

RETURN ADDRESS:

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DOCUMENT TITLE:

Fourth Amendment to Condominium
Declaration for Kirkland Central
Condominiums

REFERENCE NUMBERS OF
RELATED DOCUMENTS:

20060508001909, 20060822000743
20071016001647, 20071029001434

GRANTOR(S):

Kirkland Central Owners Association

GRANTEE(S):

Kirkland Central Owners Association

SHORT LEGAL DESCRIPTION:

Lots 8 through 21 in Block 99 of Burke and
Farrar's Business Center Addition Division
No. 25, as per plat recorded in Volume 25 of
Plats, Page 14, Records of King County;
Together with that portion of vacated alley
abutting thereon; And together with that
portion of Kirkland Avenue (NE 80th Street)
as vacated by the City of Kirkland Ordinance
No. 429 which would attach by operation of
law. Situate in King County, State of
Washington.

ASSESSOR'S PROPERTY TAX
PARCEL/ACCOUNT NUMBERS:

3888310006 through 3888311120 inclusive

**FOURTH AMENDMENT TO CONDOMINIUM DECLARATION FOR KIRKLAND
CENTRAL CONDOMINIUMS**

Pursuant to RCW 64.34 et seq. the Washington Condominium Act, and (i) the vote or consent of Owners holding at least 67% of the votes in the Kirkland Central Owners Association (“Association”), pursuant to Section 26.2.1(k) of the Condominium Declaration for Kirkland Central Condominiums, filed in the King County Auditor’s Office, file number 20060508001909, as amended (“Declaration”), and (ii) the consent of Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated, the Declaration shall be amended as follows:

WHEREAS, the Declaration has previously been amended as follows:

- a. by instrument known as the Amendment No. 1 to Condominium Declaration for Kirkland Central Condominiums, filed in the King County Recorder’s Office, file number 20060822000743;
- b. by instrument known as the Second Amendment to Condominium Declaration for Kirkland Central Condominiums, filed in the King County Recorder’s Office, file number 20071016001647;
- c. by instrument known as the Third Amendment to Condominium Declaration for Kirkland Central Condominiums, filed in the King County Recorder’s Office, file number 20071029001434;

WHEREAS, the Survey Map and Plans have been filed in the King County Recorder’s Office, file number 20060508001908, in Volume 216 of Condominiums, Pages 86 through 95 inclusive.

WHEREAS, at a meeting duly called and held on _____, 2008, not less than a majority of the Board of Directors of the Association voted to submit this Amendment to Declaration to the owners for their approval;

WHEREAS, pursuant to Sections 26.2.1(k), Owners holding at least 67% of the votes in the Association, have voted in approval to or consented in writing to amend the Declaration as hereinafter set forth; and

WHEREAS, pursuant to Paragraphs 26.2.1 and 26.2.6 of the Declaration, after not less than thirty (30) days notice to all of the Eligible Mortgagees duly given by certified mail, return receipt requested, not less than Fifty-One Percent (51%) of the Eligible Mortgagees have expressly or impliedly consented to the amendment of the Declaration as hereinafter set forth;.

NOW THEREFORE, BE IT RESOLVED: The President and Secretary of the Association certify the Declaration to have been amended and duly adopted as follows:

I. Definitions. Section 1.1 the definition of “Tenant” shall be deleted in its entirety and the following language shall be substituted in its place:

“Tenant means and includes a tenant, lessee, renter, subtenant and sublessee, the assignee of any of the foregoing, and all other non-Owner Occupants of a Unit that is not also occupied by its Owner, whether or not rent is paid, other than a spouse or domestic partner as registered under Washington State law, or live in caregiver.”

II. Section 10.3 shall be deleted in its entirety and the following language shall be substituted in its place

“10.3 Rental of Units

10.3.1 Rental of Units. The following provisions of this Section 10.3 and all provisions therein shall apply to the Rental or Leasing of Units. Reference to this Section 10.3 shall include all subsections herein.

