent Phase Property, (ii) add any of the Subsequent Phase Property to the Condominium as part of one or more future phases, and/or (iii) withdraw from the Condominium any portion of the Subsequent Phase Property that was previously added to the Condominium but on which no Units have been created. Any addition or withdrawal of some or all of the Subsequent Phase Property to the Condominium shall be reflected by (a) in the case of a withdrawal, a recording a notice of withdrawal signed only by OPAL which describes the land being withdrawn, (b) recording an amendment to **Schedule A** describing the land in the Condominium following such addition or withdrawal (which may be a Phase Amendment in the case of an addition), and (c) filing an amendment to the Map showing the land remaining in the Condominium. At the time OPAL elects to withdraw land from the Condominium, OPAL may reserve for the benefit of such land the right to use the Common Elements of the Condominium by recording an amendment to the Declaration providing the terms of such use and any special costs or fees which will be charged for such use.

4.5. Consent of HUD, VA and FNMA. If HUD, VA, or FNMA holds, insures or guarantees any Mortgage in the Condominium, no property shall be added to the Condominium without the prior written consent of each of them that holds, insures or guarantees such a Mortgage; provided, however, that the creation of Units or additional Common Elements within the Subsequent Phase Property (which is all part of the Condominium as of the original date of recording of this Declaration) by OPAL in accordance with Section 4.2 shall not be deemed an addition of property to the Condominium for purposes of this Section.

4.6. Expiration of Development Rights. The Development Rights specified herein shall terminate on the earlier of (a) the fiftieth anniversary of the recording of this Declaration or (b) the recording of a notice signed by OPAL that it no longer wishes to exercise any of the Development Rights.

ARTICLE 5. DESCRIPTION OF BUILDINGS

Each Unit will be within a duplex and improved with a single-family Home of wood-frame construction, which Home shall lie within the boundaries of the applicable Unit.

ARTICLE 6. DESCRIPTION OF UNITS; ALLOCATED INTERESTS

6.1. Number and Identification of Units. The Condominium has 10 Units. The Identifying Number of each Unit is set forth in **SCHEDULE B**. The location of each Unit is shown on the Map.

6.2. Unit Boundaries. The Units are commonly known as "airspace units." The horizontal and vertical boundaries of the Units are the planes in space shown on the Map. The Home or other Structures or improvements within the boundaries of a Unit together with any open space are a part of the Unit.

6.3. Unit Data. **SCHEDULE B** sets forth the following data for each Unit, to include the following, to the extent constructed as of the date of this Declaration:

6.3.1. The approximate area of the Unit (which is the square footage of the airspace Unit as viewed in plan format, not the square footage of the Home located within the Unit);

6.3.2. The number of bathrooms, whole or partial in the Home within the Unit;

6.3.3. The number of rooms designated primarily as bedrooms in the Home within the Unit;

6.3.4. The level or levels of the Home within the Unit; and

6.3.5. The Allocated Interest of each Unit.

The location and configuration of each Unit is shown in the Map. When OPAL creates Units in a Subsequent Phase, **SCHEDULE B** shall be amended by OPAL to show all of the data for the Units created.

6.4. Allocated Interests. Because OPAL has an interest in the maintenance, repair, reconstruction, insurance, condition, function, preservation, viability, and attractiveness of the Condominium and the long-term availability and affordability of the land and Homes, OPAL (in its capacity as Owner and not as “declarant” under WUCIOA) is granted certain additional consent rights and rights to participate in Board governance as set forth in this Declaration and the Bylaws. The Allocated Interests in the Condominium, as forth in **SCHEDULE B**, are as follows:

6.4.1. The Common Expense Liability is allocated to the CLT Member Owners (and not OPAL) since the CLT Member Owners occupy the Homes and use the Common Elements. Accordingly, the Common Expense Liability is allocated 100% among the CLT Member Owners and 0% to OPAL. Among the CLT Member Owners, the Common Expense Liability is allocated equally.

6.4.2. The Voting Interest is divided into two classes of voters, the CLT Member Owner Class and the OPAL Class. Among the CLT Member Owner Class, the Voting Interest is allocated equally among the CLT Member Owners, with each CLT Member Owner having a Voting Interest of one vote per Unit. The CLT Member Owner Class shall vote on all issues relating to the Condominium. Among the OPAL Class, the Voting Interest is allocated equally among the Units owned by OPAL, with each OPAL-owned Unit having a Voting Interest of one vote per Unit. The OPAL Class shall generally not vote on routine matters relating to the Condominium, but if the Board or the CLT Member Owner Class proposes a Major Decision, the OPAL Class shall have the right to approve or disapprove such Major Decision in its sole discretion. The OPAL Class is established not with respect to OPAL’s capacity as “declarant” under WUCIOA but in recognition of OPAL’s ownership of the underlying fee interest in each Unit.

6.4.3. The undivided interest in the Common Elements is allocated equally among the CLT Member Owners; provided, however, that 100% of the land in the Condominium is allocated to OPAL (as the owner of the underlying fee interest, and not its capacity as “declarant” under WUCIOA).

**ARTICLE 7.
COMMON ELEMENTS**

7.1. Description. The Common Elements include, without limitation, areas and structures not lying within any Unit as depicted on the Map.

7.2. Use. Each CLT Member Owner shall have the right to use the Common Elements in common with all other CLT Member Owner and a right of access from the

CLT Member Owner's Unit across the Common Elements to the public streets. The right to use the Common Elements extends not only to each CLT Member Owner, but also to the CLT Member Owner's guests. The right to use the Common Elements, including the Limited Common Elements, is governed by the provisions of WUCIOA, this Declaration, the Bylaws, and the rules and regulations of the Association.

7.3. Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if approved in accordance with RCW 64.90.465 (a part of WUCIOA that governs conveyance or encumbrance of Common Elements). All of the Owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

ARTICLE 8. PARKING AND STORAGE; LIMITED COMMON ELEMENTS

8.1. Description of Limited Common Elements. The Limited Common Elements assigned to and reserved for the exclusive use of a Unit are shown on the Map to the extent feasible, and shall include the roofs of Buildings and the following components of the Building Envelope of each Home: gutters, siding, trim, exterior paint, windows, and sliding doors.

8.2. Parking. Within the Common Elements, parking pads have been installed solely for the purpose of parking one operable passenger vehicle on each pad. To the extent assigned on **SCHEDULE C**, the parking pads are Limited Common Elements designated for exclusive use by the Units in conformance with the assignments indicated on the Map. The parking space designated for use by persons with disabilities is available to guests and all owners on a nonexclusive basis and may be subject to reasonable rules and regulations promulgated by the Board from time to time.

8.3. Storage. All storage is within the Home to be constructed within each Unit.

8.4. Regulation of Parking. Exterior parking spaces within the Condominium are to be used only by owner guests or invitees for the parking of operable passenger motor vehicles and may not be used for parking commercial vehicles, trailers, or recreational vehicles or for other purposes except to the extent expressly allowed by rules and regulations adopted by the Association. This restriction does not apply to police or sheriff's cars. All exterior Common Element parking spaces that are not assigned on the Map are general parking available for use on a first-come, first-serve basis for use by the guests or visitors of any Unit Owner, subject to any applicable rules or regulations adopted by the Association.

8.5. Fire Marshal Requirements. All private roads or drives within the Condominium are subject to any applicable regulations established by the San Juan County Fire Marshal.

8.6. Change in Status of Common Elements. Except for the Development Rights of OPAL, no Common Element may be reallocated as a Limited Common Element, and no Common Element or Limited Common Element may be incorporated into an existing Unit without the approval of (i) CLT Member Owners holding at least 67% of the Voting Interests in the Association, (ii) OPAL, and (iii) the CLT Member Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Map.

8.7. Reallocation Between Units. An allocation of a Limited Common Element may not be altered without the consent of the Owners of the Units from which and to which the Limited Common Element is allocated. Except in regard to the Development Rights of OPAL, a Limited Common Element may be reallocated between Units only with the approval of the Board and by an amendment to the Declaration executed by the Owners of the Units to which the Limited Common Element was and will be allocated. The Board shall approve the request of the Owner or Owners under this Section 8.7 within 30 days unless the reallocation does not comply with WUCIOA or the Declaration. The failure of the Board to act upon a request within such period shall be deemed approval of the request. The amendment shall be recorded in the names of the parties and of the Condominium.

8.8. Right to Use Limited Common Elements. Each CLT Member Owner of a Unit to which a Limited Common Element is allocated shall have the exclusive right to use the Limited Common Element in common with the other Owners, if any, to which that Limited Common Element is allocated. The right to use the Limited Common Element extends to the Owner's guests but is governed by the provisions of WUCIOA and the Governing Documents.

ARTICLE 9. PERMITTED USES, MAINTENANCE OF UNITS; CONVEYANCES

9.1. Use; Timesharing Prohibited. The Units are intended for and restricted to residential use and for social and recreational use generally associated with residential use. Timesharing of Units, as defined in RCW ch. 64.36, is prohibited. Nothing in this Article 9 or any other portion of the Governing Documents shall be construed to prevent or limit the use of a Unit or Homes or Structures thereon for CLT purposes or to prevent or limit the lease of a Unit pursuant to a CLT Lease.

9.2. Leasing. Subject to the CLT Lease or as otherwise approved by OPAL, no Unit may be leased to a third-party tenant. The Units are intended to be occupied by the CLT Member Owners and their family and guests. For clarity, the foregoing prohibition

on rentals includes, without limitation, short-term rentals through rental services such as Airbnb and VRBO.

9.2.1. To the extent that any provision set forth in this Declaration or the Bylaws regarding leasing is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("*DVA Financing*"), such provision shall not apply to any Unit that is: (i) encumbered by DVA Financing; or (ii) owned by the Department of Veterans Affairs.

9.3. Maintenance of Units, Common Elements, and Limited Common Elements. Unless otherwise provided herein, the Association is responsible for maintenance, repair, and replacement of the Common Elements and Limited Common Elements, and submeters, if any, described in Section 15.9.2. Each CLT Member Owner shall, at each CLT Member Owner's sole expense, maintain, repair, and replace such CLT Member Owner's Unit and all improvements therein, including the Homes and Structures, except for Common Elements and Limited Common Elements, subject to the following:

9.3.1. Each CLT Member Owner shall, at such CLT Member Owner's sole expense, keep the Home and any Structures in good order, condition, and repair and shall take all steps necessary to maintain the good appearance and condition of the Home and any Structures.

