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YAKIMA COUNTY, WASH

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EUGENE NAFF, AUDITOR
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SECOND
AMENDED
DECLARATION
OF A
HORIZONTAL PROPERTY REGIME
FOR
WHITE PASS VILLAGE

59⁰⁰

Rough: Hart, Allison & Prescott
1100 DPM Bldg
Seattle 98101

Amended
Declaration of a
Horizontal Property Regime

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THIS SECOND AMENDED DECLARATION, dated as of October 4, 1966, amending the declaration dated as of August 12, 1964, and the Amended Declaration dated June 30, 1966, constituting the covenants, restrictions, limitations, conditions and uses creating and establishing a plan for a horizontal property regime:

RECITALS:

1. Frank W. Pattison ("Pattison" herein), whose address is 1251 Evergreen Point Road, (P.O. Bbx 578), Bellevue, Washington, and White Pass Company, Inc. ("White Pass" herein), a Washington corporation, with a principal place of business in Yakima, Washington, have heretofore entered into a certain instrument entitled "Sublease" (which instrument, as from time to time otherwise amended or supplemented, is herein called the "Sublease"), dated as of August 1, 1964, pursuant to which White Pass granted to Pattison the right to use and occupy a certain area of land described therein and referred to therein as the "Village Area"; said Sublease has been recorded under Auditor's File No. 2012785, Volume 657 of Leases, at page 243, Office of the Auditor for Yakima County, Washington, and it is by this reference made a part hereof; and

2. Pattison and certain other persons, firms and corporations have contracted for the construction upon the Land, more particularly described in paragraph 1(a)(v) hereof, herein also sometimes referred to as "the Site", of a structure of fifty-five (55) units, said structure to be constructed substantially in compliance with the survey map and floor plans filed in the office of the County Auditor for the County of Yakima, State of Washington, as referred to in paragraph (b) of Section 2 (Submission of Property to Act and Filing of Plans) hereof; and

3. It has been agreed that said units shall be owned and operated as a horizontal property regime under the provisions of the Horizontal Property Regimes Act of the State of Washington, Chapter 156, Laws of 1963, State of Washington, and Pattison and such persons, firms and corporations, and all of the owners of said structure and other portions of the property (as hereinafter defined) desire to subject the same to such horizontal property regime in accordance with said Horizontal Property Regimes Act and such other persons, firms and corporations have either executed this Declaration or have empowered Pattison to do so for them and on their behalf; and

4. Pattison and the persons, firms and corporations which own or will own units in the aforesaid structure, desire to establish by this Declaration a plan for the individual ownership of the estates consisting of the area or space contained in each of

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the units in said structure, and the co-ownership, by the individual and separate owners of such units, of undivided interests in all the remaining property associated with said structure, all in accordance with the Horizontal Property Regimes Act of the State of Washington.

NOW, THEREFORE, Pattison and all other persons, firms and corporations owning any part of or interest in the property, hereby make the following declaration:

Section 1. Definitions.

(a) Terms Defined. The following terms as used herein shall be deemed to have the following meanings:

(i) "the Act" shall mean the Horizontal Property Regimes Act of the State of Washington, being Chapter 156 of the Laws of 1963, State of Washington, as amended.

(ii) "Pattison", "White Pass" and "Sublease" shall have the meanings specified therefor in Recital 1 above.

(iii) "Bylaws" shall mean those bylaws of the Association adopted by the Board of Directors as set forth in Section 14 (Bylaws) hereof, as they may be duly amended from time to time.

(iv) "the Property" shall have the meaning specified therefor in paragraph (a), of Section 2 (Submission of Property to Act and Filing of Plans) hereof.

(v) "Land" shall mean that certain parcel of land situate in the County of Yakima, State of Washington, described as follows:

Beginning at a point set in a copper plug in the concrete bottom step at the northeast corner of the stairway entrance to the White Pass Ski Lodge and, back sighting to a punch mark set in the top of the southeast bolt set in the concrete base of a radio tower located on the east side of the State Highway Department Maintenance Building, said tower being northerly of approximate station 195C + 00, as shown on State Highway Department Drawing titled Primary State Highway No. 5, White Pass Maintenance Site, Lewis County, dated October 6, 1953, said back site bearing being north 61° 44' 30" west; thence a right angle of 57° 08' 30" bearing north 4° 36' west

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255.25 feet to the point of beginning, the southwest corner of the Special Use Permit area (USFS Term Special Use Permit to White Pass Company, Inc., dated September 15, 1964), thence a right angle of $245^{\circ} 04' 40''$ bearing north $60^{\circ} 28' 40''$ east 276.00 feet; said course being parallel to and 100 feet northerly of the approximate centerline of Primary State Highway No. 5; thence a right angle of $112^{\circ} 30'$, bearing north $7^{\circ} 01' 20''$ west 153.0 feet to the true point of beginning; thence continuing on the same bearing 103 feet; thence a 90° angle to the right, 34 feet; thence a 90° angle to the left, 76 feet; thence a 90° angle to the right, 84 feet; thence a 90° angle to the left, 40 feet; thence a 90° angle to the right, 299 feet; thence a 90° angle to the right, 116 feet; thence a 90° angle to the right, 207 feet; thence a 90° angle to the left 69 feet; thence a 90° angle to the right, 110 feet; thence a 90° angle to the left, 34 feet; thence a 90° angle to the right, 100 feet, more or less, to the true point of beginning; all, situated in Section 2, Township 13 North, Range 11, East W.M. (unsurveyed), Yakima County, State of Washington.

(vi) "the Building" shall mean that structure described in Section 4 (Description of Building) below and otherwise identified herein.

(vii) "the Association" shall mean the Association of Apartment Owners referred to in Section 9 (the Association) hereof, and such Association shall be deemed the "Association of Apartment Owners" under, and as that term is used in the Act.

(viii) "Management Agreement" means an agreement which is to be executed as set forth in paragraph (c) of Section 11 (Board of Directors) hereof.

(ix) "Board of Directors" and "Board" shall mean the board of directors created pursuant to Section 11 (Board of Directors) hereof and "Director" and "Directors" shall mean the member and the members, respectively, of the Board of Directors.

(x) "Total Voting Power of the Association" shall have the meaning specified therefor in paragraph (b) of Section 6 (Value and Voting Power of Apartments) hereof.

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(xi) "Annual Budgetary Assessment" shall mean each assessment levied upon the Apartment Owners pursuant to Clause (i) of paragraph (a) of Section 13 (Manager) hereof.

(xii) "Special Budgetary Assessment" shall mean each assessment levied upon the Apartment Owners pursuant to paragraph (b) of Section 13 (Manager) hereof.

(xiii) "Common Areas and Facilities" shall be deemed to mean those portions of the Property described as such in Section 5 (Description of Common Areas and Facilities) hereof.

(xiv) "Chairman", "Secretary" and "Treasurer" shall mean the officers of such title, respectively, elected pursuant to Section 12 (Officers) hereof.

(xv) "Apartments" shall mean those areas of the Building referred to as "Apartments" in the second sentence of Section 4 (Description of Building) hereof, as such areas are further identified in Exhibit "B" hereto and in the plans filed in the offices of the County Auditor for the County of Yakima, State of Washington as referred to in paragraph (b) of Section 2 (Submission of Property to the Act and Filing of Plans) hereof; such Apartments shall also be deemed "Apartments" under and as that term is used in the Act.

(xvi) "Manager" shall mean the managing agent employed by the Board of Directors pursuant to paragraph (c) of Section 11 (Board of Directors) hereof, and shall be deemed the "Manager" under and as that term is used in the Act.

(xvii) "Original Owner" shall mean the present owner of an Apartment identified pursuant to the first sentence of paragraph (c) of this Section 1.

(xviii) "Permit" shall mean the Term Special Use Permit dated September 15, 1964, from the United States Forest Service, referred to in the Sublease as the Village Area Permit, and giving White Pass the right to use and occupy the Site on specified terms and conditions, and all renewals, extensions and substitutions therefor.

(b) Definitions Under the Act. All terms used herein which are defined in the Act, shall, unless otherwise defined here-

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in, have the same meaning as in the Act:

(c) Original Owners of Apartments - Record Owner. The present owners of Apartments, and the city or county of their residence are set forth next to the particular Apartment or Apartments they own in Exhibit "A" attached hereto and by this reference made a part hereof; such owners are owners of an interest in the rights, powers, privileges and interest granted by the Sublease and of the building and other improvements on the Land and surrounding area, and their interests in the Apartments have been created by them. Evidence of the ownership of Apartments shall be given to the Association in the form of a certificate signed by the owner of the subject Apartment, indicating the name, address and telephone number of such owner, the date on which he acquired such ownership, that the fact of such ownership is properly of public record so as to entitle such owner to an owner's policy of title insurance and the office, volume, page and file number of such recording. Until such evidence has been given to the Association, the Original Owner or the successor as to whom such evidence is on file with the Association shall for all purposes retain all the obligations and duties and shall be subject to the limitations inherent in ownership of the Apartment.

Section 2. Submission of Property to the Act and Filing of Plans.

(a) Submission to Act. The Building, all other improvements and structures on the Land, and all the rights, powers, privileges and interest in the Land granted to Pattison under the Sublease, assigned by him to the parties signatory hereto and owned by them as tenants in common, and all easements, rights and appurtenances belonging thereto, including the interest or lien of the holder of any mortgage on all or part thereof, and all articles of personal property intended for use in connection therewith and not the personal property of an Apartment Owner, whether now or hereafter constructed or in being, are hereby partitioned and submitted, and shall, when they are constructed or come into being, be deemed partitioned and submitted, to the provisions of the Act, and are herein collectively referred to as "the Property".

(b) Filing of Plans. A survey map of the surface of the Land showing the location of the Building thereon and a set of floor plans of the Building showing the layout, Apartment numbers and dimensions of the Apartments were filed in the office of the Auditor of the County of Yakima, State of Washington on July 23, 1965, under File No. 2049039.

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Section 3. Location of Building and Improvements.

The Building and all improvements and structures subjected to the provisions of the Act pursuant to Section 2 (Submission of Property to the Act and Filing of Plans) above, are or are to be located on the above-described land.

Section 4. Description of Building.

The Building consists initially of five, two and three-story structures of fifty-five (55) Apartments, and shall be constructed principally of wood, except for the foundations, which shall be of concrete. Exhibit "A" hereto contains a schedule of the number of each Apartment, a statement of the location of such Apartment and the Building in which it is contained, its approximate area, the number of rooms comprising such Apartment, and the immediate common area to which such Apartment has access, and the name and city or county of residence of the Original Owner thereof as specified in paragraph (c) of Section 1 (Definitions) hereof.

Section 5. Description of Common Areas and Facilities.

The Common Areas and Facilities shall consist of the Manager's Apartment referred to in paragraph (b) of Section 7 (Use of Building and Apartments) hereof and other portions of the Property described in Exhibit "B" attached hereto and by this reference made a part hereof, and such other portions of the Property as are deemed common areas and facilities under the Act.