(a) Rental Defined and Regulated. The Rental of a Unit shall be governed by the provisions of the Declaration, including, without limitation, this Article 10.3. As used in the Declaration, the terms “to rent,” “renting,” “to lease,” “Lease,” or “Rental” shall refer to and include the Leasing or Renting (i) of a Residential Unit by its Owner, (ii) of a Commercial Unit by its Owner; and (iii) to the occupancy of a Residential Unit by a person or persons other than its Owner whether or not rent is paid; provided that for the purpose of the limitation of the number of Rentals as provided for herein, the terms above shall not refer to the occupancy of a Residential Unit by a Tenant when the Residential Unit is also occupied by the Owner.

Notwithstanding the foregoing, by entering into occupancy of a Unit, each Occupant agrees to be bound by the Governing Documents, all other applicable federal, state or local laws and/or regulations, and shall give the Association the same rights against the Occupant, as it has against the Owner and/or Tenant of the Unit. Other than for the purpose of the limitation of number of Rentals, and including, but not limited to the enforcement of the foregoing, the term “Tenant” as used in this Section 10.3 shall include Tenant and/or Occupant unless the context provides otherwise. The rights of the Association and the obligations applicable to an Owner under this Section 10.3 shall be applicable to any Tenant who subleases a Unit or enters into an assignment of a Lease for a Unit, and the obligations of a Tenant shall likewise be applicable to the sub-Tenant or assignee of a Tenant in such situation. Notwithstanding anything to the contrary, this Section 10.3 shall not be applicable to the rental of a Unit acquired by the Association following a foreclosure of the Association’s lien for Assessments or to the rental of a Unit by a receiver appointed on the motion of the Association in connection with a lien foreclosure action or nonjudicial foreclosure filed by the Association.

(b) Minimum Lease Term; Entire Unit. With the exception of a Mortgagee in possession of a Unit following a Mortgage foreclosure or a receiver in possession of a Unit

during the pendency of a Foreclosure by a Mortgagee or the Association, no person shall permit a Unit to be used for hotel or transient purposes, which shall be defined as Rental, occupancy or use by a Tenant or other non-Owner Occupant for an initial occupancy period of less than twelve (12) months. No Owner or Tenant of a Unit who does not occupy a Unit as a primary residence shall cause or allow the overnight accommodation of employees or business invitees in a Unit on a temporary or transient basis. Except as provided in this Section, every Lease shall be for a fixed initial term of not less than twelve (12) months, but may be renewed on a month to month basis thereafter. No Unit Owner may Lease less than an entire Unit.

10.3.2 Lease Requirements.

(a) No rental of a Unit shall be valid or enforceable unless it shall be by means of a written instrument of agreement between the Owner(s) and Tenant or Occupant (referred to in the Declaration as the "Lease").

(b) The occupancy of a Unit in the Condominium and every Lease shall be subject to the Governing Documents of the Association. By entering into occupancy of a Unit, a Tenant agrees to be bound by the Governing Documents.

(c) In addition, no Residential Tenant shall sublease and/or assign its interest in any Lease without the prior written approval of the Board which may be withheld in the Board's sole and exclusive discretion.

(d) By allowing the occupancy of a Unit, the Owner agrees that the Owner has irrevocably appointed the Board as the Owner's attorney in fact to seek, at the Owner's expense, the eviction, equitable relief, and/or damages of and/or from such Tenant(s) upon any breach of the Governing Documents, Board Decision, and/or hearing board decision, and the Tenant agrees that the Tenant shall comply with all other applicable federal, state or local laws and/or regulations. The Association shall have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against a Tenant as it has against an Owner, and in addition shall have the rights and remedies provided for in Article 17 of the Declaration. Each Lease shall contain language acknowledging the Association's rights and the Tenant's obligations set forth above and under the Governing Documents.

(e) The occupancy of a Unit in the Condominium and every Lease shall give the Association the same rights against the Tenant as it has against the Owner of the Unit, including, but not limited to, the right to collect and enforce collection of Association dues, impose fines for failure to comply with the above documents, a suit for damages or injunctive relief, and/or eviction of the Tenant for the commission of any criminal act or failure to comply with the Governing Documents, Board Decision, and/or hearing board decision.