9.3.2. The cost of maintaining and repairing the party wall, i.e., the wall placed on the dividing line between two Units, shall be shared equally by the CLT Member Owners who own the Units that contain the wall. The general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the dividing wall.

9.3.3. The roof of each Building is a Limited Common Element, and the Association may delegate the routine care and maintenance of such roof to the CLT Member Owner(s) of the Home(s) to which the roof is attached. The Association shall be responsible for the replacement or capital repair of any roof. If the roof is so repaired or replaced, the materials will be similar in type, quality and color to the original roof. The cost of such repair or replacement will be paid by the Association and allocated proportionately to the CLT Member Owners of the Home to which the roof is attached proportionally in accordance with the square footage of each CLT Member Owner's Home.

9.3.4. Those components of the Building Envelope of each Home identified in Section 8.1 are Limited Common Elements, and the Association may delegate the routine care and maintenance of such components to the CLT Member Owner(s) of the Home(s) to which the Building Envelope is attached. The Association shall be responsible for the replacement or capital repair of any Building Envelope

components identified Section 8.1. If such a component is so repaired or replaced, the materials will be similar in type, quality and color to the original component that was repaired or replaced. The cost of such repair or replacement will be paid by the Association and allocated proportionately to the CLT Member Owner(s) of the Home(s) to which the roof is attached proportionally in accordance with the square footage of each CLT Member Owner's Home. All other components of the Building Envelope of each Home shall be cared for and maintained by the CLT Member Owners of the Homes within the applicable Building. If any component of the Building Envelope that is not identified as a Limited Common Element is repaired or replaced, the materials will be similar in type, quality and color to the original Building Envelope, unless mutually agreed upon by the CLT Member Owners. The cost of such repair is the sole responsibility of the CLT Member Owner making the repair or replacement, except to the extent the repair or replacement benefits all CLT Member Owners who own Homes within the applicable Building, in which case the cost will be shared proportionately between the CLT Member Owners of the Homes within the Applicable Building in accordance with the square footage of each such CLT Member Owner's Home.

9.3.5. The cost of maintaining, repairing, and replacing the shared easement areas described in Article 23 shall be shared equally by the CLT Member Owners. The Association may accumulate reserves for replacement purposes, so long as the reserves were provided for in the Association's budget.

9.3.6. The cost of maintaining, repairing, and replacing the shared mailboxes for the Property, if any, shall be shared equally by the CLT Member Owners using such mailboxes. The Association may perform such services on behalf of the CLT Member Owners, in which case the associated costs and expenses may be treated as a Common Expense.

9.3.7. No improvements (including staking, clearing, excavation, grading and other site work), exterior alteration of existing Homes and Structures (including painting), placement or posting of any object or thing on the exterior of any Home or Structure (e.g., fences, signs, antennas, satellite dishes, clotheslines, playground equipment, lighting, storm or screen doors and windows, temporary structures, artificial vegetation, exterior sculptures and fountains) or planting or removal of plants, trees or shrubs shall take place except in compliance with this Article.

9.3.8. An Owner may remodel or redecorate the interior of the Owner's Home in any manner desired, repaint the exterior of the Owner's Home in accordance with the originally approved color scheme or rebuild Structures in accordance with originally approved plans and specifications without approval under this Section (provided that any other Owner of a Home located in the same Building gives their consent to repaint and/or rebuild).

9.3.9. An Owner may not install a satellite dish, antenna, or other receiving device in or on any portion of the Common Elements. Any such installation as

part of the Owner's Unit shall be in accordance with any rules and regulations adopted by the Association.

9.3.10. All Homes constructed on any Unit shall be designed by and built in accordance with the plans and specifications of a building designer or licensed architect.

9.3.11. This Article shall not apply to the construction of Homes or Structures by, or activities of, OPAL or to improvements or modifications to the Common Elements by or on behalf of the Association.

9.3.12. This Article may not be amended without OPAL's written consent so long as OPAL owns an interest in a Unit subject to this Declaration.

9.4. Exterior Appearance. No Owner may make any structural modifications or change the originally installed materials and colors of its Home, without the prior written consent of the Board or in accordance with the rules and regulations of the Association. If the Board's written consent is obtained, the Owner may make such structural modifications or changes so long as all necessary permits have been obtained, and applicable legal conditions met, as required for the lawful construction or installation thereof in accordance with the CLT Lease and with all applicable laws, rules, and regulations of the State of Washington, San Juan County, and any other governmental authority having jurisdiction over such matters. To the extent that the cooperation of the other Owners is required in order to obtain such permits, the other Owners shall cooperate with such efforts to obtain such permits so long as the other Owners are not required to incur any cost with respect to the same. This restriction does not apply to OPAL with respect to Units owned by OPAL.

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 or that would be in violation of any laws.

9.6. Use or Alteration of Common 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 of the Board. Nothing shall be altered or constructed in or removed from any Common Element or Limited Common Element by an Owner without the prior written consent of the Board.

9.7. Quiet Enjoyment. No Owner shall permit anything to be done or kept in the Owner's Unit, Limited Common Elements, or Common Elements that would interfere with the right of quiet enjoyment of the other residents of the Condominium.

9.8. Vehicles. No vehicle may be parked so as to block access from the Units or easement areas.

9.9. Waste Removal. Each CLT Member Owner shall be responsible for placing waste containers at the appropriate location for pick-up, or for self-haul to Orcas Recycling Services.

9.10. Offensive Activity. No noxious or offensive activity shall be carried on in any Unit, Limited Common Element or Common Element, nor shall anything be done therein that may be or become an annoyance or nuisance to other Owners. Owners shall not permit any condition to exist that will induce, breed or harbor infectious plant diseases or noxious insects or vermin.

9.11. 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. Each Owner shall indemnify, defend, and hold harmless the other 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, tenants or invitees of the Unit. As used herein, the term "Hazardous Substance" means any hazardous, toxic or dangerous substance, waste or material that 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 that 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.

9.12. Conveyance by CLT Member Owner, Notice Required. The right of a CLT Member Owner to convey the Unit shall not be subject to any right of approval, disapproval, first refusal or similar restriction by the Association or the Board, or anyone acting on their behalf. A CLT Member Owner intending to convey a Unit shall deliver a written notice to the Board and to OPAL specifying (a) the Unit being sold; (b) the name and address of the purchaser, the closing agent, and 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 Owner shall notify the Association of the date of the conveyance and the Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy

under Article 20 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy. Nothing in this Article 9 shall be construed as a waiver or modification of any provisions of any CLT Lease.

ARTICLE 10.
DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

10.1. Development Rights. OPAL shall have the right to exercise Development Rights under this Declaration or WUCIOA. Any such Development Rights shall terminate on the earlier of (a) the fiftieth anniversary of the recording of this Declaration or (b) the recording of a notice signed by OPAL that it no longer wishes to exercise any of the Development Rights.

10.2. Special Declarant Rights. OPAL reserves the following Special Declarant Rights in its capacity as “declarant” under WUCIOA so long as OPAL owns a Unit in its entirety: (a) to complete any Homes, Structures, or other improvements and otherwise perform work indicated on the Map, or described in this Declaration or OPAL’s public offering statement, authorized by building permits applicable to the Condominium, provided for under any purchase and sale agreement between OPAL and a purchaser of any interest in a Unit, necessary to satisfy any express or implied warranty under which OPAL is obligated or as otherwise authorized or required by law; (b) to maintain sales offices, management offices, interior and exterior signs advertising the Condominium, and models in Units that are not occupied and are for sale by OPAL, in Units owned by OPAL, and in the Common Elements of the Condominium; (c) to conduct sales events and other activities relating to the marketing of Units in the Common Elements of the Condominium; (d) to use easements through the Common Elements for the purpose of making improvements within the Condominium; (e) to elect, appoint, or remove any officer of the Association or any member of the Board or to veto or approve a proposed action of the Board or Association during the period of OPAL Control as provided by Section 13.1; (f) to control any construction, design review, or aesthetic standards committee or process; and (g) to attend meetings of the Unit Owners and the Board.

10.3. Transfer. The rights of OPAL as “declarant” described in this Article shall not be transferred except by instrument evidencing the transfer executed by OPAL or OPAL’s successor and the transferee, and recorded in San Juan County. The rights and liabilities of the parties involved in such a transfer, and of all persons who succeed to any Development Right or Special Declarant Right, are set out in RCW 64.90.425.

10.4. Expiration of Special Declarant Rights. The Special Declarant Rights shall expire on the earlier of (a) the fiftieth anniversary of the recording of this Declaration or (b) the recording of a notice signed by OPAL that it no longer wishes to exercise any of the Special Declarant Rights.

**ARTICLE 11.
ACCESS FOR REPAIR OR MAINTENANCE**

The Association and its agents may access any Limited Common Element to effect repairs, improvements, replacements, maintenance, or sanitation work deemed by the Board to be necessary in the performance of its duties, to do work that an Owner has failed to perform which the Board, in its sole discretion, deems necessary to prevent such Limited Common Element from falling into disrepair, or to prevent damage to the Limited Common Elements, provided that the Association may not enter into any Home to access such Limited Common Element. Except in cases of emergency that preclude advance notice, the Board shall cause the Unit occupant to be given Notice and an Opportunity to be Heard as far in advance of accessing any Limited Common Element as is reasonably practicable, and such access shall be made with as little inconvenience to 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 such Owner has failed to perform, which special Assessment may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 16.

**ARTICLE 12.
OWNERS ASSOCIATION**

12.1. Form of Association. The Owners of Units shall be members of the Association. The Association shall be organized as a nonprofit corporation no later than the date the first Unit in the Condominium is conveyed. The number of Board members and qualifications and procedures for election to the Board shall be provided in the Bylaws. The rights and duties of the Board and of the Association shall be governed by the provisions of WUCIOA, the Declaration, and the Bylaws.

