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COE LAW GROUP AMDCN 53.00  
PAGE001 OF 013  
10/29/2007 14:05  
KING COUNTY, WA

RETURN ADDRESS:

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DOCUMENT TITLE:

Third Amendment to Condominium  
Declaration for Kirkland Central  
Condominiums

REFERENCE NUMBERS OF  
RELATED DOCUMENTS:

20060508001909, 20060822000743  
20071016001647

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 80<sup>th</sup> 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.

DEPARTMENT OF ASSESSMENTS  
Examined and approved this 29<sup>th</sup> day of Oct 2007  
Annoble Dianna Murdock  
Assessor Deputy Assessor

ASSESSOR'S PROPERTY TAX  
PARCEL/ACCOUNT NUMBERS:

3888310006 through 3888311120

**THIRD 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 26.2.5 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 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;

WHEREAS, the Declaration has previously been amended 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;

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 July 11, 2007, 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 26.2.5, 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:

**1. Definitions. Section 1.1 “Assessments” of the Declaration is hereby deleted in its entirety and the following new Section 1.1 “Assessments” is substituted in its place:**

“Assessments means all sums chargeable by the Association against a Unit and its Owner, including without limitation (i) regular (general) and special Assessments for Common Expenses, Limited Common Expenses and Specially Allocated Expenses, (ii) charges and fines imposed by the Association, (iii) interest and late charges on any delinquent account,

(iv) costs of collection, including reasonable attorney's fees incurred by the Association in connection with the collection of a delinquent Owner's account, (v) costs and attorney's fees incurred by the Association in connection with the enforcement of the Declaration, Bylaws, Articles of Incorporation and/or Rules and Regulations ("Governing Documents"), and (vi) all other sums payable by an Owner to the Association as provided in the Governing Documents, unless the context clearly indicates otherwise."

**II. Definitions. The following language is added to Section 1.1 "Owner or Unit Owner" of the Declaration:**

"This also means, the officer or director of any Owner which is a corporation, the member of any Owner which is a limited liability company or professional limited liability company, the trustee or beneficiary of any Owner which is a trust, or the partner or employee of any Owner which is a partnership. A person who is the settlor and trustee of a living trust that owns a Unit shall be deemed to be the Owner of the Unit for all purposes under the Declaration. A person who is the beneficiary and trustee of a trust that owns a Unit shall also be deemed to be the Owner of the Unit for all purposes under the Declaration."

**III. The following new Definitions are added to the end of Section 1.1 of the Declaration:**

"Governing Documents" means the Declaration, the Articles of Incorporation, 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.

Occupant or 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.

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 occupied by its Owner, whether or not rent is paid."

**IV. Article 12.6 Association Annual Inspections, is hereby deleted in its entirety.**

**V. High Risk Components. The following new Section 10.15 is added to the Declaration:**

"10.15 Inspection, Repair and Replacement of High Risk Components. In addition to those rights set forth in Section 10.4 with respect to those portions of a Unit or Limited Common element, the failure of which to maintain properly may cause damage, and notwithstanding any other provisions of this Declaration, the Board may, from time to time, after notice and an opportunity for owners to comment, determine that certain portions of the Units and/or Limited Common Elements required to be maintained by the Unit Owners, or certain objects or appliances within the Units and/or Limited Common Elements, pose a particular risk of damage to the other Units and to the Common Elements if they are not properly inspected, maintained, repaired or replaced. By way of example, but not of limitation, these portions,

objects or appliances might include fireplace, flue, bathtubs, sinks, toilets, smoke detectors, hot water hoses, and water heaters, plumbing and electrical fixtures. Those items determined by the Board to pose such a particular risk are referred to as "High Risk Components."

10.15.1 At the same time that it designates a "High Risk Component" or at a later time the Board, after notice and an opportunity for owners to comment, may require one or more of the following with regard to the High Risk Component:

10.15.1.1 That it be inspected at specified intervals by the Association or an inspector or inspectors designated by the Association.

10.15.1.2 That it be maintained, repaired or replaced at specified intervals or with reference to manufacturers' warranties, whether or not the individual component is deteriorated or defective.

10.15.1.3 That it be maintained, repaired or replaced by the Association and the cost be specially assessed to the Unit Owner as a Common Expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments.

10.15.1.4 That it be replaced or repaired with items or components meeting particular standards or specifications established by the Board.

