

FILED FOR RECORD AT THE REQUEST OF:
Law Offices of James L. Strichartz
200 West Mercer Street #511
Seattle, WA 98119



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Chelan Co, WA

AMENDMENT TO
DECLARATION FOR
KAHLER GLEN CONDOMINIUM

Grantor: Kahler Glen Homeowners Association
Grantee: N/A
Legal Description: Kahler Glen Condominium according to Declaration recorded in Chelan County, Washington under Recording No. 8911140004, as thereafter amended of record.
Tax Parcel ID: 271733 (Master Number)

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**AMENDMENT TO
DECLARATION FOR
KAHLER GLEN CONDOMINIUM**

WHEREAS, a certain Declaration submitting real estate to the Horizontal Property Regimes Act of Washington, Laws of 1963, Chapter 156 (RCW Chapter 64.32), as amended, entitled DECLARATION ESTABLISHING COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS AND EASEMENTS FOR KAHLER GLEN CONDOMINIUM, was recorded on November 14, 1989, under Recording No. 8911140004, in the records of Chelan County, State of Washington, together with the Survey Map and Plans recorded in Volume 16 Condominiums, at pages 65 through 71, inclusive, under Recording No. 8911140002, in records of Chelan County, State of Washington; and

WHEREAS, the Declaration has previously been amended by instruments recorded in the records of Chelan County, State of Washington, on August 24, 1990, under Recording No. 9008240087, on November 9, 1990, under Recording No. 9011090002, on October 4, 1991, under Recording No. 9110040040, on October 17, 1991, under Recording No. 9110170001, on July 22, 1992, under Recording No. 9207220068, on August 12, 1993, under Recording No. 9308120003, on June 13, 1994, under Recording No. 9406130030, and on September 12, 1994, under Recording No. 9409120020; and

WHEREAS, the Survey Map and Plans has been amended by instruments recorded in the records of Chelan County, Washington on August 24, 1990, in Volume 18, at Pages 18 through 27, inclusive, under Recording No. 9008240086, on November 9, 1990, in Volume 18, at Pages 41 through 54, inclusive, under Recording No. 9011090002, on October 4, 1991, in Volume 19, at Pages 58 through 77, inclusive, under Recording No. 9110040039, on July 22, 1992, in Volume 21, at Pages 25 through 47, inclusive, under Recording No. 9207220067, on August 12, 1993, in Volume 22, at Pages 57 through 81, inclusive, under Recording No. 9308120002, and on September 12, 1994, in Volume 24, at Pages 8 through 30, inclusive, under Recording No. 9409120019; and

WHEREAS, pursuant to Sub-Section 31.1 of the Declaration, at a meeting duly called and held on the 11th day of March, 2000, not less than a majority of the Board of Directors of Kahler Glen Homeowners Association have voted to submit this Amendment to Declaration to the owners for their approval; and

WHEREAS, pursuant to Sub-Sections 31.1 of the Declaration, after notice to all of the owners entitled to vote thereon duly given, not less than Seventy-Five percent (75%) of the Unit Owners have consented in writing to amend the Declaration as hereinafter set forth; and

NOW THEREFORE, the President and the Secretary of Kahler Glen Condominium Association certify the Declaration to have been amended in the following particulars:



A. Paragraph 1.1.1 of the Declaration is hereby deleted in its entirety and the following new Paragraph 1.1.1 is substituted in its place:

1.1.1 "The Act" means the Horizontal Property Regimes Act of Washington, Laws of 1963, Chapter 156 (RCW Chapter 64.32), as amended, together with the Washington Condominium Act, Laws of 1989, Chapter 43 (RCW Chapter 64.34), as amended, to the extent that the provisions of the Washington Condominium Act are made applicable, either automatically as provided in RCW 64.34.010(1) or some other provision of law or by the Declaration.

B. Paragraph 1.1.3 of the Declaration is hereby deleted in its entirety and the following new Paragraph 1.1.3 is substituted in its place:

1.1.3 "Association" means Kahler Glen Condominium Association, a non-profit unincorporated association formed under the laws of the State of Washington whose membership is composed of all of the Unit Owners, acting as a group in accordance with the Governing Documents, and any successor non-profit corporation or unincorporated association. The Association is the Association of Apartment Owners as defined in the Act, and as more particularly provided for in Section 9 of the Declaration. Any references to Kahler Glen Homeowners Association in the Governing Documents shall be deemed to have been amended to refer to Kahler Glen Condominium Association by this Paragraph.