Section 6. Value and Voting Power of Apartments.

(a) Values. The value of the Property shall be deemed Four Hundred Eighty-four Thousand Two Hundred Thirty-four Dollars (\$484,234.00), and the value of each Apartment, the percentage of undivided interest in the common areas and facilities appertaining to each Apartment and its owner or owners for all purposes hereunder, under the Act and under the Bylaws, including voting, shall be deemed as set forth in Exhibit "C" attached hereto and by this reference made a part hereof.

(b) Voting Power. The Total Voting Power of the Association shall be deemed one hundred (100) votes, and the total number of votes available to the Owner or Owners of any one Apartment shall be deemed equal to the percentage of undivided interest in the Common Areas and Facilities appertaining to such Apartment and its Owner or Owners as indicated in the aforesaid Exhibit "C"; provided, however, if more than one person is the Owner of an Apartment, all the votes attributable to that Apartment must be cast collectively in accordance with the Bylaws.

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Section 7. Use of Building and Apartments.

(a) Generally. The Building, the Apartments and the rest of the property shall be used as a resort apartment-motel, with such appurtenant facilities as are customary in such motels, including a sauna. In this connection, the Apartments shall be used as private dwellings of the Apartment Owners and of any lessees or guests of any such Apartment Owner or of the Association. No Apartment Owner shall permit or suffer anything to be done or kept in his Apartment or any portion of the Common Areas and Facilities which will increase the rate of insurance on the Building or other portions of the Property or which will obstruct or interfere with the rights of other occupants of the Building or other portions of the Property or annoy them by unreasonable noises or otherwise; nor shall any such Apartment Owner or guest or lessee commit or permit any nuisance, immoral or illegal act in or about the Building or any other portions of the Property, or keep any pet or animal in the Building without the prior written consent of the Board of Directors; provided, however, the use of the Apartments, particularly with respect to renting or subletting them to third parties, shall in all events be subject to the provisions of Section 22 (Rules As to Use By Others).

(b) Manager's Apartment. Rooms 21 and 25, located on the ground floor of Building No. 3 adjacent to the office-lobby, shall be part of the Common Areas and Facilities and shall be made available for the continued use of the Manager as a residence for Manager's agents and his use in performing his duties and obligations, on such terms and conditions as may be agreed upon with the Manager; provided, however, such rooms shall have no interest in the other common areas and facilities appertaining to them. Manager shall not lease or sublet said rooms except to his bona fide agents, and said rooms shall be deemed the property of the Association (as defined in Section 9 herein) and all taxes, charges, assessments, and other obligations accruing with respect thereto shall be the obligations of said Association and shall be discharged by said Association.

Section 8. Party to Receive Service of Process

William Bull is hereby authorized to receive service of process in the cases provided for in the Act, at his place of business in the County of Yakima, State of Washington, as follows:

c/o Manager
White Pass Village Inn
Star Route
Naches, Washington

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Bull shall be deemed the party to receive such service of process and his address shall be deemed as above stated until this Declaration is duly amended to specify another party or address, or both.

Section 9. The Association.

(a) Definition. The Association shall consist of all the Apartment Owners as a group, or acting as a group in accordance herewith and with the Bylaws.

(b) Annual Meetings. The Association shall meet annually on the second Saturday in September of each year subsequent to 1964, or, if that day be a legal holiday, on the next succeeding day not a legal holiday, at ten o'clock in the forenoon, for the election of Directors and the transaction of such other business as may come before the meeting; provided, however, the date for the first annual meeting of the Association shall be on or before August 1, 1965. In the event that any such annual meeting is omitted by oversight or otherwise on the date herein provided for, the Board of Directors shall cause a meeting in lieu thereof to be held as soon thereafter as conveniently may be, and any business transacted or elections held at such meeting shall be as valid as if transacted or held at the annual meeting. Each such meeting held in lieu of an annual meeting shall be called in the same manner and as provided for special meetings of the Association as set forth in the next following paragraph (c).

(c) Special Meetings. Special meetings of the Association may be called at any time by the Board of Directors. If more than eighteen months are allowed to elapse without the annual meeting of the Association being held, any Apartment Owner may call such meeting to be held at the Building. At any time, upon written request of any Director, or of any Apartment Owner or Apartment Owners holding in the aggregate one-fifth of the Total Voting Power of the Association, it shall be the duty of the Secretary to call a special meeting of the Association to be held at the Building at such time as the secretary may fix, not less than ten nor more than thirty-five days after the receipt of such request, and if the Secretary shall neglect or refuse to issue such call, any Director or any Apartment Owner making the request may do so.

(d) Place of Meetings. All meetings of the Association shall be held at such place within the State of Washington as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices thereof to be

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made as set forth in the Bylaws; provided, that unless otherwise fixed by the Board of Directors or otherwise specified or fixed in the respective notices thereof, all meetings of the Association shall be held at the Building.

(a) Voting. At every meeting of the Association, each Apartment Owner shall be entitled to the votes specified therefor in paragraph (b) of Section 6 (Value and Voting Power of Apartments) hereof, either in person or by proxy in writing which shall be filed as specified in the Bylaws before being voted. Subject to the limitations stated in this paragraph, a valid proxy shall entitle the holder thereof to vote at any adjournment of the meeting or meetings for which given, but shall not be valid after the final adjournment thereof. No proxy shall be voted on after eleven months from its date, unless such proxy provides for a longer period, but in no event shall a proxy, unless coupled with interest, be voted on after three years from the date of its execution.

(f) Further Rules in Bylaws. The Bylaws may contain any other rules or provisions pertaining to the calling of Association meetings, notices and waivers of notices thereof, conduct thereof, quorums and adjournments thereof, and any other rules or provisions relating in any way to such meetings or the conduct of the affairs of the Association, provided no such rule or provision is inconsistent with any express provision hereof.

Section 10. Administration of the Property.

(a) Declaration and Bylaws Control. The administration of the Property shall be in accordance with the provisions of this Declaration and the Bylaws. Each Owner, tenant or occupant of an Apartment, or any interest therein or part thereof, shall comply with the provisions of this Declaration and the Bylaws and the decisions and resolutions of the Association, the Board of Directors, or any representative of either thereof, as any such provisions, decisions or resolutions may be lawfully made or amended from time to time, and the failure to comply with such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages, for injunctive relief, or for any other remedies or relief provided for hereunder or under the Bylaws or available under the Act or any other applicable laws.

(b) Association Administers Property. The Association shall have the ultimate responsibility for administering the Property, of electing the Board of Directors as provided in

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Section 11 below, and the performance of such other duties and responsibilities as specified herein, in the Bylaws, and as required under the Act or other applicable laws or under resolutions duly adopted by the Association; provided, however, the affairs of the Association shall be conducted and governed by the Board of Directors as specified in Section 11 below and as otherwise specifically provided by resolution duly adopted by the Association. All agreements, decisions, resolutions, representations and determinations duly made by the Association under the provisions of the Act, this Declaration or the Bylaws and in accordance with the voting percentages established in the Act, this Declaration or the Bylaws, shall be deemed binding on all Apartment Owners.

Section 11. Board of Directors.

(a) Number and Qualification. The affairs of the Property and the Association shall be governed by a Board of Directors composed of five (5) persons.

(b) Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by this Declaration or by the Bylaws required to be exercised and done solely by the Association acting through the individual Apartment Owners.

(c) Manager and Management Agreement. Among other things, the Board of Directors shall employ a managing agent for the Association at a compensation established by the Board of Directors to perform such duties and services and exercise such powers as the Board of Directors shall authorize, including, but not limited to, the duties and services and powers herein specified for the Manager. The Directors shall, for and on behalf of the Association, duly execute a Management Agreement in such number of counterparts as it deems necessary. Thereafter the Board of Directors shall have the authority to enter into amendments and supplements to the Management Agreement for and on behalf of the Association and each of the Apartment Owners. The Association and all the Apartment Owners shall be fully bound by the Management Agreement and each Apartment Owner shall, by virtue of ownership of an Apartment or an interest therein, be deemed to have ratified and agreed to the Management Agreement as it may from time to time be amended, and all payments to be made by the Association to the Manager under the Management Agreement shall, unless provided otherwise therein, be deemed common expenses. No action heretofore or hereafter taken by

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the Association, any Apartment Owner, the Board of Directors the Manager, including, without limitation, amendment to this Declaration, the Bylaws or the Sublease, shall operate in derogation of any contract rights or other rights or remedies at law available to any party, including those available to the Manager or the Association under or by virtue of the Management Agreement.

(d) Election and Qualification. The five (5) Directors (with their addresses) at the time of adopting this Second Amended Declaration shall be as follows:

<u>Name</u>	<u>Address</u>
1. Dr. Chris Boehm	1212 So. 11th Street Tacoma, Washington
2. Mr. Robert W. Curran	1910 S. W. Hillcrest Road Seattle, Washington 98166
3. Mr. Herbert H. Hill	Route 2, Box 94 Yakima, Washington
4. Mr. Sam W. Cayce	9677 - 47th S. W. Seattle, Washington
5. Mr. Glenn H. Jones	2224 38th Place East Seattle, Washington

Directors shall be elected annually at the annual meeting of the Association and shall hold office for a term of two years and shall be so elected that the terms of a majority, if there be an odd number of directors, or one-half, if there be an even number of directors, will expire in the odd years and the remainder in the even years. For the initial election those three (3) directors with the most seniority shall hold office until their term expires in an odd year. Directors shall be natural persons and Apartment Owners. In the election of Directors, every Apartment Owner having voting rights shall have the right to multiply the number of votes to which he is entitled by the number of Directors to be elected, and he may cast all such votes for one candidate or he may distribute them among any two or more candidates.

(e) Directors' Fees. Directors shall not receive salary for their services as Directors, but on resolution of Board a fixed sum for expenses of attendance may be allowed for attendance at each stated or special meeting of the Board of

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rectors. A Director may serve the Association in a capacity other than that of Director and receive compensation for services rendered in that other capacity.

(f) Further Rules In Bylaws. The Bylaws may contain any other rules or provisions pertaining in any way to the conduct of the affairs of the Board of Directors, including, without limitation, rules and provisions with respect to place of meetings, types of meetings, notices of meetings, quorums, business to be conducted at meetings, procedures by which the Board is to take action, resignations, removals, and filling of vacancies; provided, however, no such rule or provision may be inconsistent with any express provision hereof.

Section 12. Officers.

(a) Designation. The principal officers of the Association shall be a Chairman, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors and may be Directors. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. The office of Treasurer and Secretary may be filled by the same person.

(b) Powers and Duties. Each of the officers of the Association shall have such powers and duties as are given to or specified for him hereunder or under the Bylaws.

(c) Salaries. The officers of the Association shall be paid for their services such salaries as the Board of Directors may specify.

