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DOCUMENT TITLE:

Seventh Amendment to Condominium
Declaration for The Courtyard at Queen Anne
Square, A Condominium

REFERENCE NUMBERS:

20000601000783, 20010919001640,
20030811001681, 20040510002258,
20050131000498, 20050705001473,
20061002001806

GRANTOR(S):

The Courtyard at Queen Anne Square
Owners Association

GRANTEE(S):

The Courtyard at Queen Anne Square
Owners Association

SHORT LEGAL DESCRIPTION:

The Residential Unit of Queen Anne Square,
A Condominium Per Condominium
Declaration Recorded Under King County
Recording No. 19990930002421.

ASSESSOR'S PROPERTY TAX

1792530010

PARCEL/ACCOUNT NUMBERS:

through 1792530750 inclusive

DEPARTMENT OF ASSESSMENTS

Examined and approved this 29TH day of JULY, 2011.

BY *Karen J. Kane*
Print Name: LLOYD HARRA
King County Assessor

COPY

**SEVENTH AMENDMENT TO CONDOMINIUM DECLARATION FOR THE
COURTYARD AT QUEEN ANNE SQUARE, A CONDOMINIUM**

Pursuant to RCW 64.34 et seq. the Washington Condominium Act, and pursuant to Sections 26.2.1(k) and 26.2.5 of the Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, King County Recorder's Office file number 20000601000783 as amended ("Declaration"), and (i) the vote or consent of Owners holding at least 67% of the votes in The Courtyard at Queen Anne Square Owners Association ("Association"), and (ii) the consent of Eligible Mortgagees that have at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees; the Declaration shall be amended as follows:

WHEREAS, the Declaration has previously been amended as follows:

a. by Amendment No. 1 to Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20010919001640;

b. by Second Amendment to Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20030811001681;

c. by Amendment No. 3 to Condominium Declaration and Survey Map and Plans for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20040510002258;

d. by Amendment No. 4 to Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20050131000498;

e. by Amendment No. 5 to Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20050705001473;

f. by Amendment No. 6 to Condominium Declaration for The Courtyard at Queen Anne Square, A Condominium, filed in the King County Recorder's Office, file number 20061002001806;

WHEREAS, the Survey Map and Plans have been filed in the King County Recorder's Office, file number 20000601000782, Volume 164 of Condominiums, Pages 48 through 55, as amended by file numbers 20010919001639, Volume 177 of Condominiums, pages 45 through 51, and 20050131000498 ;

WHEREAS, at a meeting duly called and held on March 24, 2011, 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 consideration and approval;

WHEREAS, pursuant to Section 26.2.1(k) of the Declaration, after proper notice to all Owners entitled to vote thereon duly given, the vote or consent of Owners holding at least 67% of the votes in the Association, have voted/agreed/consented to amend the Declaration as hereinafter set forth;

WHEREAS, pursuant to Section 26.2.1 and 26.2.5 of the Declaration, after proper notice to all Eligible Mortgagees entitled to vote thereon duly given, consent of Eligible Mortgagees that have at least 51% of the votes of Units subject to Mortgages held by Eligible Mortgagees have voted/agreed/consented to amend the Declaration as hereinafter set forth (such Eligible Mortgagee has responded with its approval thereof in writing, or such Eligible Mortgagee has failed to respond within thirty (30) days after it receives proper notice of the proposed amendment or action so long as the notice was delivered by certified or registered mail with return receipt requested);

WHEREAS, this amendment attempts to resolve issues created by the Second Amendment and does not seek to impose any greater or lesser rental ceiling (as defined below) than was created in the Second Amendment;

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. New Definitions. The definition "Tenant" is hereby deleted and replaced with the following:

"Tenant means and includes (a) Occupant, (b) Related Party, (c) a tenant, lessee, renter, subtenant and sublessee of any of the foregoing, and the assignee of any of the foregoing, and (d) all other non-Owner Occupants of a Unit that is not also occupied by its Owner, whether or not rent is paid; excluding only immediate family members, domestic partners (as registered under Washington State law), or caretaker who share occupancy with the Owner."