C. The following new Paragraphs 1.1.16 through 1.1.24 are added to the Declaration:

1.1.16 "Assessment" means all sums chargeable by the Association against a Unit and its Owner, including without limitation regular and special Assessments, fines imposed by the Association, interest and late charges on any delinquent account, costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Owner's account, costs and attorney's fees incurred by the Association in connection with the enforcement of the Governing Documents, and all other sums payable by an Owner to the Association as provided in the Governing Documents, unless the context clearly indicates otherwise.

1.1.17 "Eligible Mortgage Holder" means a Lender that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Lenders, and shall also include an Eligible Insurer or Eligible Guarantor.

1.1.18 "Eligible Insurer" or "Eligible Guarantor" means an insurer or guarantor of a Mortgage that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Lenders.

1.1.19 "Governing Documents" means the Declaration, the Articles of Incorporation, if any, the Bylaws and the Rules and Regulations of the Association adopted as provided in the Declaration and Bylaws, as these documents may be lawfully amended and/or adopted from time to time.

1.1.20 "Lender" means the holder or the beneficial owner, or the servicing agent, insurer or guarantor of the holder or beneficial owner, of a recorded encumbrance on a Unit created by Mortgage which was made in good faith and for value, and shall also mean the seller, or the designee or assignee of a seller, under a real estate contract for the sale of a Unit, and includes an entity which holds or insures a Mortgage, such as but not limited to FHLMC, FNMA, GNMA, HUD, and the VA.



1.1.21 “Mortgage” means a recorded mortgage or recorded deed of trust that creates a lien against a Unit and shall also mean a recorded real estate contract for the sale of a Unit.

1.1.22 “Occupant” means anyone who occupies a Unit as a permanent residence or who stays overnight in any Unit more than fourteen (14) days in any calendar month or more than sixty (60) days per calendar year.

1.1.23 “Related Party” means a person who has been certified in a written document filed by a Unit Owner with the Association to be the spouse, parent, parent-in-law, sibling, sibling-in-law, parent's sibling, or lineal descendant or ancestor of the Owner or the lineal descendant or ancestor of any of the foregoing persons, the officer, director or employee of any Owner which is a corporation, the trustee or beneficiary of any Owner which is a trust, or the partner or employee of any Owner which is a partnership.

1.1.24 “Tenant” means and includes a tenant, lessee, renter or other non-Owner Occupant of a Unit that is not occupied by its Owner.

D. Sub-Section 8.3 of the Declaration is hereby deleted in its entirety and the following new Sub-Section 8.3 is substituted in its place:

8.3 Liability for Damages and Misconduct. Notwithstanding any other provision of this Declaration, each Owner shall be responsible for any expenses resulting from damages done to a Unit, the Common Areas or the Limited Common Areas by that Owner or a Tenant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner or Tenant, or as a result of the failure to maintain, repair or replace any fixture, equipment, appliance or appurtenance which the Owner is responsible to maintain under the terms of the Declaration, or from any misconduct by that Owner or a Tenant occupying the Owner's Unit, or the family, servants, employees, agents, visitors, licensees, or household pet of that Owner or Tenant. The charges for repair or replacement of any damage in excess of insurance proceeds available to the Association under policies of insurance issued to the Association and the expenses resulting from any such misconduct caused thereby shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Areas, and shall be collectable as are other Assessments.

E. Sections 24 and 25 of the Declaration are hereby deleted in their entirety and the following new Sections 24 and 25 are substituted in their place:

SECTION 24 - INSURANCE

24.1 Insurance Coverages. To the extent reasonably available, the Board shall obtain and maintain insurance coverage as set forth in this Section. If such insurance is not reasonably available, and the Board determines that any insurance described in this Section will not be maintained, the Board shall cause notice of that fact to be given in the manner provided in Section 11 to all Unit Owners and Eligible Mortgagees, and to each Lender to whom a certificate or memorandum of insurance has been issued at their respective last known addresses. All insurance shall be obtained from an insurance carrier or carriers with an A general policyholder's rating and a Class V or better financial category by Best's Insurance Reports and with a license to do business in the State of Washington.



24.2 Property Insurance Coverage.

24.2.1 Coverage Required. Property insurance will cover:

24.2.1.1 The Property and all Buildings on the Property, including all Common Areas, Limited Common Areas, and Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or of a Common Area or Limited Common Area, and such personal property of Unit Owners as is normally insured under building coverage, but excluding any land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains or other items which are normally excluded from property policies; and

24.2.1.2 All personal property owned by the Association.

24.2.1.3 The policy or policies shall provide for separate protection for each Unit of the Condominium to the full insurable replacement value of that Unit (limited as above provided), and a separate loss payable endorsement in favor of the Lender of each Unit, if any.