10.15.1.5 That when it is repaired or replaced, the installation includes additional components or installations specified by the Board.

10.15.1.6 That it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Association.

10.15.1.7 If the replacement or repair is completed by an Owner, that it be inspected by a person designated by the Association.

10.15.2 The imposition of requirements by the Board under this Section 10.15 shall not relieve an Owner of his or her obligations under the Declaration, including, but not limited to, Section 10.4, and any obligation to perform and pay for repairs, maintenance and replacement.

10.15.3 If any Unit Owner fails to repair, maintain or replace a High Risk Component in accordance with the requirements established by the Board under this Section 10.15, the Association may, in addition to any other rights and powers granted to it under the Governing Documents and the Act.

10.15.3.1 Enter the Unit in accordance with Article 12, and inspect, repair and maintain or replace the High Risk Component, and in such event and the cost thereof shall be specially assessed to the Unit Owner as a common expense attributable to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments; and

10.15.3.2 Exercise any and all other enforcement remedies available to the

Association under the Governing Documents and the Act.

**VI. Liability for Damages and Misconduct. The following new Section 10.16 is added to the Declaration:**

“10.16 Liability for Damages and Misconduct. Notwithstanding any other provision of the Declaration, except to the extent covered by insurance obtained by the Association, each Owner is liable for, and shall be responsible for (i) any expenses resulting from damages done to a Unit, the Common Elements or the Limited Common Elements, by that Owner, Occupant, and/or any Tenant using and/or occupying the Owner’s Unit, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant, or any Tenant; (ii) any expenses resulting from damages done to a Unit, the Common Elements or the Limited Common Elements, 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, and/or (iii) any expenses resulting from any acts and/or omissions, or misconduct by that Owner, Occupant, and/or any Tenant using and/or occupying the Owner’s Unit, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant, or any Tenant (including but not limited to any attorney’s fees incurred by the Association, Board of Directors, or any member of Board of Directors in his/her capacity as such). The sums due from any Owner pursuant to this Section shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements, and shall be collectable as are other Assessments.

Liability for any damage shall be the responsibility of an individual Unit Owner where the damage results from a negligent or intentional act or omission by an Owner, Occupant, and/or any Tenant using and/or occupying the Owner’s Unit, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant, or any Tenant, or from the 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.”

**VII. Right of Entry. Article 12 is hereby deleted in its entirety and the following new Article 12 is substituted in its place:**

“The Board and/or its agents, contractors and employees may enter any Unit or Limited Common Element when reasonably necessary or advisable in connection with the exercise of any power granted to, or the performance of any duty which is the responsibility of the Board under the Governing Documents, including but not limited to, (i) any landscaping or construction for which the Board is responsible, (ii) any inspection, maintenance, operation, repair, improvement, sanitation, or reconstruction for which the Board is responsible, or which the Board deems necessary, (iii) to do any work that an Owner has failed to perform, (iv) to prevent damage to the Common Elements, Limited Common Elements, that particular Unit or to another Unit, or (v) if an emergency occurs.

Except in cases of emergency that preclude advance notice, the Board shall cause the Unit

Owner and Occupant to be given written notice as far in advance as is reasonably practicable. Entry shall be made with as little inconvenience to the Owner as practicable. Any damage caused by the entry of the Unit shall be repaired by the Board out of common funds if the entry was due to an emergency (unless the emergency was caused by the Owner, Occupant, or Tenant of the Unit entered, or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant or Tenant of the Unit entered, in which case the cost shall be specially assessed to the Unit entered) or for the purpose of operations, repairs, improvements, sanitation, construction or reconstruction to the Common Elements where the repairs were undertaken by or under the direction of the Board.