(f) BY ITS TERMS, EACH LEASE PRESENTED TO THE BOARD SHALL PROVIDE THAT THE TERMS OF THE LEASE ARE SUBJECT IN ALL RESPECTS TO

THE PROVISIONS OF THE GOVERNING DOCUMENTS, BOARD DECISION AND/OR HEARING BOARD DECISION. IF ANY LEASE UNDER THIS SECTION DOES NOT CONTAIN THE PROVISIONS IN THIS SECTION, SUCH PROVISIONS SHALL NEVERTHELESS BE DEEMED TO BE PART OF THE LEASE AND BINDING UPON THE OWNER AND THE TENANT BY REASON OF THEIR BEING STATED IN THIS DECLARATION. Any failure by the Tenant and/or Owner to comply with the terms contained in the Governing Documents, Board decision, hearing board decision, the Lease and any other federal, state or local laws and/or regulations, shall constitute a default in any Lease. In addition, the Board may take any action allowed by the Governing Documents against the Owner and/or Tenant, including, without limitation, eviction of the tenant, the imposition of fines upon the Owner and/or Tenant, pursuant to the Governing Documents.

(g) Notwithstanding anything in this Amendment, in no event shall it be determined that a landlord/tenant relationship exists between the Association and the Tenant.

10.3.3 Governing Documents Provided to Tenant(s). Each Unit Owner who Rents or Leases a Unit in the Condominium to a Tenant or allows the occupancy of a Unit by an Occupant, shall provide that Tenant and/or Occupant with a copy of the Governing Documents. If the Unit Owner fails to provide written evidence to the Association that it has done so, the Association may furnish a copy of these documents to the Tenant or Occupant, and charge the Owner an amount to be determined by the Board for each document provided. Unless otherwise set by the Board, the copying charge shall be no less than twenty five cents (\$0.25) for each page, and an administrative fee of no less than \$30.00. The copying charge and administrative fee shall be collectible as a special Assessment against the Unit and its Owner. The failure of the Unit Owner or Association to provide the Tenant or Occupant with a copy of the Governing Documents, does not waive the Tenant's or Occupant's duties to comply with the Governing Documents.

10.3.4 Notification. The Board or the property manager shall be notified in writing of the following: (a) the Unit number to be rented, (b) the names, address, and telephone numbers of all Occupants of the Unit, (c) the name, address and telephone number of the Owner, and (d) any other information regarding the Occupants of the Unit, which may be reasonably required at the Board's sole and exclusive discretion. All Occupants occupying Units at the time this amendment is adopted must provide this information to the Board within thirty (30) days of the adoption of the amendment. All Owners must provide this information to the Board for all new Occupants at the time the Occupants move in, or within forty-eight (48) hours of occupancy. All Owners shall advise the Board or the property manager in writing of any changes in the information required to be provided in this Section. All Occupants shall provide the Board or property manager with reasonable (at least three (3) business days) prior notice of the date on which they expect to move in or out of a Unit. Nothing in this Section shall preclude an Occupant from submitting the information required by this Section.

10.3.5 Rent to Association. If a Unit is rented by its Owner, the rent is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner

to the Association. If a Unit is rented by its Owner, the Board may collect, and the Tenant shall pay over to the Board, so much of the rent for such Unit as is required to pay any amounts due the Association hereunder, plus interest and costs of collection. The Tenant shall not have the right to question payment over to the Board, and such payment will discharge the Tenant's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner and Unit under the Governing Documents for Assessments, or operate as an approval of the Lease. Failure to make any rent or other payment to the Association, when demanded in writing by the Board, shall result in a default under the Lease, giving the right to the Association, over that of the Owner, to immediately evict the Tenant and/or Occupant, and declare a breach of the Governing Documents. The Board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner; nor in derogation of any rights which a Mortgagee of such Unit may have with respect to such rents. If a Tenant fails or refuses to pay rent to the Association as provided for in this Section, the Association shall have the right to bring an action for unlawful detainer for non-payment of rent using RCW 59.12 et seq., as amended, and the costs and attorney's fees incurred by the Association in connection with that action shall be collectable from the Tenant in that action, and from the Owner of the Unit, jointly and severally, in the same manner as any other Assessment under the Declaration.