(d) Further Rules in Bylaws. The Bylaws may contain any other rules or provisions pertaining in any way to the officers of the Association, including, without limitation, rules and provisions relating to their election, term, removal, duties and powers.

Section 13. Manager.

(a) Powers and Duties of the Manager. The Manager employed by the Board of Directors pursuant to paragraph (c) of Section 11 (Board of Directors) above, shall, subject to the following terms and conditions, render services, perform duties and exercise powers for and on behalf of the Association as follows:

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(i) Prepare an annual budget by estimating the amount of cash that will be required to discharge the common expenses for each annual period to be submitted to the Board of Directors for approval, and after receiving such Board approval to notify the Apartment Owners, no later than June 1 for the annual period next ensuing, of the computation thereof and the amount of their respective shares thereof, which notice shall be deemed an assessment by the Association on such Apartment Owners to the extent of their shares; each such annual period shall commence July 1. The aggregate amount of each such assessment shall be deemed an Annual Budgetary Assessment.

(ii) Deposit all sums received by him in connection with the management of the Property in separate commercial bank accounts, maintained in his name, under appropriate designations as special accounts for the Association, with any state or national bank approved by the Board, and to pay from said account all maintenance, repairs, taxes, assessments, utilities, water rates and charges, trash and garbage removal and insurance premiums, sewage charges, snow removal charges, and all other charges, expenses and costs authorized by the Treasurer of the Association as required to be paid by the Association or the Apartment Owners (except any thereof which are, under this Declaration, the Bylaws, the Act or any other applicable law, to be borne solely by the individual Apartment Owners) or required to be reimbursed to the Manager, including, without limitation, the compensation due to the Manager.

(iii) After receiving Board approval, place all insurance coverage specified under Section 17 (Insurance) hereof.

(iv) Contract, in the name and on behalf of the Apartment Owners and the Association, for such trash and garbage removal service, utilities, water, sewage removal, snow removal, janitor and gardening service, maintenance and other services or work required under the Permit or the Sublease as provided in the annual budget or otherwise approved by the Board, and for any and all repairs to or replacements or maintenance of the Property, requiring an expenditure of not more than One Thousand Dollars (\$1,000.00); provided, however, that the expenditure was provided for in the

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budget previously approved by the Board. As to any individual maintenance, repair or replacement requiring an expenditure in excess of One Thousand Dollars (\$1,000.00) or not previously approved by the Board, the Manager shall first obtain the approval of the Board of Directors, and upon obtaining such approval the Manager shall then be empowered to enter into a contract for such maintenance, repair or replacement for and on behalf of the Apartment Owners and the Association; provided, however, emergency maintenance, repairs and replacements, and contract therefor, involving the correction of conditions constituting a manifest danger to life or property, or immediately necessary for the preservation and safety of the Property or any part thereof or for the safety of the Apartment Owners or guests or tenants, or any thereof, or required to avoid the suspension of any necessary service to the Property or endangering the rights of the Apartment Owners or Pattison under the Permit or the Sublease, may be made by the Manager irrespective of the expense limitation imposed by this clause (iv).

(v) Keep complete and accurate books and records of the receipts and expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. Such records and the vouchers authorizing payments shall be available for examination by the Apartment Owners, their agents and attorneys at convenient hours of week days. All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the organization.

(vi) Post in a conspicuous place in the Building, on or before each August 1, a statement prepared in accordance with good accounting practice, covering the income and expenditures of the Association for the annual period commencing June 1 of the year previous to the year in which such statement is given, showing all receipts and expenditures by it.

(vii) Do such other acts, take such other action and enter into such other agreements as may be directed or authorized by this Declaration, the Bylaws, the Association or the Board of Directors, or as may be pro-

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vided in or authorized under the contract pursuant to which the Manager is employed, or which may be necessary in order to discharge any such duties or those duties above enumerated.

(b) Annual Budget. In computing the annual budget as provided in part (i) of the next preceding paragraph (a), the Manager shall provide for his compensation, and for the reimbursement of his approved expenses and a reasonable reserve for contingencies, but he shall not unreasonably accumulate funds. In the event the Manager shall determine that the budget for any current annual period is, or will become, inadequate to meet all common expenses on a current basis, he shall immediately determine the approximate amount of such inadequacy and prepare a supplemental budget, indicating the reason or reasons therefor, to be submitted to the Board of Directors for approval, and having received such approval the Manager on behalf of the Association shall levy a Special Budgetary Assessment against the Apartment Owners, which special assessment, in an aggregate amount required to meet all such expenses on a current basis, shall be prorated among the Apartment Owners as a common expense in accordance with the Act and shall be levied by notice thereof to the Apartment Owners.

(c) Enforcement. To assist in the proper discharge of the foregoing duties, the Manager, with the Board's written authorization, is hereby invested with the power to sue the Apartment Owner or Owners for any sum due and unpaid from any such Owner or Owners pursuant to this Declaration, the Act or the Bylaws, including annual assessments, special assessments, reimbursement for repair occasioned to the common areas or facilities by the Act or negligence of an Apartment Owner of those holding under it, and any and all other reimbursements and payments required under the terms of the Act, this Declaration or the Bylaws, plus interest thereon at the legal rate from the date due, and all costs of suit and reasonable attorney's fees in connection with such action all of which the Apartment Owners, on behalf of themselves, their heirs, executors, administrators, successors and assigns, and each and every assignee of any of said Apartment Owners, hereby covenants and agrees to pay.

(d) Association's Obligations. Everything done by the Manager with the Board's approval, through acceptance of the budget or otherwise, including, without limitation, all contracts and agreements entered into, under or pursuant to any of the provisions of this Declaration, the Bylaws, the Act, resolutions or instructions of the Board of Directors or the Asso-

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ciation, or the agreement pursuant to which the Manager is employed, shall be done as agent for and on behalf and in the name of the Association and the Apartment Owners, and the Association and the Apartment Owners shall indemnify and hold harmless the Manager from, and reimburse the Manager for, all thereof. Any payments to be made by the Manager for and on behalf of the Association or the Apartment Owners shall be made out of such sums as are made available to the Manager by the Association, or as may be provided by the Board of Directors. The Manager shall not be obligated to make any advance to or for the account of the Association or any of the Apartment Owners or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Manager be obligated to incur any liability or obligation for the account of the Association or any Apartment Owner, or take any action which would result in any such liability or obligation, without assurances in good faith deemed satisfactory by Manager, that the necessary funds for the discharge thereof will be provided.

Section 14. Bylaws.

The authority to make and alter the Bylaws of the Association is expressly vested in the Board of Directors hereof, subject to the power of the Apartment Owners to change or repeal such Bylaws at any meeting of the Association duly convened as set forth herein or in the Bylaws, provided that the Apartment Owners shall have the exclusive authority to make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of the Directors in their capacity as Directors. Such Bylaws may contain any provisions with respect to the ownership and operation of the Property and the Association not conflicting with any express provision hereof.

Section 15. Subdivision of Apartments and Common Areas and Facilities.

The Association may, by resolution duly adopted by sixty percent (60%) of the Total Voting Power of the Association, provide for the subdivision or combination, or both, of any of the common areas and facilities, or any parts thereof, which resolution shall include the means for accomplishing such subdivision or combination, or both, and the appropriate amendments to this Declaration, the Bylaws and to any other documents or agreements affecting or affected by such subdivision or combination, or both, as the case may be. With the prior written consent of all the owners of the Apartment or

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Apartments involved, the Association may, by resolution duly adopted by sixty percent (60%) of the Total Voting Power of the Association, provide for the subdivision or combination, or both, of any Apartment or Apartments which resolution shall include the means for accomplishing such subdivision or combination, or both, and the appropriate amendments to this Declaration, the Bylaws and any other documents or agreements affecting or affected by such combination or subdivision, or both, as the case may be.

Section 16. Destruction of or Damage to the Property.

(a) Notification of Total Destruction. In the event any of the property is destroyed or damaged to the extent that the Manager, in his good faith opinion, determines that all or a substantial part of the property has been damaged or destroyed, the Manager shall thereupon advise the Chairman and the Secretary of such fact and such officers, or either thereof, shall promptly cause a meeting of the Association to be called for the purposes of determining whether the property shall be repaired, reconstructed or rebuilt. In the event the Manager does not so notify the Chairman and Secretary, any Director may call a meeting of the Board, in accordance with this Declaration and the Bylaws, for the purposes of determining whether, in the opinion of the Board, all or a substantial part of the property has been destroyed or damaged; if the Board determines that all or a substantial part of the property has been destroyed or damaged, it shall direct the Chairman and Secretary to call a special meeting of the Association in the manner and for the purposes stated in the first sentence of this paragraph (a). Upon the failure of the Chairman, the Secretary and the Board to call such a meeting of the Association, any Apartment Owner may call a special meeting of the Association in the same manner as if eighteen months had elapsed since the last annual meeting of the Association, and at such meeting the Association may, by majority vote, determine that all or a substantial part of the property is destroyed or damaged and proceed to determine whether such destruction should be repaired, reconstructed or rebuilt.

(b) Reconstruction. If the Apartment Owners, at a meeting of the Association called pursuant to the next preceding paragraph (a) or as may otherwise be provided in this Declaration or the Bylaws, by a vote of a majority of the Total Voting Power of the Association, or, if no such meeting is held by action consented to by a majority of the Total Voting Power

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of the Association, declare, within ninety (90) days after the damage to or destruction of all or a substantial part of the property, that the property should be rebuilt, repaired or reconstructed, then the property shall be so rebuilt, repaired or reconstructed, and the Board of Directors may constitute the Manager or any other individual or firm the agent for all the Apartment Owners and the Association (i) for the preparation of the plans, the letting of contracts, and the collection of special assessments from the Apartment Owners for the costs of the repair, rebuilding or reconstruction, and (ii) to cause the preparation of any necessary resurvey, and (iii) to sign in his own name or in the name or names of each and every or any of the Apartment Owners, but in any case for and on behalf of the Association and each and every Apartment Owner, after receiving written approval from the Board of Directors, any new declaration or amendment thereto or hereto which may be required under any law or ordinance for the realignment of boundaries or any other purpose, and (iv) to obtain any permits or licenses which may be required by law; the Manager may further be charged with the duty of accomplishing such rebuilding, repair or reconstruction, through such sub-agents as the Board may engage, with due diligence and in a workmanlike manner. At such a meeting the Association may, in the alternative, declare that neither all nor a substantial part of the property has been destroyed or damaged, in which case the next following paragraph (c) shall control the restoration and repair of the property. Otherwise such action shall be taken with respect to the property as may be provided under the Act or other applicable law, or both.