12.2. Bylaws. The Board will adopt Bylaws to supplement the Declaration, provide for the administration of the Association and the Property, and for other purposes not inconsistent with WUCIOA or the Declaration.

12.3. Qualification and Transfer. Each Owner of a Unit (including OPAL) 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 interest in its Unit. Ownership of an interest in a Unit shall be the sole qualification for membership in the Association. Ownership of a Home in a Unit pursuant to a CLT Lease shall be the sole qualification for CLT Member Owner membership in the Association, and ownership of the underlying fee interest in a Unit shall be the sole qualification for OPAL's membership in the Association. Each CLT Member Owner shall have a Voting Interest for its interest in its Unit and OPAL shall have a Voting Interest for each Unit. 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 Owner for purposes of the Association, this Declaration, and the Bylaws, except as limited in this Declaration,

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.

12.4. Powers of the Association. In addition to those actions authorized elsewhere in the Declaration, and subject to the OPAL Class's right to approve or disapprove Major Decisions in its sole discretion, as set forth in Section 6.4.2, the Association shall have the power to:

12.4.1. Adopt and amend the Bylaws and the rules and regulations for the Condominium;

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

12.4.3. Hire and discharge or contract with agents and independent contractors;

12.4.4. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Condominium, provided, however, that the approval of Owners holding at least 67% of the votes in the Association shall be required before the Association may institute, commence, or intervene in any litigation or administrative proceeding, including arbitration, other than litigation or other proceedings against Owners for collection of delinquent Assessments or for enforcement of the Declaration or rules and regulations of the Association; but Owner approval shall not be required for settlement of such litigation or administrative proceedings;

12.4.5. Make contracts, borrow money, and incur liabilities;

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

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

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

12.4.8.1. If the estimated cost of any separate property acquisition, addition or improvement to the Condominium exceeds \$5,000, the approval of the Owners holding a majority of the votes in the Association shall be required;

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

12.4.8.3. 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.

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

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

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

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

12.4.13. Impose and collect reasonable charges for the preparation and recording of amendments to this Declaration, resale certificates required by RCW 64.90.640, and statements of unpaid Assessments;

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

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

12.4.16. Provide or pay, as part of the Common Expenses, utility services to the Unit Owners as reasonably determined by the Board;

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

12.4.18. Exercise all other powers that may be exercised in the State of Washington by the same type of corporation as the Association; and

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

12.5. Financial Statements and Records. The Association shall keep financial records in accordance with generally accepted accounting principles and in sufficient detail to enable the Association to comply with the resale certificate requirements set forth in RCW 64.90.640. All financial and other records shall be made reasonably available for examination by any Unit Owner and the Owner's authorized agents. At least annually, the Association shall prepare or cause to be prepared a financial statement of the Association in accordance with accrual-based accounting practices. 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, unless waived in accordance with RCW 64.90.530(2). The financial statement shall be completed in time for the Association's annual meeting and in any event within 120 days following the end of the fiscal year. Any Mortgagee will, upon request, be entitled to receive the annual financial statement within 120 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association be presented at any special meeting. An Owner, at such Owner's expense, may at any reasonable time conduct an audit of the books of the Association. Upon written request of FHLMC, FNMA, HUD, or VA, if it is a Mortgagee, the Association shall provide such Mortgagee within a reasonable time the audited financial statement of the Association for the preceding fiscal year.

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

ARTICLE 13. TRANSITION TO OWNER CONTROL

13.1. OPAL Control Until Transition Date. Until the Transition Date, OPAL shall have the right to set the number of members and to appoint and remove all such members of the Board, provided that (a) not later than 60 days after conveyance of 25% of the Units that may be created to Owners other than OPAL, at least one member and not less than 25% of the members of the Board must be elected by Owners other than OPAL and (b) not later than 60 days after conveyance of 50% of the Units that may be created to Owners other than OPAL, not less than one-third of the members of the Board must be elected by Owners other than OPAL.

13.2. Transition Date. OPAL Control of the Association shall terminate on the Transition Date. The Transition Date shall be no later than the earliest of: (a) five years after the recording of this Declaration, (b) 60 days after conveyance of 75% of the Units that may be created to Owners other than OPAL, (c) two years after the last conveyance

of a Unit, except to a dealer, or (d) the date on which OPAL, after giving notice in a record to Unit Owners, records an amendment to this Declaration signed by OPAL and the Project Mortgagee pursuant to which OPAL voluntarily surrenders the right to further appoint and remove officers and members of the Board. If OPAL voluntarily surrenders control pursuant to (d) above, OPAL may require (in its capacity as "declarant" under WUCIOA) that for the duration of the period of OPAL Control, specified actions of the Association or the Board, as described in a recorded instrument executed by OPAL, be approved by OPAL before they become effective.

13.3. Transition Meeting. Within 30 days after the Transition Date or not later than 60 days after conveyance of 75% of the Units that may be created to Owners other than OPAL, OPAL or the Board must schedule a special meeting of Owners to elect a Board in accordance with Section 4 of the Bylaws. Within 30 days after such special meeting, OPAL shall deliver to the Board elected at the special meeting all property of the Owners and of the Association held or controlled by OPAL including the following:

- (a) The original or a photocopy of the recorded Declaration and each amendment to the Declaration;
- (b) The certificate of incorporation and a copy of the Articles as filed with the Secretary of State and the Bylaws;
- (c) The minute books, including all minutes and other books and records of the Association;
- (d) Current rules and regulations that have been adopted;
- (e) Resignations of officers and members of the Board who are required to resign because OPAL is required to relinquish control of the Association;
- (f) The financial records, including cancelled checks, bank statements, and financial statements of the Association, and source documents from the time of incorporation of the Association through the date of transfer or control to Owners;
- (g) Association funds or the control of the funds of the Association;
- (h) Originals or copies of any recorded instruments of conveyance for any Common Elements included within the Condominium but not appurtenant to the Units;
- (i) All tangible personal property of the Association;
- (j) Except for alterations to a Unit done by a Unit Owner other than OPAL, the copy of the most recent plans and specifications used in the

construction or remodeling of the Condominium, except for buildings containing fewer than three Units;

(k) Originals or copies of insurance policies for the Condominium and the Association;

(l) Originals or copies of any certificates of occupancy that may have been issued for the Condominium;

(m) Originals or copies of any other permits obtained by or on behalf of OPAL and issued by governmental bodies applicable to the Condominium;

(n) Originals or copies of all written warranties that are still in effect for the Common Elements, or any other areas or facilities that the Association has the responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals or instructions furnished to OPAL with respect to installed equipment or building systems;

(o) A roster of Unit Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on OPAL's records and the date of closing of the first sale of each Unit sold by OPAL;

(p) Originals or copies of any leases of the Common Elements and other leases to which the Association is a party;

(q) Originals or photocopies of any employment contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the Unit Owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the Person performing the service;

(r) Originals or copies of any qualified warranty issued to the Association as provided for in RCW 64.35.505, if any; and

(s) All other contracts to which the Association is a party.

13.4. Audit of Records Upon Transfer. Within 60 days of the Transition Meeting, the Board must retain the services of a certified public accountant to audit the records of the Association as of the date of such special meeting in accordance with generally accepted auditing standards unless the Owners, other than OPAL, to which a majority of the votes are allocated elect to waive the audit. The costs of the audit shall be a Common Expense.

13.5. Termination of Contracts and Leases Made by OPAL. Within two years after the Transition Meeting, the Association may terminate without penalty, upon not less than 90 days' notice to the other party (or within such shorter notice period

provided for without penalty in the contract or lease), any of the following if it was entered into before the Board elected at the Transition Meeting takes office: (a) any management, maintenance, operations, or employment contract, or lease of recreational or parking areas or facilities; or (b) any other contract or lease, including franchises and licenses, between the Association and OPAL or an affiliate of OPAL (as defined by RCW 64.90.010(1)). Further, the Association may terminate without penalty, at any time after the Board elected at the Transition Meeting takes office, upon not less than 90 days' notice to the other party (or within such shorter notice period provided for without penalty in the contract or lease), any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into. This Section does not apply to any lease, the termination of which would terminate the Condominium or reduce its size, unless the real property subject to that lease was included in the Condominium for the purpose of avoiding the right of the Association to terminate a lease under this Section, a proprietary lease, or a CLT Lease.

ARTICLE 14. THE BOARD

14.1. Selection of the Board and Officers. Prior to the Transition Meeting, election or appointment of members of the Board shall be governed by Section 14.1. The number of Board members and their terms of services shall be specified in the Bylaws. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon election. Removal of Board members, and their terms of service shall be as provided in the Bylaws.

14.2. Powers of the Board. Except as provided in this Declaration, the Bylaws, or WUCIOA, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in WUCIOA, the Declaration, or the Bylaws.

14.3. Limitations on Board Authority. The Board shall not act on behalf of the Association, without the necessary vote or approval of the Unit Owners or Eligible Mortgagees, to amend this Declaration, except as provided in RCW 64.90.285, to amend the Articles or Bylaws, to terminate the Condominium, to elect members of the Board, or to 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.

14.3.1. 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, Eligible Mortgagees, and 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 not be 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 15. BUDGET AND ASSESSMENTS

15.1. 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.

15.2. 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. The budget shall include: (a) the projected income to the Association by category; (b) the projected Common Expenses and, if any, those Specially Allocated Expenses that are subject to being budgeted, both by category; (c) the amount of the Assessments per Unit and the date the Assessments are due; (d) the current amount of regular assessments budgeted for contribution to the reserve account; (e) a statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 (the Section of WUCIOA relating to reserve studies) and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and (f) the current deficiency or surplus in reserve funding expressed on a per Unit basis.

15.3. Ratification of Budget Within 30 days after adoption of any proposed budget for the Condominium after the Transition Date, provided that the budget has been approved by the OPAL Class pursuant to its right to approve or disapprove Major Decisions as set forth in Section 6.4.2, the Board shall provide a copy 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 50 days after mailing of the budget. 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. If 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.

15.4. Supplemental Budget. If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in an increase in an Owner's Assessments shall be subject to ratification pursuant to Section 15.3.