II. Rental of Units. 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) Purpose. The rental ceiling and other provisions in the Declaration concerning the Rental or Leasing of Units are the result of careful weighing of the benefits and disadvantages of the ceiling on leasing the Units. These provisions derive from the collective conclusion of the Owners that their long term interests and the interests of the Association are best served by placing a ceiling on the number of Units to be Rented so as to advance the purposes of preserving and enhancing the value of the Association and of

individual Units.

(b) 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 of a Unit by its Owner and the occupancy of a Unit by a Tenant. The Leasing or Renting of a Unit does not mean or include joint tenancy, tenancy in common, or other forms of co-ownership. A Unit ceases to be rented if a Unit is reoccupied by its Owner at any time. The Owner shall then reapply to rent his Unit under the waiting list provisions if he desires to subsequently rent his Unit.

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 said party 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 and/or any Unit owned 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 Declaration, every Lease shall be for a fixed initial term of not less than twelve (12) months, but may be renewed by lease thereafter for any term. No Unit Owner may Lease less than an entire Unit.

10.3.2 Rental Obligations.

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

(b) The occupancy of a Unit in the Condominium and every Lease shall be subject to, and subordinate to, the Governing Documents of the Association. Notwithstanding the foregoing, by entering into occupancy of a Unit, each Tenant agrees to be bound by the Governing Documents, to the extent applicable to the Tenant's use and/or occupancy of the Unit, including without limitation, the rental ceiling, any of the

enforcement provisions set forth therein, and the rules and regulations, as well as all other applicable federal, state, or local laws and/or regulations, and shall give the Association the same rights against the Tenant, as it has against the Owner of the Unit.

(c) In addition, no 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. 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, including, but not limited to 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) 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.

(f) Merely by virtue of the language in this Declaration, in no event shall it be determined that a landlord/tenant relationship exists between the Association and the Tenant.

10.3.3 Intentionally Omitted.

10.3.4 Notification. All Owners shall promptly advise the Board or the property manager in writing of (a) the Unit number to be rented, (b) the names, address, and telephone numbers of all occupants (Tenant or Owner) of the Unit, (c) the name, address and telephone number of the Owner, and (d) any other information regarding the Owners and any Tenants of the Unit, which may be reasonably required at the Board discretion. 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 Owners shall provide the Board or property

manager with reasonable (at least three (3) business days) prior notice of the date on which they or their Tenants, expect to move in or out of a Unit. Nothing in this Section shall preclude a Tenant 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 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 under the applicable state statute, 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, without the need for ratification.

10.3.6 No Extension. Further, if, during the course of occupancy by any Tenant, a Tenant 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 under the applicable state statute 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, without the need for ratification.

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 Adoption of Rental Rules. The Board may adopt a rule or rules regarding requiring Tenant screening prior to Owner's entering into a Lease with the prospective Tenant. The Board shall be authorized to assess a reasonable fee against any Owner and his/her/its Unit in connection with the rental of Units only, such as the maintaining of Tenant information, to defray the added administrative costs, the moving of any Tenant and/or Owner into a Unit, and in connection with the moving out of any Tenant and/or Owner from a Unit. Such fees shall be collectible as a Special Assessment against the Unit and its Owner, without the need for ratification. The Board may also adopt any other rules to facilitate the enactment of the rental restrictions adopted in this Section 10.3.

10.3.9 Lease Approval. 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. The Lease may be redacted to remove personal information, and the amount of rent, but must contain the names and signatures of the parties, and the lease commencement and termination dates. The ability of the Owner to Lease shall be contingent on:

- (a) the Owner has complied with all of Section 10.3 of the Declaration;
- (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 require the Owner to execute a Lease Addendum prepared by the Association to ensure the Lease is in compliance with the Governing Documents.

Neither the Board nor property manager shall evaluate any information provided by the Owner or in any way make a determination or recommendation as to the suitability of any Tenant or applicant for any Rental. The selection of a suitable and appropriate Tenant is the sole right and responsibility of the Owner.