(c) Repair. In the event any of the property is partially destroyed or damaged and neither the Board nor the Manager nor the Association has, within the period of ninety (90) days after such destruction or damage, determined that all or a substantial part of the property is destroyed or damaged, or if within the same period of time the Association declares that neither all nor a substantial part of the property has been destroyed or damaged, then all structural members in all Apartments and common areas and facilities so destroyed or damaged shall be promptly repaired and restored, in a workmanlike manner, and the Board may delegate to the Manager the duty of accomplishing such repair and restoration. In the event the cost of such repairs is not adequately covered by the proceeds of insurance available to the Association and the Board of Directors, or either thereof, the Board, on behalf of the Association, is empowered to use therefor any other funds theretofore paid to the Association pursuant to this Declara-

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tion, the Bylaws or any assessment or special assessment imposed upon the Apartment Owners and is further empowered to levy a special assessment on the Apartment Owners for and on behalf of the Association, prorated among the Apartment Owners as a common expense under the Act, to cover that portion of the cost of such restoration and repair which is not compensated for by such insurance, which assessment shall be levied by notice to the Apartment Owners in the manner provided in paragraph (b) of Section 13 (Manager) hereof for the Special Budgetary Assessments and shall be due and payable on or before the thirtieth (30th) day after the effective date of such notice. Restoration and repair of any and all interior damage to any Apartment shall be made by and at the individual expense of the owner or owners of such Apartment, and shall be completed with due diligence in a lawful and workmanlike manner subject to the approval and control of the Board, or the Manager if the power to give such approval and to exercise such control is delegated by the Board to the Manager; provided, however, that there shall be made available to such Apartment Owner or Owners for such restoration or repair to the interior of Apartments any insurance proceeds received by the Association for the damage or destruction of such interiors and not needed for the repair of structural members and common areas and facilities pursuant to the first sentence of this paragraph (c).

Section 17. Insurance.

(a) The Association, through the Board of Directors shall keep the Building and other improvements erected on the Land and the Parking Area insured for the interest of all the Apartment Owners as their interest may appear (which interest shall be in the percentages of their interests in common areas and facilities), but in the name of the Board as trustee for each of the Apartment Owners; in an amount which shall be equal to their maximum insurable replacement value, excluding foundation and excavation costs from time to time, (i) against loss or damage by fire and hazards covered by a standard extended coverage endorsement, and (ii) against such other risks, of a similar or dissimilar nature, as are or shall be customarily covered with respect to buildings similar in construction and use to the Building and such improvements. The Association, through the Board of Directors, shall use the net proceeds of any such insurance to repair and replace any damage or destruction to the property, real or personal, pursuant to Section 16 (Destruction of or Damage to the Property) hereof, and any balance remaining shall be distributed as common profits.

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(b) The Association, through the Board of Directors, shall also from time to time procure such insurance as is required under the Permit and the Sublease or as the Board of Directors deems desirable, in such amount, of such types and with such companies as the Board of Directors deems appropriate, and all costs thereof shall be deemed common expenses, and such policies shall be in the name of the Board as trustee for the Apartment Owners in the percentage of their percentage interest in the common areas and facilities.

Section 18. Assessments.

(a) Annual Budgetary Assessments. Each of the Apartment Owners shall be obligated to pay not less than one-twelfth (1/12th) of his share of each Annual Budgetary Assessment, which share shall be that percentage of the whole thereof equal to the percentage of common expenses charged to such Apartment Owner, on or before the first (1st) day of July for the annual period for which said assessment has been made, and a like sum, or more, on the first (1st) day of each succeeding calendar month until its entire share has been fully paid for the year.

(b) Special Budgetary Assessments. Each of the Apartment Owners shall pay his share of each Special Budgetary Assessment, on or before the thirtieth (30th) day after the effective date of the notice of such assessment given to the Apartment Owners pursuant to paragraph (b) of Section 13 (Manager) hereof; provided, however, such notice to each of the Apartment Owners may specify provisions for the payment of any such Special Budgetary Assessments in installments (without interest or penalty) over a longer period of time, not to exceed the period remaining in the annual period to which such assessment pertains, and such installment payments shall thereby be authorized.

(c) Additional Assessments. The Board of Directors may, from time to time, make assessments against the Apartment Owners, other than those specifically provided for hereunder, for the payment of any common expenses accruing, or which it is anticipated will accrue, to the property or to the Association, or as may be provided by the Bylaws, such assessments to be made by giving written notice thereof to the Apartment Owners. Such assessments shall be paid as specified in the notice thereof or as otherwise required hereunder or under the Bylaws, provided no such payment shall be required to be made before thirty (30) days after such notice is given.

(d) Enforcement of Assessments and other Charges. All assessments made under or pursuant to this Declaration, the By-

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laws or the Act, shall be deemed made for and on behalf of the Association, and the collection of any other sums owing to the Association by any Apartment Owner, may be enforced in any manner provided herein or in the Bylaws or otherwise available by law, including but not limited to: (i) the Board through the Manager, giving ten (10) days' notice to the delinquent Apartment Owner that any or all utility services and other services will be forthwith severed with respect to the Apartment and/or Apartments he owns and/or owns an interest in, and that the same shall remain severed until such delinquent assessment or other sum is paid, and then effectuating such severance if such payment is not made within such ten (10) day period (regardless of the fact that others having an interest in such Apartment or Apartments may have paid their share of such assessments or sum), and/or (ii) the Board of Directors, through the Manager, giving notice to the delinquent Apartment Owner that if such assessment or other sum, to the extent due, is not paid in full within thirty (30) days after such notice is given, the ownership of the Apartment or Apartments he owns or owns an interest in shall be deemed transferred to the Association, and then if such assessment or other sum is not so paid within such thirty (30) day period, the Association shall thereupon be deemed the sole owner of all right, title and interest in such Apartment or Apartments without any further action or notice of any kind being required, and may enter and take possession of such premises and evict any and all occupants thereof, with or without process of law, and shall not be liable for damages by reason of any such action, whereupon the Association, through the Board or the Manager, may dispose of such Apartment or Apartments, including all interest in the common areas and facilities appertaining thereto, on such terms and conditions as the Association deems desirable, the net receipts from such disposition to be applied in the following order: (A) to all costs and expenses of any nature incurred in connection with such disposition, then (B) to all costs and expenses of any nature incurred in connection with quieting title to the Apartment or Apartments, and any such common areas and facilities, and in entering and taking possession of the Apartment or Apartments and evicting the occupants thereof, and then (C) to any sums due to the Association from the previous or present owners of such Apartment or Apartments, and then (D) the remainder if any, to the previous owner or owners of such Apartment or Apartments as their interests may appear. The Association is hereby irrevocably appointed and constituted the attorney-in-fact of each and every Apartment Owner to execute any and all documents and take any and all actions, in the name of and for such Apartment Owner, as may be deemed necessary by the Association to give full force and effect to the provisions of the

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immediately preceding clauses (i) and (ii); such power of attorney may be exercised for the Association by the Manager or any of the officers of the Association.

(e) Correction of Defaults. In the event any Apartment Owner is in default or breach of any obligation or duty created under this Declaration, the Bylaws, the Act or any other applicable laws, the Association, through the Board or the Manager, may, without notice or action of any kind, correct such default or breach or the condition creating the same, and may enter any Apartment in order to do so, without any liability therefor, and such Apartment Owner shall be liable for all costs and expenses incurred in so doing and shall promptly reimburse the Association therefor.

Section 19. Working Fund.

The Original Owner or Owners of each Apartment has paid to the Association an amount constituting that percentage of Five Thousand Four Hundred Dollars (\$5,400.00) equal to the percentage of common areas and facilities appertaining to such Apartment. All such monies so collected shall be the property of the Association and shall constitute its Working Fund, and may be used by the Manager or Board of Directors for the payment of all approved expenses, charges and liabilities incurred in connection with the construction, operation, maintenance, repair, reconstruction or preservation of the property or any part thereof, or the discharge of any obligations or duties hereunder or in operating the Association. In the event any part of the Working Fund is so used, the amount so used shall be promptly replaced by assessments for common expenses, and in any event the annual budget prepared by the Manager and approved by the Board in accordance with paragraph (a) of the Section 13 (Manager) hereof shall include funds sufficient to replace the amount of the Working Fund so used and not theretofore replaced. In the event the property is removed from the Act, the Working Fund shall be deemed owned in common by all Apartment Owners in the same percentage as their percentage of the common areas and facilities prior to such removal.

Section 20. Amendments.

The Association, at a meeting duly called upon notice of the specified purpose, and in the manner herein and in the Bylaws provided, may amend this Declaration in any respect so as to include any provision not prohibited by applicable law; provided, however, an affirmative vote of at least sixty per cent (60%) of the Voting Power of the Association shall be ne-

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cessary to effectuate any such amendment; provided, further, if any such amendment shall have the effect of (a) altering the value of the Building or property or of any Apartment or of the percentage of undivided interest in the common areas and facilities appertaining to any Apartment, or (b) of altering this Section 20, or (c) of altering Section 21 (Permit and Sublease) or Section 22 (Rules as to Use by Others) hereof or any obligations of the Apartment Owners or the Association with respect to the Permit or Sublease, such amendment shall be made only pursuant to a resolution adopted unanimously by all the Apartment Owners, and in the case of Section 28, or any amendments to this Section 20 which relates to the amendment of Section 28, with written permission of F. W. Pattison, his successors or assigns. Any amendment which might be adopted at a meeting of the Association as provided in this Section 20 may be adopted without such a meeting if the written consent to the amendment has been given by Apartment Owners possessing the necessary votes to adopt such amendment if a meeting of the Association were held.

Section 21. Permit and Sublease

(a) Assumption of Obligations. Each of the Apartment Owners shall be bound by, subject to and, by virtue of his ownership of an Apartment, agree to and assume the terms and conditions of the Permit and the Sublease and agree to, and shall fully perform and discharge so many of the obligations, duties and liabilities of Pattison under the Permit and the Sublease, insofar as they are fairly and directly applicable to the ownership and use of the Property and indemnify and hold harmless Pattison from any failure to do so; and no conveyance of an Apartment or any interest therein shall be made without the party to whom such conveyance is made likewise expressly agreeing to assuming and being made subject to such terms and conditions; provided, however, the obligations of an Apartment Owner under this Section 21, insofar as they relate to the payment of money owing under or by virtue of the Sublease, shall be and constitute a part of the obligations of the Association and shall be deemed common expenses, except that any payments to be made under or pursuant to the Sublease or any agreement with the Manager and attributable to receipts from rental or subletting of any portion of the Property or from any other source whatsoever in connection with the use or operation of the Property, or any part thereof, shall be made out of such receipts and be borne by such receipts; provided, further, inasmuch as the Sublease provides for its forfeiture and termination as to all of the Property in the event of certain uncorrected defaults thereunder, if there shall exist any default under the Sublease, which is attributable, in whole or in part, to any

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particular Apartment Owner or Owners, and such Apartment Owner or Owners do not take all action necessary for the correction of such default promptly after being given notice thereof by the Manager or the Board, and in any event within thirty (30) days after such notice becoming effective, the Association shall, in addition to any other rights or remedies available to it under this Declaration, the Bylaws, the Act or any other applicable laws, have the following rights and powers:

(i) The Association, through the Board or the Manager, may declare forfeited to the Association all right, title and interest of and in the Apartment or Apartments in which such Apartment Owner or Owners own an interest, and the Association shall thereupon be deemed the sole owner of all right, title and interest in such Apartment or Apartments without any further action or notice of any kind being required, and may enter and take possession of such premises and evict any and all occupants thereof, with or without process of law, and shall not be liable for damages by reason of any such action; and

(ii) The Association, through the Board or the Manager, may dispose of such Apartment or Apartments, including all interest in the Common Areas and Facilities appertaining thereto, on such terms and conditions as the Association deems desirable, the net receipts from such disposition to be applied first to all costs and expenses of any nature incurred in connection with such disposition, then to all costs and expenses of any nature incurred in connection with quieting title to the Apartment or Apartments, and any such Common Areas and Facilities, and in correcting such default giving rise to the aforesaid forfeiture, and in entering and taking possession of the Apartment or Apartments and evicting the occupants thereof, and then to any sums due to the Association from the previous or present Owners of such Apartment or Apartments, and the remainder, if any, to the previous Owner or Owners of such Apartment or Apartments as their interest may appear.