24.2.2 Amounts.

24.2.2.1 The Condominium insurance will be for an amount (after application of any deductibles in amounts determined by the Board) equal to one hundred percent (100%) of the insurable replacement cost of the Buildings and other improvements, including an "agreed amount" endorsement and/or an "inflation guard" endorsement, at the time the insurance is purchased and at each renewal date. Personal property owned by the Association will be insured for an amount equal to its actual cash value.

24.2.2.2 The Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the Condominium facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.

24.2.2.3 The maximum deductible for insurance policies shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount, except that the maximum deductible for earthquake insurance policies shall be ten percent (10%) of the policy face amount.

24.2.3 Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured, including vandalism, malicious mischief, debris removal, cost of demolition, contingent liability from operation of building laws, increased cost of construction, and windstorm and water damage endorsements.

24.2.4 Other Provisions. Insurance policies required by this Sub-Section shall provide that:

24.2.4.1 The named insured under the policies for loss or damage to property referred to in Sub-Section 24.1 shall be the Association, as trustee for each of the Owners in accordance with their respective percentages of undivided interest in the Common Areas. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies.



24.2.4.2 Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Unit Owner and the Unit Owner's Lender. Each Owner appoints the Association, or any insurance trustee or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining the insurance required or permitted under this Section, including: the collection and appropriate disposition of the proceeds of any insurance policy; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish these purposes.

24.3 Liability Insurance. General comprehensive liability insurance, including medical payments insurance, shall be maintained by the Association insuring the Board, Association, and Owners, against liability to the public or to the Owners of Units, their invitees and Tenants, incident to the ownership or use of the Common and Limited Common Areas (including but not limited to owned and nonowned automobile liability, water damage, host liquor liability, liability for property of others, and, if applicable, elevator collision and garagekeeper's liability). The limits of liability under this insurance shall be in an amount determined by the Board after consultation with its insurance consultants, but not less than One Million Dollars (\$1,000,000.00) combined single limit covering all claims for personal injury and/or property damage. The policy limits shall be reviewed at least annually by the Board and increased in the discretion of the Board. All insurance shall contain appropriate provisions or endorsements precluding the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

24.4 Fidelity Insurance. Fidelity insurance or blanket employee dishonesty insurance is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The policy shall name the Association as insured and shall cover the maximum funds that will be in the custody of the Association or the Managing Agent at any time while the policy is in force. In no event shall the policy be for an amount less than the sum of three months' assessments plus reserve funds. The policy shall include a provision that calls for ten (10) days' written notice to the Association, each Lender, each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit and the insurance trustee, if any, before the policy can be canceled or substantially modified for any reason.

24.5 Unit Owner Policies. An insurance policy issued to the Association does not preclude Unit Owners from obtaining insurance for their own benefit. Each Owner may obtain additional insurance respecting his or her Unit as contemplated under R.C.W. 64.32.220, 64.32.010(1), and 64.34.352 at his or her own expense. No Owner shall be entitled to exercise his or her right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all the Owners, will realize under any insurance policy which the Board may have in force on the Condominium at any particular time. Each Owner is required and agrees to notify the Board of all improvements by the Owner to his or her Unit the value of which is in excess of One Thousand Dollars (\$1,000.00). Any Owner who obtains an individual insurance policy covering any portion of the Condominium other than personal property belonging to the Owner is required to file a copy of the individual policy or policies with the Board within thirty (30) days after purchase of that insurance. The Board, in its discretion, may review the effect of the policy or policies with the Association's insurance broker, agent or carrier.



24.6 Workers' Compensation Insurance. The Board shall obtain and maintain workers' compensation insurance to meet the requirements of the laws of the State of Washington.

24.7 Directors' and Officers' Liability Insurance. The Board may obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers of the Association. This insurance will have limits determined by the Board.

24.8 Other Insurance. The Association may carry other insurance which the Board considers appropriate to protect the Association or the Unit Owners; provided, that notwithstanding any other provisions in the Declaration, the Association shall continuously maintain in effect casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by FNMA, FHLMC, HUD, VA, GNMA or any other governmental or quasi-governmental agency involved in the secondary mortgage market, so long as any of those agencies is a Lender, an insurer or guarantor of a Mortgage, or Owner of a Unit within the Condominium, except to the extent that the required coverage is not reasonably available or has been waived in writing by each involved agency.