Additionally, if (i) the inspection, maintenance, operation, repair, improvement, sanitation, construction or reconstruction were necessitated for the Unit entered, by its Owner, Occupant, or Tenant or the family, servants, employees, agents, visitors, licensees or household pet of that Owner, Occupant or Tenant, or (ii) the Owner of the Unit has failed or refused to perform the inspection, operation, maintenance, repair, improvement, sanitation, construction or reconstruction within a reasonable time after written notice of the necessity of the inspection, maintenance, operation, repair, improvement, sanitation, construction or reconstruction has been give to the Owner, then the costs of the inspection, maintenance, operation, repair, improvement, sanitation, construction or reconstruction and of the entry shall be specially assessed to the Unit, shall be a lien upon the Unit and upon any appurtenant Common Elements and Limited Common Elements, and shall be collectable as are other Assessments under Article 17 hereunder. In furtherance of the foregoing, the Board (or its designated agent) shall have the right at all times to possess such keys, lock combinations, and/or instruments of access, as are necessary to gain immediate access to Units and Limited Common Elements”

**VIII. Borrowing Provision. The following new Section 15.6 is added to the Declaration:**

“Section 15.6. Borrowing Provision. In the discharge of its duties and the exercises of its powers as set forth in this Section, but subject to the limitations set forth in the Declaration, the Board may borrow funds on behalf of the Association, and to secure the repayment of those funds, may levy a special Assessment (the “Loan Special Assessment”) against each Unit and the Owner thereof, for that Unit’s pro rata share of the funds borrowed, together with interest payable thereof, and may assign the Association’s right to future income including the right to receive the Loan Special Assessment to banks, other financial institutions, lenders and/or contractors as security for such loans. The Owner of a Unit may remove the Unit from the lien of the Loan Special Assessment as provided in RCW 64.32.070 by payment of the fractional or proportional amounts attributable to the Unit. The individual payments for each Unit shall be computed by reference to the Allocated Interests provided in Section 6.4 and Schedule B of the Declaration. After any payment in full, discharge or satisfaction of the Loan Special Assessment, the Unit shall be free and clear of the lien so paid, satisfied, or discharged. A partial payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce the lienor’s rights against any Unit not so paid, satisfied, or discharged and/or the Owner thereof. Notwithstanding anything herein to the contrary, the Unit shall remain liable for its share of any additional special Assessments

levied against the Unit to pay a portion of the Loan Special Assessment against a Unit or Units uncollectible by reason of the nonpayment thereof.

**IX. Collections. The following new Sections 17.12 and 17.13 shall be added:**

“17.12 No Waiver. The failure of the Association or the designee to invoke any remedy provided for in this Article 17, or its discontinuance of the exercise of that right, shall not constitute a waiver of the right to exercise that remedy for any continuing or future failure by an Owner to pay all Assessments promptly when due.

17.13 Right to Assign Assessments. Subject to the provisions of the Declaration, the Board shall, from time to time, have the right to assign future Assessments to banks, other financial institutions, lenders and/or contractors, for security for loans to pay for repairs, maintenance, alterations, capital additions or improvements to the Condominium, Buildings, Common Elements or Limited Common Elements.”

**X. Enforcement. Article 18 of the Declaration is hereby deleted in its entirety and the following new Article 18 is substituted in its place:**

“18.1 Rights of Action. Each Owner, Tenant and other Occupant of a Unit in the Condominium shall comply strictly with the provisions of the Governing Documents, as amended, and with all decisions of the Board adopted as provided in the Governing Documents. The acceptance of a deed or conveyance or the entering into any occupancy of any Unit shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by the Owner, Tenant or other Occupant, and all provisions of the Governing Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though the provisions were recited and stipulated at length in each and every deed, conveyance or lease of the Unit. Failure to comply with the Governing documents shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Owners) or by the aggrieved Owner on his own against the party (including an Owner or the Association) failing to comply.

18.2 Failure of Board to Insist on Strict Performance No Waiver. The Board has the authority to enforce the governing Documents by imposing the remedies provided in this Declaration. The Board or property manager shall exercise its business judgment in determining what actions to take in the enforcement of the Governing Documents. The failure of the Board or property manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition, or restriction, but the term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board or property manager of any Assessment from an Owner, Tenant or Occupant, with

knowledge of any breach, shall not be deemed a waiver of that breach, and no waiver by the Board of any provision of the Governing Documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

18.3 Hearing Board. In order to facilitate the rights set forth in the Act relating to the fining of an Unit Owner for violations of the House Rules, a Hearing Board which, shall consist of the Board or of Owners appointed by the Board pursuant to the Act, shall be designated as needed pursuant to the any internal notice and hearing procedures required under the Act (“Due Process Procedures”). The Hearing Board is authorized and empowered, as provided in the Due Process Procedures, to investigate, hear and determine all complaints arising out of or relating to the levying of reasonable fines in accordance with a previously established schedule thereof. The Hearing Board is further authorized and empowered to levy reasonable fines against any person who shall have been found to be in violation of any provision of the Governing Documents or Board decision after notice and an opportunity to be heard. Fines and costs shall constitute Assessments secured by a lien upon any Unit belonging to or occupied by the person against whom they were assessed and shall be collectible in the manner provided in Article 17 for the collection of Assessments. This Hearing Board is for rules enforcement and is in separate and apart from Section 15.5 relating to notice and opportunity to be heard under the Declaration.