15.5. 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 annual Common Expense Liability of that Unit divided by the number of months covered by the budget, plus any Specially Allocated Expenses for such Unit. Monthly Assessments begin accruing for all Units upon the closing of the sale of the first Unit by OPAL, provided that OPAL may delay the commencement of Assessments for Common Expenses and pay all actual Common Expenses (but no allocations to reserves). Once Common Expenses have commenced, OPAL may, but is not obligated to, supplement the budget by paying a portion of the Common Expenses from its own funds. The Association may opt to collect an annual Assessment, if that is more administratively convenient.

15.6. Common Expenses. Common Expenses shall include the cost of operation, maintenance, repair and replacement of Common Elements, Limited Common Elements, any other specific items described herein, and the general expenses of the Association, including management and professional fees and costs, insurance and any other costs that the Board determines benefits the Units. Common Expenses shall be allocated to all Unit Owners in accordance with their Common Expense Liability, except as provided in Section 15.7 and Section 15.8.

15.7. Limited Common Element. Any Common Expense associated with the operation, maintenance, repair or replacement costs of a Limited Common Element shall be paid by the CLT Member Owner of the Unit to which it is assigned. Maintenance, repair, or replacement costs of roofs and shared Building Envelope components that are identified as Limited Common Elements in Section 8.1 shall be shared proportionately by the CLT Member Owners of the Home to which the roof and/or such Building Envelope components are attached according to the square footage of each CLT Member Owner's Home.

15.8. Only Some Units Benefited. Any Common Expense or portion thereof benefiting fewer than all of the Units must be assessed exclusively against the Units benefited.

15.9. Specially Allocated Expenses.

15.9.1. Any expenses or liabilities attributable to goods or services benefiting fewer than all of the Units shall be specially allocated, to the extent reasonably practicable, to the Unit benefited in proportion to the benefit received. In determining whether a Specially Allocated Expense is practicable, the Association shall consider the extent to which a Unit benefits more than the other Unit with regard to the particular good or service involved in each particular case, whether it is possible to separately contract for the applicable good or service, and the amount of the liability or expense involved.

15.9.2. The cost of utilities to each Unit, including but not limited to water, sewer, gas, solid waste, and electricity, shall be paid either directly by the CLT Member Owner of the Unit receiving the utility or specially allocated to the Units directly benefitted by the utility (a) based on usage, which may be determined by a submeter maintained by the Association, or (b) pro rata based on the benefitted Unit's Allocated Interest, with adjustments made by the Board based on actual usage as reasonably determined by the Board, if the utility is not submetered. The Association may initially base its allocations on estimates of usage provided the Association reconciles the estimates against actual usage at least annually.

15.10. Contribution to Initial Working Capital. The initial purchaser of each Unit from OPAL shall pay to the Association a nonrefundable contribution to an initial working capital fund in the amount of \$500, which amount shall not be considered an advance payment of regular Assessments. On the Transition Date, OPAL shall make such contribution for any Units remaining unsold on that date and shall be entitled to be reimbursed the amount so paid as each such Unit is conveyed. OPAL shall not use any of the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits prior to the Transition Date.

15.11. Special Assessments. For those Common Expenses and any Specially Allocated Expenses that cannot reasonably be calculated and paid on a monthly basis, the Board may levy special Assessments for such expenses against the Units, subject to the OPAL Class's approval rights and ratification by Owners pursuant to Section 15.3. To the extent that any Common Expense or Specially Allocated 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 Owner of that Unit.

15.12. Creation of Reserves, Assessments. The Board shall create reserve accounts for anticipated expenses for repair or replacement of the Common Elements and Limited Common Elements that 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.

15.13. 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 on which the general and special Assessments are based. The Board shall furnish the same information to an Owner's Mortgagee if so requested.

15.14. 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 fifth day of the calendar month for which it is due shall be

delinquent and subject to late charges, interest charges, and collection procedures as provided in Article 16.

15.15. Reconciliation of Assessments to Actual Expenses. The Association shall establish and maintain its accounts and records in a manner that will enable it to credit Assessments, including allocations to reserves, and other income to the Association, and to charge expenditures to the account of the appropriate Units in accordance with the provisions of the Declaration. The accounts of the Association must be reconciled at least annually unless the Board determines that a reconciliation would not result in a material savings to any Unit Owner. Any surplus funds of the Association remaining after the payment of or provision for Common Expenses and any prepayment of reserves must be paid annually to the Unit Owners in proportion to their Common Expense liabilities or credited to them to reduce their future Common Expense.

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

15.17. 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 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.

15.18. 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.

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

15.20. Reserve Study. An initial Reserve Study has been prepared by a reserve study professional. An updated Reserve Study must be prepared annually. At least every three years, an updated Reserve Study must be prepared by a reserve study professional and based upon a visual site inspection by the reserve study professional. The Reserve Study shall include each of the items required by WUCIOA. No failure of the Board to fulfill its obligations under this Section will excuse an Owner's duty to pay Assessments or invalidate a ratified budget. If the Association becomes exempt under RCW 64.90.545(2) from the Reserve Study requirements because the Association

anticipates that it will have only nominal reserve costs or the cost of a Reserve Study will exceed ten percent of the Association's annual budget, then the above-described updates to the Reserve Study will no longer be required.

ARTICLE 16. LIEN AND COLLECTION OF ASSESSMENTS

16.1. 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 15 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 trustee's sale in a nonjudicial foreclosure of a Mortgage, or the date of recording of the declaration of forfeiture in a proceeding by the vendor under a real estate contract, provided that the priority of the Association's lien against Units encumbered by a Mortgage held by an Eligible Mortgagee or by a Mortgagee which has given the Association a written request for a notice of delinquent Assessments shall be reduced by up to three months if and to the extent that such lien priority includes any delinquencies which relate to a period after such Mortgagee becomes an Eligible Mortgagee or has given such notice and before the Association gives such Mortgagee a written notice of the delinquency; and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Recording of this Declaration constitutes record notice and perfection of the lien for Assessments; however, the Association may also 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.

16.2. 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 ch. 61.12 or nonjudicially in the manner set forth in Section 16.3. 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 16.1, the holder of a Mortgage or other purchaser of a Unit who obtains the right of possession of a Unit through foreclosure or deed in lieu of 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.

16.3. 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 Horizon Title Group, or its successors or assigns ("**Trustee**"), to secure the obligations of each CLT Member 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. 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. 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 16.1.

16.4. 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 Owner of the Unit when the Assessment is made. Suit to recover personal judgment for any delinquent Assessments shall be maintainable without foreclosing or waiving the liens securing them.

16.5. 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.

16.6. Joint and Several Liability. In addition to constituting a lien on the Unit and except as provided in Section 16.2 for a deed in lieu of foreclosure, each Assessment shall be the joint and several obligation of 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.

16.7. Late Charges and Interest on Delinquent Assessments. The Association may from time to time establish reasonable late charges and a rate of interest to be charged on all subsequent delinquent Assessments or installments thereof. In the absence of another established nonusurious rate, delinquent Assessments shall bear

interest from the date of delinquency at the maximum rate permitted under RCW 19.52.020 on the date on which the Assessments became delinquent.

16.8. 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.

16.9. Security Deposit. An Owner who has been delinquent in paying his monthly Assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly Assessments, which shall be collected and shall be subject to penalties for nonpayment as are other 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 10 days or more delinquent in paying Assessments.

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

16.11. CLT Funds. Nothing in this Article 16 or any provision of the Governing Documents authorizes the Board or Association to terminate any CLT Lease or to pay any debt or obligation secured by OPAL's interest in the Condominium, it being acknowledged that such debts and obligations allow the continued affordability of the Homes in the Condominium.

16.12. Lawsuits or Arbitration Proceedings. The Association may institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings, or any other legal proceedings in its own name on behalf of itself or on behalf of two or more Unit Owners, in a representative capacity, on matters affecting the Condominium, but any action on behalf of Unit Owners shall not convert any individual claims or legal rights that the Unit Owners may have into claims or rights of the Association. The Association shall have no authority to institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings, or any other legal proceedings relating to or arising from a CLT Lease or a dispute between a CLT Member Owner and OPAL.

16.13. Effect of Foreclosure. The Association or its authorized representative shall have the power to purchase an Owner's interest in a Unit at the Foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Nothing in this Article 16 shall prohibit the Association from taking a deed in lieu of foreclosure. Except as otherwise stated in this Declaration, the holder of a Mortgage or other purchaser of an Owner's interest in a Unit who obtains the right of possession 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 CLT Member Owners, including such Mortgagee or other purchaser of the interest in the Unit. Foreclosure of a Mortgage does not relieve the prior Owner of personal liability for Assessments accruing against their interest in the Unit prior to the date of such sale. In any proceedings to Foreclose on a CLT Member Owner's interest in a Unit, the Association must notify OPAL and must accept a cure from OPAL.

**ARTICLE 17.
ENFORCEMENT OF DECLARATION,
BYLAWS, AND RULES AND REGULATIONS**

17.1. 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 to the Declaration and Bylaws, 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.

17.2. Failure of Board to Insist on Strict Performance. The failure of the Board in any instance to (i) insist upon the strict compliance with this Declaration or the Bylaws or the rules and regulations, (ii) exercise any right contained in such documents, or (iii) serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment in the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an Assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board. This Article also extends to OPAL in its capacity as "declarant" under WUCIOA.

17.3. Board Enforcement. The Board has the authority to enforce the Declaration, the Bylaws, and the rules and regulations by imposing the remedies provided in this Declaration. 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 18.
TORT AND CONTRACT LIABILITY**

18.1. Declarant Liability Neither the Association nor any Owner except OPAL is liable for OPAL's torts in connection with any part of the Condominium that OPAL, in its capacity as "declarant" under WUCIOA, has the responsibility to maintain. Otherwise, an action alleging a wrong done by the Association must be brought against the

Association and not against any Owner or any officer or director of the Association. If the wrong by the Association occurred during the period of OPAL Control and the Association gives OPAL reasonable notice of and an opportunity to defend against the action, OPAL who then controlled the Association is liable to the Association or to any Owner (a) for all tort losses not covered by insurance suffered by the Association or that Owner and (b) for all costs that the Association would not have incurred but for a breach of contract, other wrongful act or omission by the Association. If OPAL does not defend the action and is determined to be liable to the Association under this Section, OPAL is also liable for all litigation expenses, including reasonable attorneys' fees, incurred by the Association in such defense. Any statute of limitations affecting the Association's right of action under this Section is tolled until the period of OPAL Control terminates. An Owner is not precluded from bringing an action contemplated by this Section because he or she is a Unit Owner or a member or officer of the Association.