24.9 Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

24.10 Additional Insurance Provisions. The Board shall exercise its reasonable best efforts to obtain insurance policies under this Section containing the following:

24.10.1 A provision that the liability of the insurer under the policies shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any Unit Owner or any Lender.

24.10.2 No provision relieving the insurer from liability for loss because of any act or neglect not within the control of the Association or because of any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control.

24.10.3 A provision that an act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

24.10.4 A waiver of subrogation by the insurer as to any and all claims against the Association and the Owner of any Unit in the Condominium, or member of the household of a Unit Owner, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

24.10.5 A provision that despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, this option shall not be exercisable without the prior written approval of the Association or when in conflict with the provisions of any insurance trust agreement to which the Association is a party or with any requirement of law.

24.10.6 A provision that the insurer may not cancel or refuse to renew the policy until ten (10) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, to



each Unit Owner and to each Lender to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

24.10.7 A provision that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

24.10.8 A standard mortgagee clause which shall, if reasonably obtainable:

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

24.10.8.2 Provide that the insurance as to the interest of any Lender shall not be invalidated by any act or neglect of the Board or Unit Owners or any persons whose rights or obligations are derived, directly or indirectly, by or through any of them;

24.10.8.3 Waive any provision invalidating the mortgagee clause by reason of failure of any Lender to notify the insurer of any hazardous use or vacancy, any requirement that the Lender pay any premium on the policy, and any contribution clause;

24.10.8.4 Name the loan servicer or its assigns as Mortgagee; and

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

24.11 Unacceptable Insurance Policies. Insurance policies requiring or permitting (a) contributions and assessments against the Association, the Board, the Owners, the Lenders or any guarantor of the above or (b) action by the insured's board of directors, policyholders or members as a condition precedent to loss payments, or limiting clauses (other than insurance conditions) which might prevent any of the above-mentioned persons from receiving insurance proceeds shall be unacceptable to satisfy the requirements of this Section.

24.12 Liability for Uninsured Amounts. Notwithstanding any other provision of this Declaration, including Section 25, and except to the extent that a lack of insurance results from the negligence or breach of a duty to insure of the Board:

24.12.1 Liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Unit Owner where the damage results from a negligent or intentional action or omission by an Owner, or that Owner's Tenant, or the family, servants, employees, agents, visitors or licensees of that Owner or Tenant, or from the failure of, or failure to maintain, any portion of the Condominium, including any appliance, equipment, or fixture in a Unit, which that Owner is responsible to maintain in good working order and condition.



24.12.2 Except as provided in Paragraph 24.12.1, liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be the responsibility of an individual Unit Owner where the damage involved is limited solely to damage to that Owner's Unit or the Limited Common Area assigned to that Owner's Unit.

24.12.3 Except as provided in Paragraphs 24.12.1 and 24.12.2, liability for the amount of damage within the limits of any applicable insurance deductible or otherwise uninsured shall be pro-rated between the Association and any involved Owners in proportion to the relative amounts of damage to the Common Area and to each of the affected Units, including the Limited Common Area assigned to such Unit or Units, where the damage involves both the Common Areas and/or one or more Units or the Limited Common Areas assigned to a Unit or Units.

SECTION 25 - DAMAGE OR DESTRUCTION: RECONSTRUCTION

25.1 Definitions: Significant Damage; Repair; Emergency Work.

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

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

25.1.3 As used in this Section, the term "Emergency Work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the Owners from liability arising out of the condition of the Property.

25.2 Initial Board Determinations. In the event of Significant Damage to any part of the Property, the Board shall promptly, and, unless prevented by causes beyond its control, within ninety (90) days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, make the following determinations, employing any advice the Board deems advisable:

25.2.1 The nature and extent of the Significant Damage, together with an inventory of the improvements and the portion of the Property directly affected.

25.2.2 A reasonably reliable estimate of the cost to Repair the Significant Damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.



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

25.2.4 The amount, if any, that the estimated cost of Repair exceeds the anticipated insurance proceeds available for that Repair and the amount of Assessment to each Unit if the excess was paid as a Common Expense and specially assessed against all the Units in proportion to their percentages of interest in the Common Areas.

25.2.5 The Board's recommendation as to whether the Significant Damage should be Repaired.

25.3 Notice of Significant Damage. The Board shall promptly, and unless prevented by causes beyond its control, within ninety (90) days after the date of Significant Damage, provide each Owner, and each Eligible Mortgagee with a written notice summarizing the initial Board determination made under Sub-Section 25.2. If the Board fails to do so within the ninety (90) day period, then any Owner or First Lender may make the determinations required under Sub-Section 25.2 and give the notice required under this Sub-Section.