10.3.6 No Extension. Further, if, during the course of occupancy by any Occupant, an Occupant demonstrates such a disregard for the Governing Documents, Board decision, hearing board decision, the Lease, and/or any other federal, state or local laws and/or regulations, that the Association determined to be in the best interests to preclude the Owner from extending said Lease, the Association shall so notify the Owner in writing of that determination, and the Owner shall thereupon be precluded from extending said Lease beyond its original term (or from extending the lease further if the same is month-to-month). Should the Owner extend the Lease, the Association shall have the immediate right to terminate the lease for violation of the Governing Documents using RCW 59.12 et seq., as amended, and the costs and attorney's fees incurred by the Association in connection with that action shall be collectable from the Tenant in that action, and from the Owner of the Unit, jointly and severally, in the same manner as any other Assessment under the Declaration.

10.3.7 Non-Discrimination. Neither the Association nor any Unit Owner shall discriminate against any person with regard to the sale, rental or occupancy of a Unit in the Condominium on the basis of race, color, creed, national origin, age, sex, sexual orientation, religion, familial status, marital status, parental status, political ideology, handicap, possession or use of a Section 8, rent certificate, or any other legally protected classification.

10.3.8 Move In/Move Out, Rental Fees. The Board shall be authorized to assess a reasonable fee against any Owner and his/her/its Unit in connection with the moving of any new Occupant into a Unit, and in connection with the moving out of any Occupant from a Unit. This fee shall be paid prior to any such move. In addition, the Board shall be authorized from time to time to establish and charge reasonable fees in connection with the

rental of Units only, the maintaining of Tenant information, to defray the added administrative costs of such activities. Such fees herein shall be collectible as a special Assessment against the Unit and its Owner.

10.3.9 Lease Contingent on Language. Except as it relates to Leases in existence prior to the date of adoption of this amendment, within ten (10) days of the Rental of a Unit in the Condominium to a Tenant, and within ten (10) days of the renewal of any previously approved Lease, a Unit Owner shall submit to the Association a valid and binding Lease, executed by both the Owner and proposed Tenant. Such Lease shall be contingent on:

- (a) the Owner has complied with all of Section 10.3 of the Declarations;
- (b) in the case of a renewal, the Tenant is in strict compliance with all provisions of the Governing Documents, Board decisions and hearing board decisions, and has not been found to be in violation of the Governing Documents, Board decisions and hearing board decisions following notice and opportunity to be heard (as applicable), more than once during the immediately preceding year; and
- (c) the Lease contains a Lease Addendum in the form approved by the Association (if any) or is otherwise in compliance with the requirements of the Governing Documents.

The Board shall have the right to alter or amend any Lease presented to it, at its sole and exclusive discretion, solely to ensure the Lease is in compliance with the Governing Documents.

10.3.10 Pre-existing Leases. Within thirty (30) days from the date of notification to all Owners that this amendment to the Declarations has been duly adopted, each Owner who has rented a Unit to a Tenant who was in occupancy prior to the date on which this Declaration amendment was approved by the Owners, shall file a copy of the Lease for that Unit with the Board. A Lease in effect on that date and submitted as required in this Section shall be referred to as "Pre-existing Lease." Any Tenant occupying a Unit pursuant to a Pre-existing Lease shall be permitted to renew his/her/its lease thereafter, provided that a copy of the Pre-existing Lease is filed with the Board within the time period provided for in this Section and any subsequent renewals are submitted to the Board for Lease approval pursuant to Section 10.3.9 prior to the expiration of the Lease term then in effect. The assignment or subletting of a Residential Unit by a Tenant, or the sale of the Unit by its Owner, shall terminate the right to renew a Pre-existing Lease under this Section.