18.2. Limitation of Liability for Utility Failure. Except to the extent covered by insurance obtained by the Board, none of the Association, the Board, or OPAL shall be liable for: (a) the failure of any utility or other service to be obtained and paid for by the Board; (b) injury or damage to person or property caused by the elements or resulting from electricity, water, rain, dust, or sand that may leak or flow from outside or from any parts of the Homes, or from any of their pipes, drains, conduits, appliances, or equipment or from any other place; or (c) 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, for such injury or damage, or for such inconvenience or discomfort.

18.3. No Personal Liability. So long as a Board member, Association committee member, Association officer, or OPAL has acted in good faith, without willful or intentional misconduct, or any of their agents, 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 and shall be entitled to the immunities provided to officers and board members under RCW 64.90.410(b), provided that this Section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board or an Owner. Without limiting the foregoing, this Section shall apply to limit the liability for damages or losses arising from or related to the Association or any of its agents carrying out its repair and maintenance obligations with respect to the Units and Common Elements pursuant to the terms of the Declaration.

ARTICLE 19. INDEMNIFICATION

Each Board member, Association committee member, Association officer, and OPAL shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any

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

ARTICLE 20. INSURANCE

20.1. Insurance Coverage. Commencing not later than the time of the first conveyance of a Unit to a person other than OPAL, the Association shall maintain to the extent reasonably available and subject to reasonable deductibles:

20.1.1. Property insurance on the Common Elements and the Units, but excluding improvements or betterments to the Units (like the Structures and Homes), insuring against risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall not be less than 100% of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. Notwithstanding the foregoing, and subject to Section 20.2 below, the Association may, but is not obligated to, maintain the insurance required under this Section 20.1.1 for all improvements or betterments to the Units, including a Home, Structure, or equipment or other improvements within a Unit.

20.1.2. Commercial general liability insurance, including medical payments insurance, in an amount determined by the Board covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements and other portions of the Condominium for which the Association has maintenance responsibilities.

20.1.3. Workmen's compensation insurance to the extent required by applicable laws.

20.1.4. Fidelity insurance as the Board deems advisable.

20.1.5. Insurance against loss of personal property of the Association by fire, theft, and other losses with deductible provisions as the Board deems advisable.

20.1.6. Such other insurance (including directors' and officers' liability) as the Board deems advisable; provided that, notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, and liability

insurance and a fidelity bond meeting the insurance and fidelity bond requirements for Condominium projects established by HUD, FNMA, FHLMC, VA, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a Mortgagee or Owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by such agency.

20.2. Owner's Additional Insurance. Notwithstanding the provisions of Section 20.1, each CLT Member Owner shall obtain and maintain property insurance on its Unit, including, withing limitation, the Home, Structures, equipment and improvements in their Unit, insuring against all risks of direct physical loss commonly insured against, unless the Association opts to maintain insurance for all improvements or betterments to the Units. The total amount of insurance after application of any deductibles shall not be less than 100% of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. Each CLT Member Owner is required to file a copy of such individual policy or policies with the Board within 30 days after purchase of such insurance, and the Board may review its effect with the Board's insurance broker, agent, or carrier. If, at any time, an Owner fails to fulfill the requirements of this Section 20.2, then the Association may obtain such insurance and shall assess against such CLT Member Owner a special charge for the cost of such insurance. Otherwise, any insurance policy issued to the Association does not prevent a CLT Member Owner from obtaining insurance of the Owner's own benefit. The Association's failure to enforce this obligation does not constitute a waiver of its right to do so. OPAL (in its capacity as Owner and not as "declarant" under WUCIOA) shall not be required to obtain or maintain any insurance.

20.3. Coverage Not Available. If the insurance described in Section 20.1 is not reasonably available, or is modified, cancelled, or not renewed, the Association shall promptly cause notice of that fact to be sent to all Owners, to each Eligible Mortgagee, and to each Mortgagee to whom a certificate of insurance has been issued at their respective last known addresses in accordance with Sections 27.1 and 27.2, as applicable. The Association may carry any other insurance it deems appropriate to protect the Association or the Owners.

20.4. Required Provisions. Insurance policies carried pursuant to this Article shall:

20.4.1. Provide a standard mortgage clause or equivalent endorsement;

20.4.2. Provide that each 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;

20.4.3. Provide that the insurer waives its right to subrogation under the policy as to any and all claims against the Association, the Owner of any Unit and/or their respective agents, employees or tenants, and members of their household, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

20.4.4. Provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, nor any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no direct control, will void the policy or be a condition to recovery under the policy;

20.4.5. Provide that if, at the time of loss under a policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance, and the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right of setoff, counterclaims, apportionment, proration, contribution, or assessment by reason of any other insurance obtained by or for any Owner or any Mortgagee;

20.4.6. Provide that the policy cannot be canceled or substantially modified without 10 days' prior written notice to the Association and to each Mortgagee of a first Mortgage;

20.4.7. Contain no provision (other than insurance conditions) which will prevent Mortgagees from collecting insurance proceeds; and

20.4.8. Contain, if available, an agreed amount and Inflation Guard Endorsement.

20.5. Claims Adjustment. Any loss covered by the property insurance obtained by the Association under this Article must be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of Article 21, 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.

20.6. Certificate. An insurer that has issued an insurance policy under this Article shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Unit Owner or holder of a Mortgage. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of RCW 48.18 pertaining to cancellation or non-renewal of contracts of insurance. The

insurer shall not modify the amount or the extent of the coverage of the policy, or cancel or refuse to renew the policy, without complying with the requirements of RCW 48.18.

20.7. Notification on Sale of Unit. 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 to the Association for the benefit of the Owners under this Article 20 of the name of the new Owner and request that the new Owner be made named insured under such policy.

ARTICLE 21. DAMAGE OR DESTRUCTION; RECONSTRUCTION

21.1. Definitions; Significant Damage; Repair; Emergency Work.

21.1.1. As used in this Article, the term "*Significant Damage*" means damage or destruction, whether or not caused by casualty, to any part of the Property which the Board is responsible to maintain or repair: (a) for which funds are not available in the maintenance and repair or contingency budget of the Association to make timely repairs and (b) which has a significant adverse impact on the habitability of any Unit or the ability of an Owner or Owners to use the Property or any significant portion of the Property for its intended purpose.

21.1.2. As used in this Article, the term "*repair*" means to repair, reconstruct, rebuild, or restore the improvements that suffered Significant Damage to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Modifications to conform to then-applicable governmental rules and regulations or available means of construction may be made.

21.1.3. As used in this Article the term "*Emergency Work*" means the work the Board deems reasonably necessary to avoid further damage, destruction, or substantial diminution in value to the improvements and to reasonably protect the Owners from liability arising out of the condition of the Property.

21.2. Initial Board Determinations. If Significant Damage occurs to any part of the Condominium, the Board shall promptly, and in all events within 30 days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations with respect to the Significant Damage employing such advice as the Board deems advisable:

21.2.1. The nature and extent of the Significant Damage, together with an inventory of the improvements and property directly affected thereby;

21.2.2. A reasonably reliable estimate of the cost to repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon a firm bid obtained from a responsible contractor;

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

21.2.4. The amount, if any, that the estimated cost of repair exceeds the anticipated insurance proceeds therefor and the amount of Assessment to each Unit if such excess was paid as a Common Expense and specially assessed against all of the Units in proportion to their Allocated Interest in the Common Elements; and

21.2.5. The Board's recommendation as to whether such Significant Damage should be repaired.

21.3. Notice of Damage or Destruction. The Board shall promptly, and in all events within 30 days after the date of Significant Damage, provide each Owner and each first Mortgagee with a written notice summarizing the initial Board determination made under Section 21.2. If the Board fails to do so within said 30 days, then any Owner or Mortgagee may make the determination required under Section 21.2 and give the notice required under this Section.

21.4. General Provisions.

21.4.1. Duty to Restore. Any portion of the Condominium which the Association is responsible for insuring that is Significantly Damaged shall be repaired promptly by the Association unless: (a) the Condominium is terminated; (b) repair would be illegal under any state or local health or safety statute or ordinance; or (c) 80% of the Owners, including every Owner of a Unit or assigned Limited Common Element which will not be repaired, and OPAL, vote not to repair. Even if the Significant Damage is not to be repaired, the Board shall still have authority to perform emergency work. The cost of repair in excess of insurance proceeds and reserves is a Common Expense.

21.4.2. Restoration in accordance with Declaration. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration, the Map and original specifications unless consent is obtained from Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated.

21.4.3. Damage Not Restored. If all or any portion of the damaged portions of the Condominium are not repaired (regardless of whether such damage is Significant): (a) 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; (b) the insurance proceeds attributable to Units (if any) and Limited Common Elements which are not repaired 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 (c) the remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Allocated Interests in the Common Elements of all Units.

21.4.4. Reallocation. If the Owners vote not to repair any Home for which it has insurance obligations hereunder (if any), that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Article 22, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

21.5. Restoration by Board. If the damage (regardless of whether such damage is Significant) is to be repaired pursuant to Section 21.4, then:

21.5.1. Contract and Contractors. The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with repair upon satisfaction of the Board that such work will be appropriately carried out.

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

21.6. Decision to Terminate. If the Owners decide to terminate the Condominium and not repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and funds of the Association as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed improvements and clearing, filling and grading the real property), and the remaining funds, if any, and property shall thereafter be held and distributed as provided in RCW 64.90.290.

ARTICLE 22. CONDEMNATION

22.1. In General. 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 the 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. 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 the 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.

22.2. Partial Unit Condemnation. Except as provided in Section 22.1, 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. Upon acquisition, unless the decree otherwise provides: (a) that Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit and/or Home (as the case may be), 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.