The Association is hereby irrevocably appointed and constituted the attorney-in-fact of each and every Apartment Owner to exe-

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cute any and all documents and take any and all action, in the name of and for such Apartment Owner, as may be deemed necessary by the Association to give full force and effect to the provisions of the immediately preceding clauses (i) and (ii); such power of attorney may be exercised for the Association by the Manager or any of the officers of the Association.

(b) Amendment of Sublease. Amendments to, modifications or renewals of, and substitutions for, the Sublease may be entered into from time to time by the Association, through the Board acting for and on Behalf of the Apartment Owners and Pattison and Pattison and the Apartment Owners hereby constitute the Association and the Board, or either thereof, their agent and attorney-in-fact for such purposes, provided that no such amendment, modification, renewal or substitution shall in any way create or increase any obligation or liability of Pattison and no such amendment, modification, renewal or substitution shall be effective until ratified by sixty per cent (60%) of the Total Voting Power of the Association.

(c) Performance of Sublease. The Association shall, through the Manager or Board of Directors, take all action which may be necessary or appropriate to effectuate the full performance and discharge of all obligations, duties and liabilities under the Sublease and to maintain the Sublease in full force and effect.

Section 22. Rules As to Use By Others.

(a) Forest Service Required Rentals. The Board of Directors, with the assistance of the Manager, shall from time to time prepare and post in accordance with the Bylaws a Schedule of Apartments which have been made available or will be made available throughout the period of six (6) months following such month for rental to the general public on terms and conditions to be determined by the Board of Directors. In the event there are not sufficient Apartments so available to satisfy the requirements of the Sublease, the Board of Directors shall select by lot, in accordance with the provisions of the Bylaws, Apartments which will be made available for such rental to the general public on the dates when sufficient Apartments are not otherwise available. All Apartment Owners shall be given notice of such Schedules as soon as practical after their preparation and shall be deemed fully bound thereby and shall make their Apartments available for renting to the general public on the dates and at the times provided in such Schedules.

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(b) All Apartment Owners making their Apartments available for rental, or any other form of subletting to others for any consideration, shall do so only through the Manager, at the regular rates charged to the public and filed with the U.S. Forest Service and in accordance with the Bylaws, and shall account in the manner prescribed by the Bylaws to the Manager for all receipts of any nature, whether in cash or property, received directly or indirectly, by virtue of or in connection with any rental, subletting, disposition or other use of their Apartments. The Apartment Owners shall be paid, or allowed to retain all receipts from rental or subletting of their Apartments other than (i) an amount equivalent to the compensation to be paid the Manager by virtue of and based upon such rental activities, plus (ii) a reasonable amount to cover costs to the Association fairly attributable, in accordance with sound and acceptable principles, to the rental or subletting of the Apartment. Apartment Owners shall reserve their Apartments for their own use as do members of the public.

(c) The Bylaws shall contain further rules, and regulations and provisions pertaining to the use of the Apartments and other portions of the property and their rental to others than the Apartment Owners, including without limitation, restrictions on subletting beyond that required under the Permit and the Sublease, and rules for fairly apportioning lessees among available Apartments; provided, however, no such rule, regulation or provision may conflict with any express provisions contained herein.

Section 23. Right of First Refusal.

Should any Apartment Owner desire to sell or otherwise dispose of his interest in an Apartment, other than by (a) rental or subletting arranged through the Manager pursuant to Section 22 (Rules as to Use by Others) hereof, or (b) by conveyance of all or part of his interest in an Apartment to his spouse and/or his and/or her children, natural or adopted, and/or his co-owner or co-owners, or (c) by conveyance by descent or devise and/or bequest, such Owner shall, before making or accepting any offer for the sale or other disposition of such interest, deliver to each of the Directors written notice of his intent to so sell or dispose of such interest, which notice shall contain the terms of the offer he has received which he wishes to accept or the terms of the offer which he is prepared to make, and the name and address of the prospective purchaser or party to acquire such interest. The Board of Directors may, for and on behalf of the Association, within

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ten (10) days after each Director has received such notice from the Apartment Owner, either approve such sale or disposition to the person named in the notice and on the terms set forth in such notice, or notify said Apartment Owner of the name of another party (which may be the Association) who is willing to so purchase or acquire such interest on such terms and conditions, and in the latter case, such party and the Apartment Owner shall promptly consummate such transaction. In the event the Apartment Owner does not wish to sell or dispose of his interest to the party named by the Board of Directors as aforesaid, he may withdraw his offer or reject the offer he has received and not so dispose of his interest to the party named by the Board of Directors, or the party named in the notice given to the Directors as aforesaid; provided, however, such a sale or disposition may later be made by following the procedure specified in this Section 23. If the Board of Directors does not, within the ten (10) day period specified above, notify the Apartment Owner of a party who will purchase or acquire said interest as aforesaid, the Apartment Owner shall be free to sell or dispose of such interest on the terms and conditions and to the party specified in the notice given to the Directors as aforesaid, provided such sale or disposition is consummated within ninety (90) days after such notice was given to all the Directors. No Apartment Owner shall sell, lease, rent or otherwise dispose of an Apartment, except pursuant and subject to this Section 23 and Section 22 (Rules As To Use By Others) hereof.

Section 24. Severability.

If any term or provision of this Declaration or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Declaration, and the application of such term or provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

Section 25. Notices.

Except as provided otherwise herein, all notices, requests, demands, statements, advices, assessments, notifications and other communications contemplated hereunder or given pursuant hereto shall be in writing and shall be deemed given and effective when delivered personally, or when deposited in the mails, postage prepaid, or given to a telegraph office for transmittal cost of sending prepaid, addressed as follows:

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To the Association:

To the address specified in Section 8 hereof as such address may be changed in accordance herewith.

To the Apartment Owners:

To the address specified by such Apartment Owner in writing to the Association in accordance with the Bylaws, or, if no such address has been so specified, to the address of the Building.

To the Directors, Manager, Chairman, Secretary and Treasurer:

To the latest address thereof given in writing to the Association in accordance with the Bylaws.

Section 26. Non-Discrimination.

In connection with the performance of work under this Declaration, including construction, maintenance and operation of the Building, neither the Association, nor the Manager, nor the Board, nor any Apartment Owner shall discriminate against any employee or applicant for employment because of race, color, creed, or national origin; nor shall they or any of them or any employee, or any of them discriminate by segregation or otherwise against any person on the basis of race, color, creed, or national origin by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. Compliance with the terms of this Section 26 shall be included and required in any sub-contract made with respect to any operations under this Declaration.

Section 27. Miscellaneous.

(a) Maintenance of Apartments. Each Apartment Owner shall maintain and keep in good repair and clean and well-painted condition the interior of his Apartment, including the fixtures thereof and the Bylaws shall contain provisions for the enforcement of the periodic refurbishment of the Apartments.

(b) Alterations to Apartments. No Apartment Owner shall, except with the prior written consent of the Board, make any structural alterations in the Building, or in the water, gas or steam pipes, electrical conduits, plumbing or other fixtures

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connected therewith, or remove any additions, improvements or fixtures from the Building.

(c) Signs. No signs shall be displayed in, or upon any portion of, the Building by any Apartment Owner or occupant thereof.

(d) Registration. Each Apartment Owner, guest and tenant, and any other person using any portion of the Building shall register with the Manager when arriving at and departing from the Building.

(e) Waivers. Failure of the Manager or the Board of Directors or any Apartment Owner to enforce any condition, restriction or covenant herein contained shall not constitute a waiver of the right to do so thereafter.

(f) Remedies. No right or remedy conferred or reserved by this Declaration is exclusive of any other right or remedy, but each is cumulative, and shall be, in addition to every other right or remedy given hereby or hereafter existing at law or equity or by statute.

(g) Consents or Approvals. No consents or approvals to be made pursuant hereto or required hereunder shall be unreasonably withheld, and any thereof shall be deemed given unless expressly denied in writing within fifteen (15) days (or in the case of action required by the Board or the Association, within thirty (30) days) after request therefor shall have been given to the party asked to grant such consent or approval.

(h) Pronouns. Pronouns of the masculine gender whenever used herein shall include persons of female sex, and corporations and associations of every kind and character.

(i) Headings. The headings of the foregoing Sections and paragraphs are not part of this Declaration and shall not be deemed to affect the meaning or construction of its provisions.

Section 28. Termination and Settlement Agreement.


The Association is obligated by the terms of a Termination and Settlement Agreement entered into October 10, 1966, between it and Frank W. Pattison (the "Agreement"), a copy of which is attached hereto and by this reference incorporated herein. The obligations of the Agreement shall be appurtenant

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to and shall run with the Apartments. All transferees of Apartments in the Building as it may from time to time exist shall by virtue of their ownership of such Apartments assume as their individual obligations such portion of the monetary obligation of the Association to Frank W. Pattison under said Agreement as shall remain unpaid at the time of transfer to them, but only to the extent of their respective unpaid balances of the obligation based upon their initial percentage allocation of said obligation and reduced by subsequent payments either by the Association or by the previous owners in respect to their apartments. All deeds and instruments of transfer of interest in said Apartments shall contain notice of this obligation and shall contain provisions whereby the transferee effectively assumes this obligation.

EXECUTED this 28 day of February, 1967.


Robert W. Curran, President


Glenn H. Jones, Secretary

As amended October 10, 1966

STATE OF WASHINGTON)

COUNTY OF KING)

SS

On this 28 day of February, 1968, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ~~W. G. G. and~~ ROBERT W. CURRAN, ^{and Robert G. G.} to me known to be the President and Secretary, respectively, of White Pass Village Inn Association, and who executed this Second Amended Declaration pursuant to authority vested in them, and who acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the _____ and year in this certificate above-written.