10.3.11 Rental Cap. In addition to the Lease requirements in Section 10.3.1 through 10.3.10 above, no owner of any Residential Unit may Lease or Rent:

- (a) a Residential Unit for one year after conveyance of the Residential Unit to the Owner;
- (b) to a number of persons in excess of two adult persons per number of

bedrooms in the Unit (for example, two persons and a child may rent a studio Unit).

- (c) a Residential Unit if leasing of the Residential Unit would result in more than twenty two (22) Residential Units being leased concurrently (at the same time).

10.3.12 Board Waiver. The Board may, in the case of substantial financial or personal hardship which renders the owner unable to reside in his or her Residential Unit (such as an owner's being temporarily absent from a Residential Unit), grant limited waivers of the restriction on the Rental or Leasing of Residential Units provisions of subsections 10.3.11(a) and (c) only, for up to one year at a time. The Board may grant said waivers at its sole and exclusive discretion. Said waivers must be in writing and signed by a majority of Board members.

10.3.13 Application. If an Owner of a Residential Unit desires to Lease his/her/its Residential Unit pursuant to this Section 10.3, the Unit Owner may apply to the Board in writing to Lease said Residential Unit. The Board may grant or reject the Owner's request at its sole and exclusive discretion after notice to the Owner and opportunity to be heard. If twenty two (22) Residential Units are currently Leased, and an Owner wishes to Lease his/her/its Residential Unit, the Owner may apply to the Board in writing a request to Lease said Residential Unit. If twenty two (22) Residential Units are currently leased the Board may grant a waiver (pursuant to the Board Waiver provisions above) and allow the Residential Unit to be Leased, or may place the Residential Unit on a waiting list, which will entitle the Owner to Lease the Residential Unit on a first come, first served basis when fewer than twenty two (22) Residential Units are being Leased, at the Board's sole and exclusive discretion. Said waiting list shall be kept by the Board. If there is any dispute as to the timing of an Owner's application to the waiting list, said dispute shall be resolved by the Board at its sole and exclusive discretion. Granting of a waiver to one Residential Unit Owner does not constitute a waiver of this provision for any other Residential Unit Owners.

10.3.14 Restrictions on Grant of Rental. No Owner may Lease a Unit in violation of Section 10.3 (with the exception of a lender in possession of a Unit following a default in a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of a foreclosure, and a substantial financial or personal hardship as set forth in Section 10.3.12).

10.3.15 Waiting List. If a Residential Unit is currently Leased, and

- (a) the Tenant abandons the Residential Unit for a period of greater than ninety (90) days, or
- (b) the Lease expires without the Owner and old Tenant entering into a new Lease, or
- (c) the Lease expires without the Owner and any new Tenant entering into a new Lease within ninety (90) days from the expiration of the old Lease, or
- (d) the Tenant is evicted or otherwise is no longer in possession of the Residential

- Unit, or
- (e) the Owner sells, assigns, transfers or conveys all or any part of his or her interest in the Residential Unit; other than any transfer to spouse, domestic partner as registered under Washington State law, a trust which the Owner is the sole beneficiary, or other business entity where a majority interest is owned by the Owner,

then that Unit Owner forfeits its right to Lease its Residential Unit. The Board shall have the sole and exclusive discretion to extend the ninety (90) day period for substantial financial or personal hardship which renders the Owner unable to reside in his or her Residential Unit, for up to an additional ninety (90) day period without extending the period for others. The Owner of said Residential Unit must re-apply to Lease his/her/its Residential Unit pursuant to Section 10.3.13. The Board shall make its determination pursuant to the terms of this Section 10.3 and said Residential Unit shall be placed on the waiting list to re-Lease. The Owner at the top of the waiting list may then Lease his/her Residential Unit pursuant to this Section 10.3, subject to compliance with the Governing Documents.