22.3. Common Element Condemnation. If part of the Common Elements, including any Limited Common Element, is acquired by condemnation, the portion of the award attributable to the Common Elements taken shall be paid to the CLT Member Owners based on each CLT Member Owner's Allocated Interest in the Common Elements.

22.4. Recording of Judgment. The court judgment shall be recorded in the county in which the Condominium is located.

22.5. Association to Represent Owners. The Association shall represent the Unit Owners in any proceedings, negotiations, settlements or agreements regarding a condemnation of any part of the Condominium, and any condemnation proceeds shall be payable to the Association for the benefit of the Owners of affected Units and their Mortgagees. Should the Association not act on the Owner's behalf in a condemnation process, the affected Owners may individually or jointly act on their own behalf. Ownership of condemnation proceeds, as between the Owners and Mortgagees of the affected Units, shall be controlled by the terms of the mortgage agreements between the respective owners and their Mortgagees.

ARTICLE 23. EASEMENTS

23.1. In General. Each CLT Member Owner has an easement in the Common Elements for access to such CLT Member Owner's Unit and Home, subject to applicable rules and regulations of the Association or permitted conveyances or encumbrances of such Common Elements. Each Unit has an easement for ingress to and egress from the Unit and an easement in and through each other Unit and the Common Elements and Limited Common Elements for all support elements and utility, wiring, heat, and service

elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. Such easements are perpetual and appurtenant to each Unit.

23.2. Encroachments. To the extent not provided by the definition of "Unit" in the Declaration and in WUCIOA, each Unit and all Common Elements and Limited Common Elements are hereby declared to have an easement over all adjoining Units and Common and Limited Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common 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 encroaching Owner. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any Unit.

23.3. Easements Reserved by OPAL. OPAL reserves an easement over, across, and through the Units, Common Elements, and Limited Common Elements of the Condominium for the purposes of completing any unfinished Homes or other Structures or improvements, exhibiting and preparing Homes for sale, making repairs required pursuant to any contract of sale, and discharging OPAL's obligations or exercising Special Declarant Rights. OPAL further reserves mutual nonexclusive easements over, across, and through the Common Elements of the Condominium (i.e., the real property described in Schedule A, as it may from time to time be amended by OPAL) for the benefit of OPAL and its successors and assigns, the Association, and all Owners of Units in the Condominium for ingress to and egress to the Condominium, the right to have access to and to tie into and use any water, sanitary sewer, storm sewer, electricity, gas, telephone, cable, television, or other utility lines now or hereafter established in the Condominium.

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

23.5. Maintenance Easement. The Association is hereby granted an easement over, across, and through the Common Elements and Units of the Condominium for the right to install, maintain, and replace the exterior of the Homes and other Structures,

landscaping, or any other items in accordance with Section 9.3. Any such work undertaken by the Association shall be done in a good and workmanlike manner.

23.6. Utility and Repair Easements. Each Unit (the "*Owner's Unit*") shall have a nonexclusive easement over the other Units ("*Other Units*") for all existing utility lines that serve the Owner's Unit and for a right of access to the utility lines serving the Owner's Unit for the purpose of repair and replacement, and shall include such additional area as is necessary to facilitate its intended purposes, provided the Owner promptly restores the Other Units to their prior condition. In addition, each Unit shall have a nonexclusive easement over that portion of any Other Units that (i) lie outside of the Home Footprint of the Homes located within such Other Units and (ii) are adjacent to the boundary of the Owner's Unit for the purposes of accessing the Home in the Owner's Unit for repair and maintenance of the Home, if reasonably necessary, provided the Owner promptly restores the Other Units to their prior condition.

23.7. Easement for Association. There is hereby reserved to OPAL and the Association for the benefit of the Owners, or their duly authorized agents and representatives, over and across and through all portions of the Condominium, such easements as are necessary to perform the duties and obligations of the Association as set forth herein. Without limiting the generality of the foregoing, such easements include an easement over, under, and across the Condominium for maintenance, repair, and replacement, as applicable, of all Common Elements, exterior Structures, exteriors of Homes, landscaping, and any related maintenance, repair, and replacement obligations of the Association hereunder. OPAL's easement under this Section automatically terminates when OPAL no longer owns a Unit in the Condominium.

23.8. Parking Easement with Adjacent Property. Pursuant to that certain Parking and Setback Easement Agreement under Recording No. 2025-1217030 in the San Juan County public records (the "*Parking and Setback Easement Agreement*"), the Reserved Parking Stalls (as defined in the Parking and Setback Easement Agreement) are parking pads 11 and 12, as identified on the Map.

23.9. OPAL's Signage, Logo, and Trademark Rights. OPAL may, in its sole discretion, construct signage at any entrance to the Condominium which identifies it and includes a notation indicating that it was developed "by OPAL Community Land Trust" (or some similar reference to OPAL), including the use of any particular logos or trademarks used by OPAL, and convey such signage to the Association along with a non-exclusive license to use the logos or trademarks depicted on the signage (but only for purposes of maintaining such logos or trademarks in the manner depicted on the signage at the time of conveyance and for no other purpose), such license being revocable by OPAL at any time. If the license is revoked, all references to OPAL shall be removed from the signage.

**ARTICLE 24.
PROCEDURES FOR SUBDIVIDING**

24.1. Subdivision of Units. No Unit shall be subdivided either by agreement or legal proceedings, unless otherwise provided by an amendment to this Declaration.

24.2. Relocation of Boundaries.

24.2.1. Adjoining Units. The boundaries between adjoining Units may be relocated upon application to the Board by Owners of those Units and approval by the Board under this Section 24.2.1. The application must include plans showing the relocated boundaries and such other information as the Board may require. If the Unit 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, after receipt of all required information, that the reallocations are unreasonable or that the proposed boundary relocation does not comply with the Declaration, WUCIOA, or other provisions of law, the Board must approve the application and prepare any amendments to the Declaration and Map in accordance with the requirements of Section 24.2.3.

24.2.2. Units and Common Elements. Boundaries between Units and Common Elements may be relocated to incorporate Common Elements within a Unit by an amendment to the Declaration upon application to the Association by the Unit Owner of the Unit who proposes to relocate a boundary. The amendment may be approved only if the Unit Owner of the Unit, the boundary of which is being relocated, and persons entitled to cast at least 67% of the votes in the Association, including 67% of the votes allocated to Units not owned by OPAL, agree. The Association may require payment to the Association of a one-time fee or charge or continuing fees or charges payable by the Unit Owners of the Units whose boundaries are being relocated to include Common Elements.

24.2.3. Preparation of Amendments to Declaration and Map. The Association must prepare any amendment to the Declaration in accordance with RCW 64.90.225 and any amendment to the Map in accordance with RCW 64.90.245 necessary to show or describe the altered boundaries of affected Units and their dimensions and Identifying Numbers. The amendment to the Declaration must be executed by the Unit Owner of the Unit, the boundaries of which are being relocated, and by the Association, contain words of conveyance between them, and be recorded in the names of the Unit Owner or Owners and the Association, as grantor or grantee, as appropriate and as required under RCW 64.90.285(3). The amendments are effective upon recording.

24.2.4. Costs for Amendments. All costs, including reasonable attorneys' fees, incurred by the Association for preparing and recording amendments to the

Declaration and Map under this Section must be assessed to the Unit, the boundaries of which are being relocated.

**ARTICLE 25.
AMENDMENT OF DECLARATION,
MAP, ARTICLES OR BYLAWS**

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

25.2. Percentages of Consent Required. Except as otherwise provided in Article 21 and Article 22 in the case of damage or condemnation of the property, the percentages of consent of Owners and Mortgagees required for adoption of amendments to the Declaration, the Map, the Articles, and the Bylaws are as follows:

25.2.1. The consent of Owners holding at least 67% of the votes in the Association, OPAL's approval, 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 the Declaration, the Map, 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 any Unit boundaries; (h) convertibility of Units into Common Elements or Limited Common Elements, Common Elements, or Limited Common Elements into Units or Common Elements into Limited Common Elements; (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 restrictions on leasing of Units; (l) imposition of any restriction on the right of an Owner to sell or transfer a Unit; (m) establishment of self-management of the Condominium after professional management has been required by HUD, FNMA, VA, FHLMC, or other similar agency or corporation or by an Eligible Mortgagee; (n) restoration or repair (after damage or partial condemnation) in a manner other than specified in the Declaration or the Map; or (o) any provisions that are for the express benefit of holders of first Mortgages. An amendment that creates or increases Special Declarant Rights, increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted shall require the vote or agreement of the Owner of each Unit particularly affected, OPAL (if OPAL owns any interest in a Unit or has the rights to exercise any Special Declarant Rights), Owners having at least 90% of the votes in the Association other than OPAL, and Project Mortgagee.

25.2.2. In addition to the foregoing requirements, the consent of OPAL and the Project Mortgagee shall be required for any amendment of Article 10, Section 13.1, Section 13.2, Section 18.1, Section 18.3 or Article 19 relating to OPAL.

25.2.3. All other amendments shall be adopted if consented to by Owners holding at least 67% of the votes in the Association and OPAL's approval.

25.2.4. An Eligible Mortgagee or Mortgagee who receives a written request to consent to an amendment who does not deliver or post to the requesting party a negative response within 60 days shall be deemed to have consented to such request.

25.2.5. If the Condominium has received a project approval from the VA, the approval of the VA will be required for any amendment to the Declaration, Articles, Bylaws, or Map adopted prior to the Transition Date.

25.3. Limitations on Amendments. No amendment may restrict, eliminate, or otherwise modify any Development Right or Special Declarant Right provided in this Declaration without the consent of OPAL and Project Mortgagee and no amendment may restrict, eliminate, or otherwise modify any right granted to Project Mortgagee without the consent of Project Mortgagee.

25.4. Unilateral Corrections by OPAL. In accordance with RCW 64.90.285(10), upon 30 days' advance notice to Owners, OPAL may, without a vote of the Unit Owners or approval by the Board, unilaterally adopt, execute, and record a corrective amendment or supplement to the Governing Documents to correct a mathematical mistake, an inconsistency or a scrivener's error, or clarify an ambiguity in the Governing Documents, within 5 years after the recordation or adoption of the Governing Document containing or creating the mistake, inconsistency, error, or ambiguity.