[Signature]
Notary Public in and for the State of Washington, residing at [Address]

EXHIBIT A
TO DECLARATION OF A HORIZONTAL
PROPERTY REGIME FOR WHITE PASS VILLAGE

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
1	On the first floor, on the East end of Bldg. No. 1	One room plus a bath	202 sq. ft.	To Bldg. No. 1 East Common area access corridor leading to the parking area to the North side, and to the central area to the South of the Bldg.	Robert Startzell Dorothy Startzell Olympia
2	On the first floor, on the West side of the East common area access corridor of Bldg. No. 1	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 1	Modern Millwork Co., Inc. c/o Eugene S. Loop Yakima
3	On the first floor, on the East side of the West common area access corridor of Bldg. No. 1	One room plus a bath	202 sq. ft.	To Bldg. No. 1 West common area access corridor leading to areas as described for Apt. No. 1	Bert Salewsky Agnes L. Salewsky 211 No. Tower Centralia
4	On the first floor, on the West end of Bldg. No. 1	One room plus path	202 sq. ft.	To the common area access corridor as described for Apt. No. 3	James W. Mason Jane E. Mason 12233 25th S. W. Seattle
10	On the first floor, on the East end of Bldg. No. 2	One room plus a bath	202 sq. ft.	To Bldg. No. 2 East common area access corridor leading to the parking area to the North side, and to the central area to the South of the Bldg.	Kline Wilson Alene Wilson and LeRoy J. Peterson Florence F. Peterson Bellevue

EXHIBIT A (continued)

688-773

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
11	On the first floor, on the West side of the East common area access corridor of Bldg. No. 2	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 10	William L. Ewbank Joan E. Ewbank and Jean Halling Seattle
12	On the first floor, on the East side of the Central common area access corridor of Bldg. No. 2	One room plus a bath	202 sq. ft.	To Bldg. No. 2 Central common area access corridor leading to areas described for Apt. No. 10	Grant C. Matzey, Catherine A. Matzen 1606 - 4th No. Seattle
13	On the first floor, on the West side of the Central common area access corridor for Bldg. No. 2	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 12	Joseph M. Deem Mary B. Deem Vancouver
14	On the first floor, on the East side of the West common area access corridor of Bldg. No. 2	One room plus a bath	202 sq. ft.	To Bldg. No. 2 West common area access corridor leading to areas as described for Apt. No. 12	Mary B. Deem Joseph M. Deem 3010 N. E. 44th Vancouver
15	On the first floor, on the West end of Bldg. No. 2	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 14	William P. Eng and LaVerne F. Moore Pasco

EXHIBIT A (continued)

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
20	On the first floor, on the Southeast corner of Bldg. No. 3	One room plus a bath	202 sq. ft.	To Bldg. No. 3 East common area access corridor leading to the parking area to the North side, and to the Central area to the South side of Bldg.	H. I. Weiner 1516 Montview Aberdeen
23	On the first floor, on the Southwest corner of Bldg. No. 3	One room plus a bath	202 sq. ft.	To Bldg. No. 3 West common area access corridor leading to areas so described for Apt. No. 20	H. H. Boyd 3057 - 70th S. E. Mercer Island
24	On the first floor, on the Northeast corner of Bldg. No. 3	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 20	A. R. Javoriski 1012 Laurel Court Tacoma
27	On the first floor, on the Northwest corner of Bldg. No. 3	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 23	Frank W. Pattison Harriet M. Pattison 1251 Eva Green Pt. Rd. Bellevue
30	On the first floor, on the East end of Bldg. No. 4	One room plus a bath	202 sq. ft.	To Bldg. No. 4 East common area access corridor leading to the parking area to the North side and the central area to the South side of the bldg.	Glenn C. Walkley Elvira Walkley Pasco
31	On the first floor, on the West side of the East common area access corridor of Bldg. No. 4	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 30	Myrick R. Wood, Jr. Catherine R. Wood 1915 Harris Ave. Richland

888-7774

EXHIBIT A (continued)

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
32	On the first floor, on the East side of the West common area access corridor of Bldg. No. 4	One room plus a bath	202 sq. ft.	To Bldg. No. 4 West common area access corridor leading to areas as described for Apt. No. 30	Robert J. Dorwart 4422 N. E. 65th Ave Seattle
33	On the first floor, on the West end of Bldg. No. 4	One room plus a bath	202 sq. ft.	To the common area access corridor as described for Apt. No. 32	R. Wiehl 507 E. 10th Ave. Olympia
40	On the first floor, on the East end of Bldg. No. 5	Three rooms plus bath	486 sq. ft.	To Bldg. No. 5 East common area access corridor leading to the parking area to the North side, and to the central area to the South of the Bldg.	Lucius H. Biglow, Jr. as Trustee Medina
41	On the first floor, on the West end of Bldg. No. 5	Three rooms plus bath	486 sq. ft.	To the common area access corridor as described for Apt. No. 40	Oscar A. Erickson Francisca W. Erickson 905 Manor Dr. Tacoma
101	On the second floor, on the East end of Bldg. No. 1	Two rooms plus a bath	324 sq. ft.	To Bldg. No. 1 East common area access corridor leading to the parking area to the North side, and to the central area to the South side of Bldg.	P. J. Taggaris Othello, Wash.
102	On the second floor, on the West side of the East common area access corridor of Bldg. No. 1	One room plus a bath and a sleeping loft area	230 sq. ft. plus 95 sq. ft. loft area	To the common area access corridor as described for Apt. No. 101	F. J. A. Ditter Maria Ditter 708-S. 22nd Ave. Yakima

688 775

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
103	On the second floor, on the East side of the West common area access corridor of Bldg. No. 1.	Two rooms plus a bath	324 sq. ft.	To Bldg. No. 1 West common area access corridor leading to areas as described for Apt. No. 101	George F. Parke Margaret L. Parke 208 W. Locust Centralia
104	On the second floor, on the West end of Bldg. No. 1	Two rooms plus bath	324 sq. ft.	To the common area access corridor as described for Apt. No. 103	Robert N. Loomis Jean O. Loomis 701 N. "D" St. Tacoma
110	On the second floor, on the East end of Bldg. No. 2	Two rooms plus bath	324 sq. ft.	To Bldg. No. 2 East common area access corridor leading to the parking area to the North side and to the central area to the South side of Bldg.	Sam W. Cayce Jean C. Cayce 9677-47th S. W. Seattle
111	On the second floor, on the West side of the East common area access corridor of Bldg. No. 2	Two rooms plus bath	324 sq. ft.	To the common area access corridor as described for Apt. No. 110	Corporation of the Catholic Bishop of Yakima Yakima
112	On the second floor, on the East side of the Central common area access corridor of Bldg. No. 2	Two rooms, sleeping loft, plus a bath	324 sq. ft. plus 225 sq. ft. loft area	To Bldg. No. 2 Central common area access corridor leading to areas described for Apt. No. 110	Hans Kronawetter Elisabeth Kronawetter Olympia
113	On the second floor, on the West side of the Central common area access corridor of Bldg. No. 2	One room plus bath & sleeping loft	230 sq. ft. plus 95 sq. ft. loft area	To the common area access corridor as described for Apt. No. 112	Richard M. Cressman 1801 Benson Avenue Prosser

688 776

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
114	On the second floor, on the East side of the West common area access corridor of Bldg. No. 2	Two rooms plus a bath	324 sq. ft.	To Bldg. No. 2 West Common area access corridor leading to areas as described for Apt. No. 112	Glenn H. Jones, Frances M. Jones 2224-38th Pl. E. Seattle
115	On the second floor, on the West end of Bldg. No. 2	Two rooms plus bath	324 sq. ft.	To the common area access corridor as described for Apt. No. 114	Rodney E. Reel, Joan B. Reel 1005 So. 171st St. Seattle
120	On the second floor, on the Southeast corner of Bldg. No. 3	One room, sleeping loft plus bath	230 sq. ft. plus 95 sq. ft. loft area	To Bldg. No. 3 East common area access corridor leading to the parking area to the North side, and to the central area to the South side of Bldg.	Chris Boehm Maxine M. Boehm 626 Vista Dr. Tacoma
121	On the second floor, on the South side of Bldg. No. 3, on the West side of the East Common area access corridor of Bldg. No. 3	One room plus a bath	230 sq. ft.	To the common area access as described for Apt. No. 120	Robert E. Oestreich Mary E. Oestreich 4609 49th Ave. Seattle
122	On the second floor, on the South side of Bldg. No. 3 on the East side of the West common area access corridor	One room plus bath	230 sq. ft.	To Bldg. No. 3 West common area access corridor leading to areas as described for Apt. No. 120	William M. Valentine Florence V. Valentine 3901-97th Av. S.E. Mercer Island
125	On the second floor, on the Southwest corner of Bldg. No. 3	One room, sleeping loft, plus a bath	230 sq. ft. plus 95 sq. ft. loft area	To the common area access corridor as described for Apt. No. 122	Lloyd T. Johnson Betty B. Johnson 1619 N. Reynolds Av. Centralia

688 777

EXHIBIT A (continued)

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
124	On the second floor, on the Northeast corner of Bldg. No. 3	One room plus a bath	230 sq. ft.	To the common area access corridor as described for Apt. No. 120	John C. Mooring Barbara A. Mooring 64 Riverside Dr Basking Ridge, N. S.
125	On the second floor, on the North side of Bldg. No. 3, on the West side of the East common area access corridor	One room, sleeping loft plus bath	230 sq. ft. plus 95 sq. ft. loft area	To the common area access corridor as described for Apt. No. 121	R. F. Wenke Muriel J. Wenke 4027 Hunts Pt. Rd Bellevue
126	On the second floor, on the North side of Bldg. No. 3, on the East side of the West common area access corridor	One room, sleeping loft, plus a bath	230 sq. ft. plus 95 sq. ft. loft area	To the common area access corridor as described for Apt. No. 122	Owen K. King Luciguella King 12039 S. E. 10th Bellevue
127	On the second floor, on the Northwest corner of Bldg. No. 3	One room plus bath	230 sq. ft.	To the common area access corridor as described for Apt. No. 123	Sherman S. Pinto Ellen A. Pinto 3602 No. 36th St Tacoma
130	On the second floor, on the East end of Bldg. No. 4	Two rooms, sleeping loft, plus bath	324 sq. ft. plus 225 sq. ft. loft area	To Bldg. No. 4 East common area access corridor leading to the parking area to the North side, and to the central area to the South side of Bldg.	Marion C. Lindel Evelyn J. Lindel 425 West Main Montesano
131	On the second floor, on the West side of the East common area access corridor of Bldg. No. 4	One room plus bath	230 sq. ft.	To the common area access corridor as described for Apt. No. 130	George W. Rouppe Cherie I. Rouppe 4402 A Birch St S W Tacoma