25.4 Repair of Non-Significant Damage. In the event of damage or destruction to all or a part of the Property which the Board is responsible to Repair, which is not determined by the Board to constitute Significant Damage, the Board shall promptly arrange the Repair, which shall be conducted in accordance with the original plans for the Condominium. The insurance proceeds, if any, shall be applied to the cost of the Repair, and the balance of the Repair costs, if any, shall be assessed to the Owners responsible for same, or paid as a Common Expense of the Association, or prorated between individual Owners and the Association, as provided in Sub-Section 24.12 of the Declaration.

25.5 Repair of Significant Damage.

25.5.1 Unless prior to the commencement of the Repair (other than Emergency Work referred to in Paragraph 25.1.3) the Owners shall have decided not to Repair in accordance with the provisions of either Paragraph 25.6.3 or 25.7.3, the Board shall promptly Repair the Significant Damage, use the available insurance proceeds for that purpose, and pay for the actual cost of Repair in excess of insurance proceeds. Except to the extent otherwise provided in Sub-Section 24.12 of the Declaration, the costs of Repair shall be a Common Expense which shall be specially assessed against all Units in proportion to their respective percentages of interest in the Common Areas.

25.5.2 The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take any other action reasonably necessary to effectuate the Repair. Contracts for the Repair shall be awarded when the Board, by means of insurance proceeds and sufficient Assessments or Common Funds, has provision for the costs of the work to be done under the contracts. The Board may authorize the insurance carrier to proceed with the Repair upon satisfaction of the Board that the work will be appropriately carried out.

25.5.3 The Board may enter into a written agreement in recordable form with any reputable financial institution, trust or escrow company retaining the firm or institution to act as an insurance trustee to adjust and settle any claim for a loss in excess of Fifty Thousand Dollars (\$50,000), or for the firm or institution to collect the insurance proceeds and carry out the provisions of this Section.



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25.6 Limited Damage; Assessment Under Ten Percent (10%) of Fair Market Value. If the amount of the estimated Assessment determined under Sub-Section 25.2 does not exceed Ten Percent (10%) of the fair market value of any Unit before the damage occurred, utilizing the then current assessed value of the Unit for property tax purposes as determinative of fair market value, then the provisions of this Sub-Section 25.6 shall apply.

25.6.1 The Board may, but shall not be required to, call a special Owners' meeting to consider the Repair. If a special Owner's meeting is called, notice of the meeting shall be given simultaneously with the notice required to be given by the Board under Sub-Section 25.3 above. If the Board fails to call a meeting, then the requisite number of Owners or any Eligible Mortgagee, within fifteen (15) days of receipt of the notice given by the Board under Sub-Section 25.3, or within fifteen (15) days of the expiration of the thirty (30) day period, whichever is less, may call a special Owners' meeting to consider the Repair. Any meeting called as provided in this Paragraph shall be convened not less than ten (10) nor more than twenty (20) days after the date of the notice of meeting.

25.6.2 Except for Emergency Work, no Repair shall be commenced until after the expiration of the notice period set forth in the preceding Paragraph and until after the conclusion of the special meeting if a meeting is called within the requisite period.

25.6.3 A unanimous written decision of the Unit Owners and Eligible Mortgagees (based upon one (1) vote for each First Mortgage held) will be required to avoid the provisions of Paragraph 25.5.1 and to determine not to Repair the Significant Damage in accordance with the Survey Map and Plans. The failure of the Board, the requisite number of Owners or a Eligible Mortgagee to call for a special meeting at the time or in the manner set forth in Sub-Section 25.6 shall be deemed a unanimous decision to undertake the Repair.

25.7 Major Damage; Assessment Over Ten Percent (10%) of Fair Market Value. If the amount of the estimated Assessment determined under Sub-Section 25.2 exceeds Ten Percent (10%) of the fair market value of any Unit before the damage occurred, utilizing the then current assessed value of the Unit for property tax purposes as determinative of fair market value, then the provisions of this Sub-Section 25.7 shall apply:

25.7.1 The Board shall promptly, and unless prevented by causes beyond its control, within ninety (90) days after the date of Significant Damage, or, if the Significant Damage did not occur at a particular identifiable time, after the date of its discovery, provide written notice of a special Owners' meeting to consider Repair of the Significant Damage. The notice of meeting shall be delivered with the notice required to be provided under Sub-Section 25.3 above. If the Board fails to do so within the ninety (90) day period, then notwithstanding the provisions of this Declaration or the Bylaws with respect to calling special meetings, any Owner or Eligible Mortgagee may within fifteen (15) days of the expiration of the ninety (90) day period, or within fifteen (15) days of receipt of the notice required to be provided by the Board under Sub-Section 25.3, whichever is less, call a special meeting of the Owners to consider Repair of the Significant Damage by providing written notice of the meeting to all Owners and Eligible Mortgagees. Any meeting held as provided in this Sub-Section 25.7 shall be called by written notice and shall be convened not less than ten (10) nor more than twenty (20) days from the date of the notice of meeting.

25.7.2 Except for Emergency Work no Repair shall be commenced until the conclusion of the special Owners' meeting required under Paragraph 25.7.1.



25.7.3 A concurrence in writing of more than seventy-five percent (75%) of the Eligible Mortgagees (based upon one vote for each First Mortgage held), and more than seventy-five percent (75%) of the Owners of the Units will be required to avoid the provisions of Paragraph 25.5.1 and to determine not to Repair the Significant Damage. The failure to obtain the seventy-five percent (75%) concurrence in writing shall be deemed a decision to Repair the Significant Damage in accordance with the Survey Map and Plans. The failure of the Board, or Owners or Eligible Mortgagees to convene the special meeting required under Paragraph 25.7.1 within one hundred and fifty (150) days after the date of Significant Damage shall be deemed a unanimous decision not to undertake the Repair.

25.8 Decision Not to Repair; Disposition. In the event of a decision under either Paragraphs 25.6.3 or 25.7.3 not to Repair any Significant Damage, the Board may nevertheless expend any of the insurance proceeds and Common Funds as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged or destroyed Building or Buildings and clearing, filling and grading the real property), and the remaining funds, if any, and the Property shall then be held and distributed as follows:

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

25.8.2 The undivided interest in the Property owned in common which appertains to each Unit Owner shall be the percentage of undivided interest previously owned by the Owner in the Common Areas;

25.8.3 Any Mortgages or liens affecting any of the Units shall be deemed transferred in accordance with the existing priorities to the percentage of the undivided interest of the Unit Owner in the Property as provided in this Sub-Section 25.8; and

25.8.4 The Property shall be subject to an action for partition at the suit of any Unit Owner or the Association, in which event the net proceeds of sale, together with the net proceeds of the insurance of the Property, if any, shall be considered as one fund; the fund shall be divided into separate shares one for each Unit Owner in a percentage equal to the percentage of undivided interest owned by each Owner in the Property; then, after first paying out of the respective share of each Unit Owner, to the extent sufficient for the purposes, all Mortgages and liens on the undivided interest in the Property owned by that Unit Owner, the balance remaining in each share shall then be distributed to each Unit Owner respectively.

25.9 Miscellaneous. The provisions of this Section shall constitute the procedure by which a determination is made by the Unit Owners to repair, restore, reconstruct or rebuild as provided in the Act. By the act of accepting an interest in the Property, each Unit Owner and party claiming by, through or under the Owner hereby consents and agrees to the provisions of this Section. If any provision of this Section is determined to be invalid or unenforceable by any court of competent jurisdiction, the determination shall not affect the validity of any other provision of this Declaration. The purpose of this Section is to provide a fair and equitable method of allocating the costs of Repair if all or a portion of the improvements suffer Significant Damage. The provisions of this Section shall be liberally construed to accomplish that purpose. By unanimous vote of the Unit Owners, taken within ninety (90) days after the Significant Damage, the Owners may determine to do otherwise than provided in this Section.



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F. This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration shall control over and implicitly amend any inconsistent provision of the Declaration or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect.

DATED this 24 day of June, 2000.

KAHLER GLEN CONDOMINIUM
ASSOCIATION

By: Marion Brittain
President

ATTEST: The above amendment
was properly adopted.

By: Frances B. Call
Secretary

STATE OF WASHINGTON)
COUNTY OF ~~CHelan~~ KING) ss.

On this 24th day of June, 2000, personally appeared before me, MARION BRITAIN and FRANCES B. CALL, known to me to be the President and Secretary of Kahler Glen Condominium Association, the non-profit unincorporated association that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument.

DATED this 24 day of June, 2000.

Thomas P. Graham [Signed]
THOMAS P. GRAHAM [Print Name]
Notary Public in and for the State of
Washington, residing at SEATTLE
My commission expires: 6/26/03