10.3.10 Intentionally Omitted.

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

- (a) a Unit during the one year period after conveyance of the Unit to the Owner;
- (b) to a number of persons in excess of the number of persons allowed by the occupancy standards of any state or local law; and
- (c) a Unit if leasing of the Unit would result in more than twenty (20) Units being leased concurrently (at the same time) ("Rental Ceiling").

10.3.12 Hardship Waiver. An Owner may submit a written application to the Board for a temporary exception to the Rental Ceiling. The Board may, in the case of substantial financial or personal hardship which renders the Owner unable to reside in his or her Unit (such as an Owner's being temporarily absent from a Unit), grant limited waivers of the restriction on the Rental or Leasing of Units provisions of subsections 10.3.11(a) and (c) only, for up to one year at a time, without extending this time period for others. Said waivers must be in writing and signed by a majority of Board members.

The Board must evaluate the application and determine, in its sole and exclusive discretion, using its business judgment, whether: (a) the hardship exists whereby the Owner would suffer serious harm by virtue of 10.3.11(a) or (c) as applicable; (b) a variance from the requirements contained in this Section 10.3 is fairly in keeping with the purposes of this section to limit investor ownership and non-Owner occupancy of Units; and (c) a variance would or would not detrimentally affect the other Owners or the approval of the condominium for secondary mortgage market financing, lender approval, Fannie Mae, Freddie Mac, VA, or FHA approval.

10.3.13 Application. If an Owner of a Unit desires to Lease his/her/its Unit pursuant to this Section 10.3, the Unit Owner may apply to the Board in writing to Lease said Unit ("Rental Waiting List"). The Board shall determine if the application is in compliance with this Section 10.3. If the application is in compliance, the Board shall grant the Owner's request to Lease its Unit. If the application is not in compliance the Board shall reject the Owner's request to rent its Unit. If less than twenty (20) Units are currently leased, and the application is in compliance with this Section 10.3, the Board shall grant the application subject to compliance with the rest of this Section 10.3. If twenty (20) Units are currently leased the Board may grant a waiver (pursuant to the Hardship Waiver provisions above) and allow the Unit to be Leased, or may place the Unit at the end of the rental waiting list upon written request by the Owner, which will entitle the Owner to Lease the Unit on a first come, first served basis when fewer than twenty (20) Units are being Leased. Said waiting list shall be kept by the Board or community association manager as the Board's agent. 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 Unit Owner does not constitute a waiver of any provision for any other Unit Owners.

Except for Hardship Waivers, and Pre-Existing Leases, or a Lease automatically renewing on a month to month basis, if a Rental Waiting List exists, no Lease or Lease renewal will be approved for a Unit until all Owners who are on the Rental Waiting List have been given the

opportunity to apply to Lease their Unit. Within ten (10) days of receipt of a Notice of Rental Termination, the Association will notify the Owner in the top position on the Rental Waiting List of the opportunity to Lease their Unit.

The Board shall make its determination pursuant to the terms of this Section 10.3. If approved by the Board to Lease their Unit, the Owner who is then first in priority on the waiting list may then Lease his/her Unit pursuant to this Section 10.3, subject to compliance with the Governing Documents. An Owner's position on the waiting list is non-transferable.

Upon the Board's granting of an Owner's request to Lease his/her/its Unit, the Owner shall have thirty (30) days to obtain a Tenant and comply with the terms of this Declaration. If the Owner cannot obtain a Tenant within that thirty (30) day period, or if the Owner does not otherwise fully comply with the terms of the Declaration as determined by the Board in its sole and exclusive discretion, then that Owner forfeits its right to Lease its Unit, and must reapply to Lease his/her/its Unit. That Owner may request in writing to have his or her name placed at the bottom of the Rental Waiting List, and the opportunity to apply for Lease Approval shall be offered to the next highest person on the Rental Waiting List.

The Board may, in the case of substantial financial or personal hardship which renders the Unit Owner unable to timely obtain a Tenant (such as an Owner's being temporarily absent from a Unit), grant limited waivers of the restriction on the sixty (60) day period referenced in the paragraph above, for up to an additional thirty (30) days without extending this period for others. Said waivers must be in writing and signed by a majority of Board members, and may be granted in the Board's discretion.