688-778

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EXHIBIT A (continued)

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
132	On the second floor, on the East side of the West common area access corridor of Bldg. No. 4	Two rooms plus a bath	324 sq. ft.	To Bldg. No. 4 West common area access corridor leading to areas as described for Apt. No. 130.	W. B. Tracy Martha E. Tracy 18971 Edgewick Dr. Seattle
133	On the second floor, on the West end of Bldg. No. 4	Two rooms plus a bath	324 sq. ft.	To the common area access corridor as described for Apt. No. 132	A. J. Lesnick Helen E. Lesnick 3117 Maringo Rd. Olympia
140	On the second floor, on the South side of Bldg. No. 5	One room plus sleep- ing loft and a bath	255 sq. ft.	To Bldg. No. 5 common area access- corridor leading to the central area to the South of the Bldg.	Victor H. Lewis Jill C. Lewis 1223 N. 6th Ave. Yakima.
141	On the second floor, on the West end of Bldg. No. 5	Three rooms plus sleep- ing loft and a bath	530 sq. ft.	To Bldg. No. 5 common area access corridor leading to the central area to the South of the Bldg.	Walter W. Sprague E. Fern Sprague Lynnwood
142	On the second floor, on the North side of Bldg. No. 5	One room, sleeping loft and bath	280 sq. ft.	To the common area access corridor as described for Apt. No. 140	Walter H. Lewis Margaret M. Lewis 1223 No. 6th Av. Yakima

688 779

Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
1003	On the third floor, on the East side of the West common area access corridor of Bldg. No. 1	Two rooms plus bath	324 sq. ft.	To Bldg. No. 1 West common area access corridor leading to areas as described for Apt. No. 1	Gilbert Orchards c/o CRAIG D. Gilbert Yakima
1010	On the third floor, on the East end of Bldg. No. 2	Two rooms plus bath	324 sq. ft.	To Bldg. No. 2 East common area access corridor leading to the parking area to the North side, and to the central area to the South side of the Bldg.	Kenneth C. Hawkins Anne Hawkins 705 So. 34th Ave Yakima
1011	On the third floor, on the West side of the East common area access corridor of Bldg. No. 2	Two rooms sleeping loft plus bath	324 sq. ft. plus 225 sq. ft. loft area	To the common area access corridor as described for Apt. No. 1010	Herbert H. Hill Mary Alice Hill Yakima
1014	On the third floor, on the East side of the West common area access corridor of Bldg. No. 2	Two rooms sleeping loft bath	324 sq. ft. plus 225 sq. ft. loft area	To Bldg. No. 2 West common area access corridor leading to areas as described for Apt. No. 1011	J. M. Bloxom Florian Bloxom Yakima
1015	On the third floor, on the West end of Bldg. No. 2	Two rooms, plus bath	324 sq. ft.	To the common area access corridor as described for Apt. No. 1014	Merrill D. Robison Hazel H. Robison 11508 Clovercrest SW Tacoma

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EXHIBIT A (continued)

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Apartment Number	Apartment Location	Number of Rooms	Approximate Area	Common Area Apartment Has Access To	Name of Original Owner and City or County of Residence
1021	On the third floor, on the South side of Bldg. No. 3, on the West side of the East common area access corridor of Bldg. No. 3	One room, sleeping loft, plus a bath	230 sq. ft. plus 95 sq. ft. loft area	To Bldg. No. 3 East common area access corridor leading to the parking area to the North side, and to the central area to the South of the Bldg.	Robert W Curran Miriam J Curran 1910 S. W. Hillcrest Seattle
1022	On the third floor, on the South side of Bldg. No. 3, on the East side of the West common area access corridor of Bldg. No. 3	One room plus a bath	230 sq. ft.	To Bldg. No. 3 West common area access corridor leading to areas as described for Apt. No. 1021	Marion Company c/o Harry G. Widener Seattle
1024	On the third floor, on the Northeast corner of Bldg. No. 3	One room plus bath	230 sq. ft.	To the common area access corridor as described for Apt. No. 1021	Tourasia, Inc. c/o George K. Kawaguchi Seattle
1027	On the third floor, on the Northwest corner of Bldg. No. 3	One room plus a bath	230 sq. ft.	To the common area access corridor as described for Apt. No. 1022	Ira F. Moody and J. Andre Forest Tacoma
1032	On the third floor, on the East side of the West common area access corridor of Bldg. No. 4	Two rooms plus a bath	224 sq. ft.	To Bldg. No. 4 West common area access corridor leading to the parking area to the North side, and to the central area to the South of the Bldg.	Alan L. Matson Box 207 Selah

MS 688 781

EXHIBIT B

TO

DECLARATION OF A HORIZONTAL PROPERTY REGIME
FOR WHITE PASS VILLAGE

DESCRIPTION OF COMMON AREAS AND FACILITIES

1. The access corridors leading to the parking areas to the side of the Buildings and to the central area to the south side of Buildings 1, 2, 3 and 4 and the west side of Building 5.
2. The access corridor stairways.
3. The balconies at the end of the access corridors.
4. The parking areas to the side of the Buildings.
5. The swimming pool.
6. Rooms No. 26 (Office-Lobby), 22 (Club Room) and 21 and 25 (Manager's Apartment), all located on the first floor of Building No. 3 and containing 808 sq. feet, more or less.
7. The wax or storage room in the basement of Building No. 3.
8. Electrical closets, maid storage rooms and fire hose storage areas on the first floor of Buildings No. 1, 2, 3, 4 and 5.
9. The walk leading from Building No. 3 to the swimming pool.

EXHIBIT C
TO THE DECLARATION

<u>Apartment No.</u>	<u>Value</u>	<u>Percentage of Undivided Interest in Common Areas & Facilities Appertain- ing to Apartment</u>
1-A	5,885.10	1.21%
2-A	5,772.75	1.19%
3-A	5,772.75	1.19%
4-A	5,885.10	1.21%
10-A	5,885.10	1.21%
11-A	5,772.75	1.19%
12-A	5,772.75	1.19%
13-A	5,772.75	1.19%
14-A	5,772.75	1.19%
15-A	5,885.10	1.21%
20-A	5,885.10	1.21%
23-A	5,885.10	1.21%
24-A	5,885.10	1.21%
27-A	5,885.10	1.21%
30-A	5,885.10	1.21%
31-A	5,772.75	1.19%
32-A	5,772.75	1.19%
33-A	5,885.10	1.21%
40-D	15,168.36	3.21%
41-D	15,168.36	3.21%
101-C	11,320.60	2.34%
102-BL	8,727.26	1.80%
103-C	11,005.93	2.31%
104-C	11,320.60	2.34%
110-C	11,320.60	2.34%
111-C	11,005.93	2.31%
112-BL	7,866.42	1.62%
113-BL	8,727.26	1.80%
114-C	11,005.93	2.31%
115-C	11,120.60	2.34%
120-BL	8,841.94	1.83%
121-B	7,666.42	1.62%
122-B	7,666.42	1.62%
123-BL	8,841.94	1.83%
124-B	7,781.09	1.73%
125-BL	8,727.26	1.80%
126-BL	8,727.26	1.80%
127-B	7,781.09	1.73%

EXHIBIT C
Page 2

<u>Apartment No.</u>	<u>Value</u>	<u>Percentage of Undivided Interest in Common Areas & Facilities Appertain- ing to Apartment</u>
130-CL	12,411.75	2.56%
131-B	8,118.42	1.62%
132-C	11,005.93	2.31%
133-C	11,320.60	2.34%
140-EL	7,810.00	1.61%
141-D	15,662.61	3.23%
142-EL	7,810.00	1.62%
1003-C	11,320.60	2.34%
1010-C	11,320.60	2.34%
1011-CL	12,411.75	2.56%
1014-CL	12,211.75	2.56%
1015-C	11,320.60	2.34%
1021-BL	8,727.27	1.80%
1022-B	7,866.42	1.62%
1024-B	7,981.09	1.65%
1027-B	7,981.09	1.65%
1032-C	11,320.60	2.34%
	<u>481,423.35</u>	<u>100.00%</u>

TERMINATION AND SETTLEMENT AGREEMENT

WHITE PASS VILLAGE INN ASSOCIATION
AND
FRANK W. PATTISON

This agreement is entered into this 10th day of October, 1966 between Frank W. Pattison of Bellevue, Washington, hereinafter referred to as "Pattison", and White Pass Village Inn Association, an association of condominium owners, hereinafter referred to as the "Association".

Whereas, Pattison has assumed substantial financial risk and expended time and money in promoting the Association and arranging for the construction and ownership of the Building occupied by its members, and is entitled to be compensated therefor, and

Whereas, the Association is desirous of terminating its Management Agreement dated as of August 12, 1964 with Pattison; hereinafter referred to as the "Management Agreement", and Pattison is agreeable to termination, provided he is compensated for his risk, time and money, and provided the condominium continues to be operated as efficiently as reasonably possible for the benefit of the general public as well as of the owners.

NOW THEREFORE, based upon the mutual covenants and agreements contained herein the parties agree as follows:

1. MANAGEMENT FUNCTIONS TERMINATED. Pattison shall terminate his management functions for the Association effective at the close of business on September 30, 1966, and immediately thereafter shall cause all books and records of the Association to be turned over to the Association. Release of signature to all Association banking accounts and individual owner's rental banking accounts shall be executed by Pattison on request by the Association. Pattison shall do such other acts as may be required or necessary to permit an orderly and complete termination of his duties as manager and continuity of change of managers. The parties hereby waive any and all defaults under the Management Agreement to the extent that they are known or should be known by either of them. As soon as practicable after September 30,

1966, Neil Day, accountant of Yakima, Washington, will prepare a closing statement for inspection by the parties. Corrections may be suggested by either party within two weeks after receipt by him of said statement. Thereafter, unless previously unknown information is discovered, the closing statement will be final.

2. ACCOUNTS RECEIVABLE. All accounts receivable running to Pattison for the account of the Association and/or the owners and arising out of the management of the Association shall be assigned to the Association, including any unpaid assessments or charges on rental accounts.

3. ACCOUNTS PAYABLE. All accounts payable by Pattison for the account of the Association and/or the owners and arising out of the management of the Association shall be enumerated and assumed by the Association and the Association agrees to hold Pattison harmless therefrom; provided, however, that this paragraph shall not be deemed to include whether Pattison shall be reimbursed for disputed items including, but not limited to, certain legal services and capital improvements or whether Pattison shall be charged for extra accounting services. These disputed items are not affected by this agreement and their disposition shall be entirely independent hereof. All management fees payable to Pattison as of September 30, 1966 shall be paid within 15 days after the closing statement becomes final, and if not so paid shall bear interest thereafter at 7% per annum.