25.5. Unilateral Corrections By Board. Upon 30 days' advance notice to Owners, the Association may, upon a vote of two-thirds of the members of the Board, without a vote of the Unit Owners, adopt, execute, and record an amendment to the Declaration for the purposes described in RCW 64.90.285(11).

25.6. Savings. To the extent it is determined that any rights of OPAL to vote on amendments to the Governing Documents are unenforceable, then OPAL, as a third party, shall have the right to approve any amendment to the Governing Documents pursuant to RCW 64.90.285(1)(b) and no amendments shall become effective without the approval of OPAL.

ARTICLE 26. TERMINATION OF CONDOMINIUM

26.1. Action Required. Except as provided in Article 21 and Article 22, the Condominium may be terminated only by agreement of CLT Member Owners of Units to which at least 80% of the votes in the Association are allocated, with the consent of OPAL, and with 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 and in accordance with WUCIOA; provided that the consent of Eligible Mortgagees of Units to which at least 67% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated is required to terminate the Condominium for reasons other than substantial destruction or a substantial taking in condemnation of the Property. 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.

26.2. WUCIOA Governs. The provisions of WUCIOA relating to termination of a Condominium contained in RCW 64.90.290, 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.

26.3. Covenants Running with Land. This Declaration (until terminated as provided above) shall be operative as covenants running with the land, or equitable

servitudes, binding on OPAL, its successors and assigns, and all subsequent owners of all or any portion of the real property made subject to this Declaration, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns, supplementing and interpreting WUCIOA, and operating independently of WUCIOA should WUCIOA be, in any respect, inapplicable.

ARTICLE 27. NOTICES

27.1. Form and Delivery of Notice. Except as otherwise provided in the Declaration, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing.

27.1.1. Tangible Medium. Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice.

(a) Notice in a tangible medium to the Association or to a committee may be addressed to the Association's registered agent at its registered office, to the Association at its principal office shown in its most recent annual report or provided by notice to the Owners, or to the president or secretary of the Association at the address shown in the Association's most recent annual report or provided by notice to the Owners.

(b) Notice in a tangible medium to an Owner must be addressed to the address of the Unit of such Owner unless the Owner has requested in writing, delivered to the Association that notices be sent to an alternate address or by other method allowed by law and the Governing Documents.

27.1.2. Electronic Transmission.

(a) Notice to Owners or directors by electronic transmission is effective only upon Owners and directors who have consented in writing to receive electronically transmitted notices under WUCIOA and have designated in the consent the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of WUCIOA and applicable law.

(b) Notice to Owners or directors under this Section 27.1.2 includes material that WUCIOA or the Governing Documents requires or permits to accompany the notice.

(c) An Owner or director who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a written revocation to the Association.

(d) The consent of any Owner or director is revoked if the Association is unable to electronically transmit two consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

(e) Notice to Owners or directors who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Owner or director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

(f) Notice to an Association in an electronic transmission is effective only with respect to an Association that has designated in a record an address, location, or system to which the notices may be electronically transmitted.

27.1.3. Alternative Methods. Notice may be given by any other method reasonably calculated to provide notice to the recipient.

27.1.4. Effectiveness. Notice is effective as follows:

(a) Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

(b) Notice provided in an electronic transmission is effective as of the date it: (y) is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or (z) has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

27.1.5. Failure to Deliver. The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

27.2. Notices to Eligible Mortgagees. An Eligible Mortgagee is a Mortgagee that has filed with the secretary of the Board a written request that it be given copies of the notices listed below and shall also mean the Project Mortgagees with respect to Units owned by OPAL upon which it has a Mortgage. 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 this Declaration or Map effecting a change in (1) the boundaries of any Unit, (2) the exclusive easement rights, if any, appertaining to any Unit, (3) the interest in the Common Elements or the liability for

Common Expenses of any Unit, (4) the number of votes in the Association allocated to any Unit, or (5) the purposes to which a Unit or the Common Elements are restricted; (b) any proposed termination of Condominium status, transfer, or mortgage 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 that 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 20; (f) any proposed action that would require the consent of a specified percentage of Eligible Mortgagees pursuant to this Declaration, the Articles, or Bylaws; and (g) any proposed special Assessment or supplemental budget.

**ARTICLE 28.
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 WUCIOA.

**ARTICLE 29.
EFFECTIVE DATE**

This Declaration shall take effect upon recording.

**ARTICLE 30.
ASSIGNMENT BY OPAL**

OPAL reserves the right to assign, transfer, sell, lease, or rent all or a portion of the Property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

**ARTICLE 31.
DISPUTE RESOLUTION**

31.1. Mediation and Binding Arbitration of Claims. Any and all claims, disputes, or controversies (whether under federal, state, or local law) between or among any of the Association, the Board, or one or more Unit Owners arising from or related to (i) the Governing Documents, (ii) the Condominium, or (iii) the management or operation of the Condominium or the Association, including, without limitation, any such claim of breach of contract, negligence, breach of any duty under WUCIOA or breach of any alleged duty of good faith and fair dealing (collectively, "Claims"), shall be resolved exclusively by binding, non-appealable arbitration as set forth herein. Notwithstanding

the foregoing, the following matters shall not be Claims subject to mandatory mediation or arbitration under this Section 31.1: (i) any action or remedy initiated by or against any Mortgagee, (ii) judicial Foreclosure actions, (iii) non-judicial trustee's sales, (iv) the appointment of a receiver during Foreclosure, or (v) actions to collect or enforce any order, decision, or award rendered by arbitration.

31.2. Initiation of Arbitration; Mediation. If any party to a Claim determines that the Claim cannot be resolved without intervention, then that party shall give notice in a tangible medium (as defined under Section 27.1.1) to all other parties to the Claim demanding that the Claim be submitted to mediation and arbitration pursuant to this Section 31.2. The parties shall attempt to resolve any Claims in good faith through mediation at the outset of any arbitration proceeding. Any administrative fees of the mediation service and fees of the mediator shall be borne equally by the parties to the mediation. Each party shall pay its own attorneys' fees and costs in connection with the mediation.

31.3. Arbitrator's Authority. This Section 31.3 shall be deemed to be a self-executing arbitration agreement. Without limiting the authority of the arbitrator under the applicable arbitration rules, the arbitrator shall have the authority to decide (i) the substance of the Claim and any defenses and counterclaims relating to the Claim, (ii) procedural or evidentiary issues, (iii) issues relating to discovery, (iv) issues relating to applicable law, and (v) issues as to the interpretation or the enforceability of this arbitration agreement, including its revocability, unconscionability, or voidability, and the scope of issues arbitrable under this arbitration agreement. The arbitrator shall have the authority to award both damages and injunctive relief and to enforce the arbitration award. The arbitrator shall not have the authority to (x) amend the Governing Documents, (y) render a decision that has the effect of amending the Governing Documents by ignoring a provision of the Governing Documents or excusing material non-compliance with a mandatory provision of the Governing Documents, or (z) award punitive or exemplary damages.

31.4. Arbitration Fees. All administrative fees of the arbitration service and fees of the arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

31.5. Arbitration Service; Arbitrator. The arbitration shall be conducted by Judicial Arbitration and Mediation Services ("JAMS") pursuant to the JAMS Streamlined Arbitration Rules and Procedures for claims that do not exceed \$250,000, or the JAMS Comprehensive Arbitration Rules and Procedures for claims that exceed such amount in effect as of the date of the arbitration demand. The arbitrator shall possess sufficient knowledge in single-family plat communities as determined by the arbitration service.

31.6. Arbitration Procedures and Hearing. All arbitration hearings and meetings shall occur in the county in which the Condominium is located. The arbitrator shall apply the substantive law of the State of Washington. The arbitrator may allow

factual discovery of information from the parties and witnesses to the extent reasonably relevant to claims and damages at issue but shall protect the parties from irrelevant, burdensome, or unreasonable discovery. Prior to the arbitration hearing, the parties must agree upon a written statement of the claim theories to be arbitrated. The arbitrator shall schedule the arbitration hearing for the earliest possible time that is consistent with fairness to the parties and the complexity of the issues. A party may request a stenographic record of the arbitration hearing. At the conclusion of the hearing in making the award, the arbitrator shall state in writing the theories raised by the parties and on which the award is based.

31.7. Attorneys' Fees and Costs. The arbitrator shall have the authority to award actual reasonable attorneys' fees and costs to the prevailing party. An attorneys' fee award shall be calculated based upon the actual reasonable hours spent multiplied by a reasonable hourly rate given the experience and knowledge of the biller, without adjustment for risk, delay, or difficulty. An attorneys' fee award must be reasonable under the Washington Rules of Professional Conduct. For purposes of this Section 31.7, a party is a prevailing party if it recovers the majority of the relief it has claimed, or if it prevents another party from recovering the majority of the relief it has claimed, including the enforcement of this Section 31.7. It may be appropriate in some cases to determine the prevailing party on a claim-by-claim basis. In some cases there may be no prevailing party.

31.8. Finality. The decision and award of the arbitrator shall be final and binding and may not be appealed to an arbitration panel or a court. The arbitrator's decision and award may be entered as a judgment in any state or federal court of competent jurisdiction, and a party may institute judicial proceedings to enforce the arbitration award.

31.9. Applicability of Arbitration Acts. The parties expressly agree that the use, operation, management, development, maintenance, repair, and replacement of the Condominium involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) and the Washington Uniform Arbitration Act (chapter 7.04A RCW) now in effect and as the same may from time to time be amended, to the exclusion of any inconsistent state or local law, ordinance, or judicial rule. To the extent that any state or local law, ordinance, or judicial rule is inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding is conducted, the rules of the arbitration service shall govern the conduct of the arbitration.

31.10. Applicability of Statutes of Limitations. No Claim can be asserted in arbitration after the date such claim could be asserted in a judicial proceeding under applicable statutes of limitation and repose.