10.3.16 Residential Unit Grandfather Clause. Owners who, as of the date of this Amendment, have Pre-existing Leases per Section 10.3.10 above, shall be allowed to continue their rental activities until (a) the Owner sells, assigns, transfers or conveys all or any part of his or her interest in the Residential Unit, other than any transfer to a spouse, domestic partner as registered under Washington State law, trust which the Owner is the sole beneficiary, or other business entity where a majority interest is owned by the Owner, (b) the Tenant abandons the Residential Unit for a period of greater than ninety (90) days or (c) the Lease expires without the Owner and any Tenant entering into a new Lease within ninety (90) days (provided said Owners and their Tenants immediately comply with all other sections of this Section 10.3), whichever occurs first. The Board shall have the sole and exclusive discretion to extend the ninety (90) day period for substantial financial or personal hardship which renders the Owner unable to reside in his or her Residential Unit, for up to an additional ninety (90) day period without extending the period for others. Upon any of the occurrences contained in this Section, the Residential Unit and Owner shall be subject to all provisions of this Section 10.3. Additionally, if a Residential Unit is vacant at the time of the recording to this Amendment, the Owner of that Residential Unit shall be subject to all rental restrictions of this Section 10.3.

10.3.17 Adoption of Rental Rules. In addition to the move in/move out and administrative fees set forth in Section 10.3.8, the Board may adopt a rule or rules that requires any Owner desiring to Lease a Unit to have any prospective Tenant screened, at the Owner's sole cost and expense, by a tenant screening service designated or approved by the Board, prior to Owner's entering into a Lease with the prospective Tenant. The Board may also adopt a rule or rules allowing the Board to disapprove of any Tenant which violates the Governing Documents, Board decision, or hearing board decision, at its sole and exclusive discretion, impositions of fines and penalties and eviction of the tenant in the case of violations, and any other rules to facilitate the enactment of the rental restrictions adopted in this Section 10.3.

instrument have not been revoked.

GIVEN under my hand and official seal the _____ day of _____ 2008.

SIGNATURE

PRINTED NAME

Notary Public in and for the State of Washington

Residing at _____.

My Commission Expires: _____.

STATE OF WASHINGTON)

) ss CORPORATE ACKNOWLEDGMENT

COUNTY OF KING)

On this day personally appeared before me _____ to me known to be the individual who executed the within and foregoing instrument as duly appointed Secretary for Kirkland Central Owners Association, and acknowledges that he/she signed the same as his/her free and voluntary act and deed and on oath stating that his/her powers authorizing the execution of this instrument have not been revoked.

GIVEN under my hand and official seal the _____ day of _____ 2008.

SIGNATURE

PRINTED NAME

Notary Public in and for the State of Washington

Residing at _____.

My Commission Expires: _____.

ELIGIBLE MORTGAGEE'S CONSENT

The undersigned, being the Eligible Mortgagee on Unit _____ of Kirkland Central Owners Association, hereby represents and warrants that it is the Eligible Mortgagee per the Association's Declaration, and hereby consents to the **Fourth Amendment to Condominium Declaration for Kirkland Central Condominiums**, in the form enclosed herewith.

DATED this _____ day of _____, 2008.

ELIGIBLE MORTGAGEE: _____

By: _____

Print Name: _____

Its: _____

STATE OF _____)

) ss CORPORATE ACKNOWLEDGMENT

COUNTY OF _____)

On this day personally appeared before me _____ and _____ to me known to be the individual who executed the within and foregoing instrument as duly appointed _____, for _____, and acknowledges that he/she signed the same as his/her free and voluntary act and deed and on oath stating that his/her powers authorizing the execution of this instrument have not been revoked.

GIVEN under my hand and official seal the _____ day of _____ 2008.

SIGNATURE

PRINTED NAME

Notary Public in and for the State of _____

Residing at _____.

My Commission Expires: _____.

PLEASE NOTE APPLICABLE IMPLIED CONSENT RULE: FAILURE TO RESPOND IN WRITING WITHIN THIRTY DAYS OF THE DATE OF MAILING OF THE ENCLOSED AMENDMENTS CONSTITUTES YOUR IMPLIED CONSENT TO THESE AMENDMENTS.