4. PLUMBING INSULATION. As to whether the plumbing insulation is satisfactory, Pattison and the Association shall be bound by the majority decision of Glenn H. Jones, W. B. Tracy and W. W. Sprague, who are among the present members of the Association. If Jones, Tracy and Sprague find that the insulation was not properly designed or installed for weather as specified in the existing specifications, they shall prescribe corrective measures and a timetable for their implementation and so notify Pattison and the Association. If Pattison does not take the prescribed corrective measures in accordance with the prescribed timetable, the Association may do so and deduct the reasonable costs thereof from the next payment(s) due Pattison pursuant to this agreement.

5. UTILITIES, ETC., IN VILLAGE AREA. Pattison hereby irrevocably consents to the use by the Association and the individual owners of the roads, and the water, sewer, electrical,

and/or telephone systems installed in the Village Area and to any other use of a utility nature (not including television) whether it be private or public, provided that no warranties are made by Pattison hereby as to the performance by third parties of their agreements and that this section shall not prevent reasonable charges to the Association and the individual owners for the use of future improvements (including television) for which other members of the public pay.

6. PATTISON'S CONSENT TO AMENDMENTS. Pattison by this agreement, recognizing that he shall terminate the Management Agreement and his duties thereunder as of September 30, 1966, hereby expressly waives any requirements contained in the Declaration, Management Agreement, by-laws or rental rules and regulations, that amendments to those documents cannot be made without his prior written approval. It is understood that this paragraph in no way derogates from his rights, powers and privileges as an owner or as managing agent of the Village Area for White Pass Company pursuant to his Operating Agreement with said Company and covers only those areas where Pattison's consent, as Manager of the Association, is required.

7. PAYMENT OF DEVELOPMENT FEE. The Association agrees to pay Pattison in full and complete settlement of his development fee the sum of \$88,500.00 less sums already paid or payable to Pattison on account of such fee, to be paid, unless a default occurs, in 107 equal monthly installments beginning on the date hereof. Payments shall be due on or before the first of each month thereafter. Prepayment of all or any portion hereof may be made by the Association. The individual owners may make separate arrangements with Pattison to prepay their respective percentage interests in the Association's obligation to Pattison, in which event said obligation and the monthly installments thereon will be reduced accordingly. Any discounts negotiated between Pattison and any owner will, as between Pattison and the Association, be borne by Pattison. The Association will at Pattison's request execute a note in the form attached hereto as Annex A payable to Pattison or such other party or parties as he may from time to time designate.

8. MANAGEMENT FEES. Any management fees accruing to Pattison through the date of termination hereof shall be paid to Pattison in accordance with the provisions of the Management Agreement, together with all costs and expenses, except legal

fees, involved in the orderly termination of Pattison's duties as Manager and incurred by Pattison after September 30, 1966.

9. GOVERNING LAW. This agreement shall be construed as in accordance with the laws of the State of Washington.

10. AGREEMENT BINDING: This agreement shall be binding upon the parties and shall inure to the benefit of the parties hereto, the individual owners and the successors, assigns and personal representatives thereof. The Association shall not assign or delegate its obligations hereunder by operation of law or otherwise without Pattison's prior written consent, and any such assignment without such consent shall be void.

11. FURTHER ASSURANCES. Pattison and the Association agree to execute all such papers and do all such things as may be reasonably necessary to carry out the provisions of this Agreement. The Association agrees it will adopt and will keep in full force and effect and duly recorded, an amendment to its Declaration in the form attached hereto as Annex B. The Association agrees that it will require all deeds and other instruments transferring the ownership or use of Apartments to contain the paragraph set forth in Annex C hereto.

12. EVENTS OF DEFAULT. The obligations provided for in paragraph 7 hereof shall be accelerated and become payable forthwith upon the occurrence of any of the following specified events of default: (a) failure of the Association to pay any installment of its obligation, as set forth in Paragraph 7 hereof, when due and 15 days' written notice by registered mail by Pattison to the Association c/o the Manager with copies to the Chairman of the Board (as and if specified by the Association) and to the White Pass Company of such failure without payment in full of such installment by the Association; (b) failure of the Association to perform any other agreement contained herein when due and 30 days' notice by Pattison to the Association of such failure without action by the Association fully correcting the failure; (c) bankruptcy, receivership, or insolvency of the Association; (d) loss of the Building through fire, condemnation, natural disaster or similar event, without prompt action to replace the Building; (e) default by the Association under the Forest Service Permit or the Sublease from White Pass Company,

or termination of all or part of either the Permit or the Sublease directly affecting the Association, unless such termination results from default by Pattison under the Permit or the Sublease; (f) dissolution or winding up of the Association, except any dissolution of the Association due to repeal of the condominium law or like event over which the Association has no control, or sale or transfer by it of the major part of its assets.

13. The Association agrees that it will continue to operate efficiently, for the benefit both of the general public and of those members of the public who are owners of Apartments. To this end the Association will cooperate with the operators of the other improvements in the Village Area, provided that in so cooperating it is not required to incur any out-of-pocket expense.

14. If Pattison fails to perform his obligations under the Forest Service Permit or the Sublease from White Pass Company and such default is the proximate cause of the loss by the Association of its rights and interests in the Village Area, Pattison shall forfeit all remaining payments to which he may be entitled by virtue of this agreement. If Pattison fails as aforesaid and such loss is threatened and the Association reasonably expends funds to cure such failure to protect its own rights and interests, the Association may deduct such funds from the first of such remaining payments. Said forfeiture or deduction, as the case may be, shall not relieve Pattison from any other liability to the Association which he may incur as the result of such failure.

15. Neither party shall be in default as to any obligation created hereby, no condition precedent or subsequent shall be deemed to fail to occur and the condition precedents in Paragraph 14 hereof shall not be deemed to have occurred, if such party is prevented from fulfilling such obligation by, or such condition fails to occur due to, or either of the conditions in Paragraph 14 occurs due to, forces beyond the reasonable control of the party otherwise obligated with respect thereto, including without limitation, destruction or impairment of facilities resulting from breakdown, not resulting from lack of ordinary

care and maintenance, flood, earthquake, slide, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, proceeding by court or public authority, or act or failure to act by court, public authority or uncontrolled third party, which forces by exercise of due diligence and foresight such party could not reasonably have been expected to avoid. A party rendered unable to fulfill any obligation by reason of forces beyond its reasonable control shall exercise due diligence to remove such inability with all reasonable dispatch. A condition which fails to occur due to such forces shall be deemed to be postponed for as long as such forces exist.

/s/ Frank W. Pattison
Frank W. Pattison

(WHITE PASS VILLAGE INN ASSOCIATION

/s/ Sam W. Cayce
Sam W. Cayce, Chairman

/s/ Robert W. Curran
Robert W. Curran, Secretary

APPROVED:

/s/ Glenn H. Jones
Director

/s/ Chris J. Boehm; D.D.S.
Director

/s/ Herbert M. Hill
Director

ANNEX A

PROMISSORY NOTE

\$ _____

White Pass, Yakima County,
Washington

19 _____

White Pass Village Inn Association, a condominium organized under the laws of the State of Washington (the "Association") for value received hereby promises to pay \$ _____ to _____ without interest in 107 equal monthly installments beginning October 1, 1966 and ending June 1, 1975. This note is made in accordance with and subject to the terms of the Termination and Settlement Agreement entered into October _____, 1966 between White Pass Village Inn Association and Frank W. Pattison (the "Agreement"). If this note is not paid in accordance with its terms or in the event of any default by the Association as specified in paragraph 12 of the Agreement, this note shall forthwith become due and payable without demand at the option of the holder. After maturity, or on default, this note shall bear interest at the rate of 7% per annum until paid. Principal and interest if any shall be payable in lawful money of the United States. In case suit or action is commenced to collect this note or any portion hereof the Association promises to pay in addition to the costs provided by statute, such sum as the Court may adjudge reasonable as attorneys' fees therein.

WHITE PASS VILLAGE INN ASSOCIATION

By _____
Chairman

AMENDMENT NO. _____ TO DECLARATION OF A HORIZONTAL
PROPERTY REGIME FOR WHITE PASS VILLAGE INN ASSOCIATION

The Declaration of a Horizontal Property Regime for White Pass Village, filed for recording under Auditor's File No. 2049039 in the office of the County Auditor for the County of Yakima, State of Washington, in Volume 667 of Deeds, beginning at page 346 and amended by an Amended Declaration of a Horizontal Property Regime for White Pass Village Inn Association, filed under Auditor's File No. 2095523 in the office of the County Auditor in Volume 680 of Deeds beginning at page 690 is hereby further amended by the addition of a section to read as follows:

"The Association is obligated by the terms of a Termination and Settlement Agreement entered into October __, 1966 between it and Frank W. Pattison (the "Agreement"), a copy of which is attached hereto and by this reference incorporated herein. The obligations of the Agreement shall be appurtenant to and shall run with the Apartments. All transferees of Apartments in the Building as it may from time to time exist shall by virtue of their ownership of such Apartments assume as their individual obligations such portion of the monetary obligation of the Association to Frank Pattison under said Agreement as shall remain unpaid at the time of transfer to them, but only to the extent of their respective unpaid balances of the obligation based upon their initial percentage allocation of said obligation and reduced by subsequent payments either by the Association or by the previous owners separately in respect to their Apartments. All deeds and instruments of transfer of interest in said Apartments shall contain notice of this obligation and shall contain provisions whereby the transferee effectively assumes this obligation. This Section cannot be amended without the prior written approval of Frank W. Pattison."

Executed this _____ day of October, 1966.

WHITE PASS VILLAGE INN ASSOCIATION

Chairman

Secretary

STATE OF WASHINGTON)
)
) SS.
)
COUNTY OF KING)

On this _____ day of _____, before
me personally appeared _____ and
Chairman and Secretary, respectively, of the Association,
that executed the within and foregoing instrument, and
acknowledged said instrument to be the free and voluntary
act and deed of said Association, for the uses and purposes
therein mentioned, and on oath stated that they were author-
ized to execute said instrument.

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

NOTARY PUBLIC in and for the
State of Washington, residing
at _____

Provision to be included in all future Deeds and Instruments of Transfer of Interests in Apartments.

The grantee, lessee, transferee or assignee, as the case may be, hereby expressly assumes the obligations to Frank W. Pattison, his heirs, successors and assigns, contained in the Termination and Settlement Agreement dated October 10, 1966 between Frank W. Pattison and White Pass Village Inn Association, which Agreement has been made a part of the Declaration for the Association and is recorded in the records of the Auditor of Yakima County, Washington, but only to the extent of his unpaid balance on said obligation as specified in the Declaration.

This is to certify that the foregoing is a true copy of a record on file in the office of the Auditor of Yakima County, Washington. Filed for record in this office on the 30 day of April, 1987, at record location number 218704

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 30 day of April, 2010

Charles Ross, Yakima County Auditor

BY:

[Signature]
Deputy Auditor