18.4 Judicial Enforcement; Loss of Voting Rights; Privileges. Failure to comply with a provision of the Governing Documents, a Board decision, or to comply with a decision of the Hearing Board following notice of a violation and an opportunity for a hearing, shall be grounds for an action to recover sums due for damages, which shall include any fines levied by the Hearing Board and any costs, including attorney’s fees, incurred by the Association in connection with the proceedings before the Hearing Board, maintainable by the Association (acting through the Board on behalf of the Owners). Such failure shall further be sufficient grounds for the granting of an injunctive relief in such an action and a showing of irreparable harm shall not be a prerequisite to issuance of such injunctive relief.

Such failure shall further be sufficient grounds for the revocation of (1) the Owner’s voting rights, and the right of the Owner to hold any proxies, or attend any meetings, until the Owner comes into compliance with the Governing Documents, a Board decision, or to comply with a decision of the Hearing Board. Such failure shall also be sufficient grounds for revocation of the Owner’s right to use any facilities of the Association (including but not limited to pools, spas, parks, community rooms and the like), until the Owner comes into compliance with the Governing Documents, a Board decision, or to comply with a decision of the Hearing Board.

Nothing contained in the Governing Documents shall be deemed or construed as a waiver of the Association’s right to bring an action as provided in this Section without first exhausting the Association’s internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. If the Board fails or refuses, after demand by an aggrieved Owner, to take appropriate action to enforce compliance with any provision of the Governing Documents, any Board decision, or any Hearing Board decision,

an aggrieved Owner may maintain an action for damages or injunctive relief against the party (including an Owner or the Association) failing to comply. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment its reasonable attorney's fees incurred in connection with the action, in addition to its taxable costs as permitted by law.

18.5 Enforcement Against Tenants. If a Tenant and/or Occupant, occupying a Unit fails to comply with the Governing Documents, or any decision of the Board or Hearing Board then, in addition to all other remedies which the Association or Board may have, the Board shall notify the Unit Owner of the violation(s) and demand that the same be remedied through the Unit Owner's efforts within ten (10) days after the notice. If the violation(s) is (are) not remedied within the ten(10) day period, or if the Tenant, and/or Occupant, has been found to be in violation of the Governing Documents, a Board decision, or a decision of the Hearing Board following notice and opportunity to be heard more than twice during the immediately preceding one (1) year period, then the Unit Owner shall immediately, at his or her sole cost and expense, institute and diligently prosecute an unlawful detainer action under the Washington State Residential Landlord Tenant Act or any successor statute on account of the violation(s). The action shall not be compromised or settled without the prior written approval of the Board. If the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the responsibility or duty, to institute and/or prosecute the action as attorney in fact for the Unit Owner at the Unit Owner's sole cost and expense, including all attorney's fees incurred. The costs of the action, whether or not suit is filed, and any costs arising out of or related to said action, including attorney's fees, shall be recoverable from the Tenant, and/or Occupant, and in addition shall be deemed to constitute Assessments secured by a lien on the Unit involved as well as the personal obligation of the Unit Owner, and collection of those costs and fees may be enforced by the Board in the manner described in Article 17 of the Declarations. Each and every Unit Owner does hereby automatically and irrevocably name, constitute, appoint, and confirm the Association as his or her attorney in fact, which appointment is coupled with an interest, for the purposes described in this Section.

18.6 Recovery of Attorney's Fees and Costs. In addition to any attorney's fees and costs recoverable in an action brought under Section 18.4 or 18.5, or awarded by the Hearing Board as provided in Section 18.3, the Association shall be entitled to recover any costs and attorney's fees incurred in connection with the enforcement of any provision in the Governing Documents, any Board decision, or any Hearing Board decision, whether or not the enforcement activities result in suit being commenced or prosecuted to judgment or a hearing before the Hearing Board being held. In addition, if suit is filed, the prevailing party shall be entitled to recover costs and reasonable attorney's fees on appeal and in the enforcement of a judgment, whether in the State of Washington or elsewhere. All such costs and attorney's fees shall constitute an Assessment as defined in the Declarations, and shall be collectible as such."