10.3.14 Restrictions on Grant of Rental. No Owner may Lease a Unit in violation of Section 10.3 (with the exception of the Association, 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 Unit is currently Leased, and

- (a) the Tenant abandons the Unit for a period of greater than thirty (30) 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 thirty (30) days from the expiration of the old Lease, or
- (d) the Owner sells, assigns, transfers or conveys all or any part of his or her interest in the Unit; other than any transfer to spouse, domestic partner, a trust which the Owner is the sole beneficiary, or other business entity wholly owned by the Owner, or
- (e) the Owner moves back into the Unit, or
- (f) the Owner otherwise desires to no longer Lease his Unit, and sends written

notification to the Board of his intent,

then that Unit Owner (and any assignee, transferee and/or subsequent Owner) forfeits its right to Lease its Unit. The Owner (and any assignee, transferee and/or subsequent Owner) of said Unit must re-apply to Lease his/her/its Unit pursuant to Section 10.3.13. The Board shall have the sole and exclusive discretion to extend the thirty (30) day period for substantial financial or personal hardship which renders the Owner unable to reside in his or her Unit, for up to an additional sixty (60) day period without extending the period for others. If the right to Lease is forfeited per any of the above conditions, then said Unit may apply in writing to be placed at the end of the Rental Waiting List to re-Lease their Unit. The Board shall make its determination pursuant to the terms of this Section 10.3 and said Unit shall be placed on the waiting list to re-Lease. The Owner who is then first in priority on the waiting list may then Lease his/her Unit pursuant to this Section 10.3, subject to compliance with the Governing Documents.

10.3.16 Grandfather Clause. Within thirty (30) days from the date of notification to all Owners that this amendment to the Declaration 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, which complies with this Section 10.3 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 a "Pre-existing Lease." Any Tenant occupying a Unit pursuant to a Pre-existing Lease shall be permitted to renew his/her/its lease thereafter, per Section 10.3.16, 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 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.

Owners who, as of the date of this Amendment, have Pre-existing Leases per the 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 Unit, other than any transfer to a spouse, domestic partner, 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 Unit for a period of greater than thirty (30) days, (c) the Lease expires without the Owner and any Tenant entering into a new Lease within thirty (30) days (provided said owners and their tenants immediately comply with all other sections of this Section 10.3), (d) the Owner moves back into the Unit, or (e) the Owner otherwise desires to no longer Lease his Unit, and sends written notification to the Board of his intent, whichever occurs first. The Board shall have the sole and exclusive discretion to extend the thirty (30) day period for substantial financial or personal hardship which renders the Owner unable to reside in his or her Unit, for up to an additional sixty (60) day period without extending the period for others. Upon any of the occurrences contained in this Section, the Unit and Owner shall be subject to all provisions of this Section 10.3. Additionally, if a Unit is vacant at the time of the recording

to this Amendment, the Owner of that Unit shall be subject to all rental restrictions of this Section 10.3.

10.3.17 Notice of Rental Termination. Each Owner who has rented a Unit must promptly give written notice to the Association no later than sixty (60) days after the termination or expiration of a Lease or the date the Tenant moved out, whichever occurs later, if the Owner has not by that time executed a new lease with a tenant and submitted the lease to the Association for approval in accordance with the Governing Documents. This Notice of Rental Termination is needed for, among other things, notifying other Owners of the opportunity to lease, and ensuring that the Association receives notice of occupancy changes.

10.3.18 Lending Requirements. In the event the Board should in good faith determine that any of the provisions of this Section 10.3 may be in violation of the requirements of the secondary mortgage market, or VA or FHA, and that such violation might hinder obtaining financing of the purchase of Units in the Association, the Board may so advise the Owners and propose corrective amendments to this Section 10.3, and the Owners collectively commit to approve such amendments.”