31.11. Enforceability. This Section 31.11 shall inure to the benefit of, and be enforceable by, the Association, the Board, OPAL, the Owners and their respective

members, managers, officers, directors, employees, agents, attorneys, and insurers. The initiation of a judicial proceeding concerning this arbitration agreement or any matter arbitrable hereunder, or the filing of a lis pendens, by any party who reserves the right to arbitrate, shall not be deemed a waiver of the right to arbitrate or to enforce this arbitration agreement, and, notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay or refuse to participate in arbitration, or to refuse to enforce this arbitration agreement.

31.12. Severability. If any provision of this Section 31.12 shall be determined by the arbitrator or by any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms.

31.13. Waiver of Right to Judicial Proceedings. Each Person subject to this Declaration waives any right it may have to institute a judicial proceeding to decide a Claim, to demand arbitration under chapter 64.55 RCW, or to demand a trial de novo after arbitration under chapter 64.55 RCW.

31.14. Waiver of Right to Jury Trial. Each Person subject to this Declaration waives any right it may have to a jury trial under federal or state law as to any dispute between them arising from or involving a Claim. In addition, if the arbitration provisions of this Section 31.14 are deemed entirely or partially invalid, void, or unenforceable by the arbitrator or a judge, such that the parties are not required to resolve their disputes through binding arbitration for any reason, any and all Claims shall be tried before a judge in a court of competent jurisdiction in the State of Washington in the county where the Condominium is located, and not before a jury, and all parties waive any right to a trial by jury.

31.15. Survival. The provisions of this Section 31.15 shall survive the transfer by any party of its interest or involvement in the Condominium or any Unit and the termination of this Declaration.

ARTICLE 32. REAL PROPERTY TAXES

The real property taxes should be assessed against each Unit separately, however, until the County Assessor creates separate tax parcels for each Unit, it may assess real property taxes for the Property as a whole, in which case the Owners of Units shall be responsible for paying its portion of the real property taxes, which shall be allocated based on the Unit Area square footage of the Unit as shown in **SCHEDULE B** below.

**ARTICLE 33.
INCOME-RESTRICTED UNITS**

To the extent that any Units are subject to affordability covenants or restrictions benefiting any government agency and recorded against the Property, OPAL shall maintain records identifying those Units and any related compliance documentation for as long as such tracking may be required. OPAL shall make such records reasonably available to the Owner, a prospective purchaser of a Unit, or such party's lender upon written request. OPAL shall also have the discretion, subject to the terms of applicable covenants and regulatory requirements, to modify which Units are designated at particular affordability levels from time to time, and shall update its records accordingly. Notwithstanding anything to the contrary in this Declaration, OPAL reserves the right to amend this Declaration for the limited purpose of adding an exhibit identifying which Units are subject to which affordability requirements, and to modify such exhibit from time to time.


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EXECUTED AS OF 16th January, 2026.

DECLARANT:

OPAL Community Land Trust,
a Washington nonprofit corporation

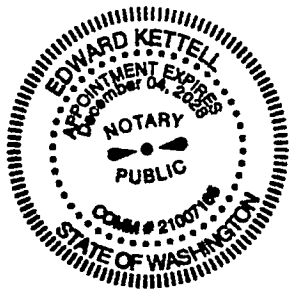
By: 
Name: Elisabeth C. Byers
Its: Executive Director

STATE OF WASHINGTON

COUNTY OF San Juan } ss.

This record was acknowledged before me on January 16, 2026, by Elisabeth C. Byers as Executive Director of OPAL Community Land Trust, a Washington nonprofit corporation.

[Stamp Below]



Edward Kettell
Signature

NOTARY PUBLIC in and for the State of Washington

My Commission
Expires

12/4/28

**ADJACENT PROPERTY OWNERS' CONSENT TO CONDOMINIUM
DECLARATION FOR KIDDER WAY CONDOMINIUM**

The undersigned owners of the Adjacent Property hereby consent to those sections applicable to the owners of the Adjacent Property of the foregoing Condominium Declaration for Kidder Way Condominium, which shall encumber that portion of the Adjacent Property both depicted on the Map and described in the Parking and Setback Easement Agreement. Further, the undersigned owners agree that the allocation of two parking pads pursuant to Section 23 and Schedule C hereto satisfy the obligation of OPAL Community Land Trust to provide the Reserved Parking Stalls under the Parking and Setback Easement Agreement.

Dated for reference purposes January 16, 2026.

ADJACENT PROPERTY OWNERS:

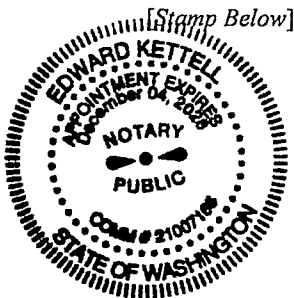
Phillip A Carter
Philip A Carter

Janna M Carter
Janna M Carter

STATE OF WASHINGTON

COUNTY OF San Juan } ss.

This record was acknowledged before me on January 16, 2026, by Phillip A Carter and Janna M Carter.



Edward Kettel
Signature

NOTARY PUBLIC in and for the State of Washington

My Commission Expires 12/4/28

**SCHEDULE A
KIDDER WAY CONDOMINIUM**

Legal Description of Kidder Way Condominium

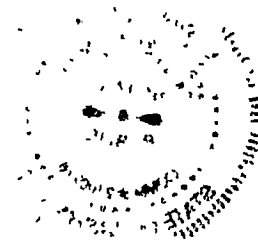
Lot B of Plat Alteration of Kidder Short Plat, according to the Plat thereof, recorded in Volume 8 of Short Plats, at pages 36, 36A, and 36B under Auditor File Number 2026-0108004, in the office of the Auditor of San Juan County, Washington, being a portion of the Northeast Quarter of the Northeast Quarter, Section 14, Township 37 North, Range 2 West, W.M.

Situate in San Juan County, Washington.

Subsequent Phase Property

Lot A of Plat Alteration of Kidder Short Plat, according to the Plat thereof, recorded in Volume 8 of Short Plats, at pages 36, 36A, and 36B under Auditor File Number 2026-0108004, in the office of the Auditor of San Juan County, Washington, being a portion of the Northeast Quarter of the Northeast Quarter, Section 14, Township 37 North, Range 2 West, W.M.

Situate in San Juan County, Washington.



**SCHEDULE B
 UNIT DATA AND ALLOCATED INTERESTS**

Unit Data

Unit Number	Unit Address	Unit Data ^{1,2}	Unit Area (Sq. Ft.) ³
A1	24A Kidder Way, Unit 1 Eastsound, WA 98245	1 BD, 1 BA	1,177
A2	24A Kidder Way, Unit 2 Eastsound, WA 98245	2 BD, 2 BA	2,337
B1	24B Kidder Way, Unit 1 Eastsound, WA 98245	2 BD, 2 BA	2,206
B2	24B Kidder Way, Unit 2 Eastsound, WA 98245	1 BD, 1 BA	1,298
C1	24C Kidder Way, Unit 1 Eastsound, WA 98245	1 BD, 1 BA	1,382
C2	24C Kidder Way, Unit 2 Eastsound, WA 98245	2 BD, 2 BA	1,558
D1	24D Kidder Way, Unit 1 Eastsound, WA 98245	1 BD, 1 BA	1,665
D2	24D Kidder Way, Unit 2 Eastsound, WA 98245	2 BD, 2 BA	2,319
E1	24E Kidder Way, Unit 1 Eastsound, WA 98245	2 BD, 2 BA	2,220
E2	24A Kidder Way, Unit 2 Eastsound, WA 98245	1 BD, 1 BA	1,597

¹ Legend:

BD - bedroom
 BA - bathroom

² Boundaries of Units are "planes in space" as shown on the Map and include all Homes and Structures now or hereafter constructed within the Unit. Accordingly, the Units are not located on a floor or level of a building.

³ Square footages are the area of the "airspace" Unit and therefore vary from the square footages of the single-family townhome-style Home to be constructed within such Unit, which square footages may be used for marketing and advertising purposes.

**SCHEDULE B
 UNIT DATA AND ALLOCATED INTERESTS**

(Continued)

Allocated Interests

Unit Number	Common Expense Liability of CLT Member Owner	Common Expense Liability of OPAL	Undivided Interests in Common Elements ⁴		Voting Interests – CLT Member Owner Class		Voting Interests - OPAL Class (limited to Major Decisions)	
			CLT Member Owner	OPAL	CLT Member Owner	OPAL	CLT Member Owner	OPAL
A1	10%	0%	10%	0%	1	0	0	1
A2	10%	0%	10%	0%	1	0	0	1
B1	10%	0%	10%	0%	1	0	0	1
B2	10%	0%	10%	0%	1	0	0	1
C1	10%	0%	10%	0%	1	0	0	1
C2	10%	0%	10%	0%	1	0	0	1
D1	10%	0%	10%	0%	1	0	0	1
D2	10%	0%	10%	0%	1	0	0	1
E1	10%	0%	10%	0%	1	0	0	1
E2	10%	0%	10%	0%	1	0	0	1
TOTAL	100%	0%	100%	0%	10	0	0	10

⁴ Exclusive of the land in the Condominium, of which 100% is allocated to OPAL.

SCHEDULE C
PARKING PADS ASSIGNED AS LIMITED COMMON ELEMENTS

Parking Pad	Assigned Unit
1	ADA – not assigned
2	A1
3	A2
4	B1
5	B2
6	C1
7	C2
8	Not assigned – guest parking pad
9	Not assigned – guest parking pad
10	Not assigned – guest parking pad
11	Reserved Parking Stall for Adjacent Property under Parking and Setback Easement Agreement – see Article 23
12	Reserved Parking Stall for Adjacent Property under Parking and Setback Easement Agreement – see Article 23
13	Not assigned – guest parking pad
14	Not assigned – guest parking pad
15	E2
16	E1
17	D2
18	D1

SCHEDULE D

LEGAL DESCRIPTION OF ADJACENT PROPERTY

Lot A of Plat Alteration of Kidder Short Plat, according to the Plat thereof, recorded in Volume 8 of Short Plats, at pages 36, 36A, and 36B under Auditor File Number 2026-0108004, in the office of the Auditor of San Juan County, Washington, being a portion of the Northeast Quarter of the Northeast Quarter, Section 14, Township 37 North, Range 2 West, W.M.

Situate in San Juan County, Washington.