**XI. Property Insurance. In Section 21.2, the language beginning with “Up to the amount of the deductible under the Association’s policy. . .” through and including “. . . or drains in or serving only the Owner’s Unit.” shall be deleted in its entirety. In addition, the following language shall be added at the end of Section 21.2.**

“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.

The property 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, to the extent the same are reasonably available. This can be achieved by a Special Cause of Loss, special form, or similar coverage form.”

**IX. Insurance. Section 21.5.3 of the Declaration is hereby deleted in its entirety and the following new Section 21.5.3 is substituted in its place:**

“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. This does not affect the liability of the Unit Owner under Sections 10.15 and 10.16, a Unit Owner’s responsibility to obtain insurance under Section 21.7 and/or a Unit Owner’s liability for uninsured amounts under Section 21.9.”

**X. Owner Insurance. Section 21.7 of the Declaration is hereby deleted in its entirety and the following new Section 21.7 is substituted in its place:**

“22.7 Owner’s Individual Insurance. Each Owner shall, at his or her own expense, obtain additional insurance (“Owner’s Individual Insurance”) respecting his or her Unit as contemplated under RCW 64.34.352, as amended. Owner’s Individual Insurance coverage shall be written on a condominium Unit owner’s policy form, and individually or together with an umbrella policy, must include personal liability coverage with limits of at least Three Hundred Thousand Dollars (\$300,000) combined single limit bodily injury and property damage. A Tenant who is renting or leasing a Unit shall provide general liability renter’s insurance in the same amounts and with the same terms as that required for Owner’s Individual Insurance, if the Owner does not have such coverage. The Board may, from time to time, adopt rules which set additional or greater requirements for Owner’s Individual Insurance coverage, including the minimum amount of Building Coverage and Liability Coverage to be included and the maximum amount of the permissible deductible. If the coverage required under this Section is not reasonably available, the Owner shall provide proof of that 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 Four Thousand Dollars (\$4,000.00).”

**XI. Liability for Uninsured Amounts** The following new Section 21.9 shall be added to the Declaration:

“21.9 Liability for Uninsured Amounts. Notwithstanding any other provision of this Declaration,

21.9.1 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 (i) limited solely to damage to an Owner’s Unit or the Limited Common Elements assigned to the Unit, (ii) where the damage is the responsibility of the Owner as outlined in Sections 10.4, 10.15 and 10.16, and/or (iii) the cause originated within the Owner’s Unit. Notwithstanding the foregoing, if the Association obtains coverage for high risk perils (other than all risk/special form coverage) such as earthquake, flood, and/or terrorism insurance, the payment of said deductible shall be a common expense to the Association.

21.9.2 Except as provided in Section 21.9.1 above, 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 Elements and to each of the affected Unit, including Limited Common Elements assigned thereto, where the damage involves both the Common Elements and one or more Units or the Limited Common Elements assigned thereto, and the cause originated within any Common Element. Notwithstanding the foregoing, if the Association obtains coverage for high risk perils (other than all risk/special form coverage) such as earthquake, flood, and/or terrorism insurance, the payment of said deductible shall be a common expense to the Association.

21.9.3 Notwithstanding the foregoing, or anything to the contrary contained in the Declaration, the Owner of each Unit shall be responsible for any and all damage resulting from faulty or leaking plumbing fixtures or pipes, hot water tanks, sinks, bathtubs, dishwashers, washers, including the grouting, sealing or caulking associated with the same, as well as any connecting hoses, drains or pipes in or serving only the Owners’ Unit, fireplace, flue, and electrical fixtures located in the Owner’s Unit.”

**XII. Initial Board Determination**. Section 22.1 of the Declaration is hereby deleted in its entirety and the following new Section 22.1 is substituted in its place:

“22.1 Initial Board Determination. If any Common Element, Unit, Limited Common Element, equipment or appliances, covered by the Association’s insurance policy are damaged, and if the damage itself is covered by the Association’s insurance policy, then in the event of said damage to any Common Element or to any portion of a Unit or its Limited Common Element, equipment, or appliances, the Board shall promptly, and in all events