III. Tenant Screening. Section 10.14.2 shall be deleted in its entirety and the following language shall be substituted in its place:

“10.14.2 Tenant Screening Required. Any Unit Owner who desires to rent a Unit to a person (referred to as an "Applicant"), other than a Related Party, shall, prior to entering into a Lease, submit to the individual designated by the Association (referred to as the "Association's designee") for each Applicant a fully completed rental application, proposed Lease agreement, and proof that the Unit Owner has had the Tenant screened (but not a copy of the actual report).

The Association shall not receive any Tenant Screening Report information. The Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and not disclose the contents of any report to the applicant or any other person not permitted access to such information provided by the screening service.”

IV. Confidentiality. Section 10.14.5 shall be deleted in its entirety and the following language shall be substituted in its place:

“10.14.5 Confidentiality. The Association shall not receive any Tenant Screening Report information. The Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and not disclose the contents of any report to the Applicant or any other person not permitted access to such information provided by the Service.”

V. Enforcement. The following language shall be added as Sections 18.1.6 and 18.1.7.

substituted in its place:

“18.1.6 Loss of Voting Rights; Privileges. In addition to the rights set forth herein, 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 the revocation of (1) the Owner’s voting rights, and the right of the Owner to hold any proxies, (2) the Owner’s rights to attend any meetings (board or owner), and/or (3) the Owner’s and/or Tenant’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 and/or Tenant comes into full compliance with the Governing Documents, Board decision, or to comply with a decision of the Hearing Board, as determined by the Board in its sole and exclusive discretion.”

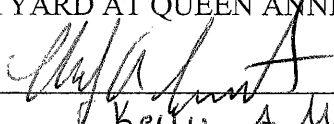
18.1.7 Recovery of Attorney’s Fees and Costs. In addition to any attorney’s fees and costs recoverable in an action brought under Section 18.1.4 or 18.1.5, or awarded by the Hearing Board as provided in Section 18.1.3, the Association shall be entitled to recover any costs and attorney’s fees incurred 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 this Declaration, and shall be collectible as such.”

VI. All other language in the Table of Contents is hereby amended to conform to the revisions contained in this Amendment.

VII. This Amendment shall become effective immediately upon the recording hereof. The terms of this Amendment shall control over and implicitly amend any inconsistent provision of the Declarations or the Bylaws of the Association. Except as amended by this instrument, the Declarations, as amended, shall remain in full force and effect.

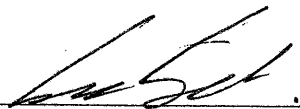
In Witness whereof, the undersigned herein set their hands this 18th day of July, 2011.

THE COURTYARD AT QUEEN ANNE SQUARE OWNERS ASSOCIATION

By: 
Print Name: Kelly A. Marquardt
Its: President

ATTEST AND CERTIFIED; Said amendment has been properly adopted.

THE COURTYARD AT QUEEN ANNE SQUARE OWNERS ASSOCIATION

By: 
Print Name: Sean Selvi
Its: Secretary

STATE OF WASHINGTON)

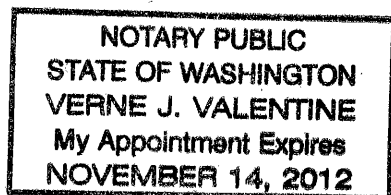
) ss

CORPORATE ACKNOWLEDGMENT

COUNTY OF KING)

On this day personally appeared before me Kelly M. ARBUARDT to me known to be the individual who executed the within and foregoing instrument as duly appointed President for The Courtyard at Queen Anne Square 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 18 day of July 2011.



Verne J. Valentine
SIGNATURE

VERNE J. VALENTINE
PRINTED NAME

Notary Public in and for the State of Washington

Residing at SEATTLE

My Commission Expires: 11/14/2012

STATE OF WASHINGTON)

) ss

CORPORATE ACKNOWLEDGMENT

COUNTY OF KING)

On this day personally appeared before me Sean Selin to me known to be the individual who executed the within and foregoing instrument as duly appointed Secretary for The Courtyard at Queen Anne Square 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 21st day of July 2011.



Suzanne M. Petersen
SIGNATURE

SUZANNE M. PETERSEN
PRINTED NAME

Notary Public in and for the State of Washington

Residing at Bothell

My Commission Expires: 7/28/13