

Debbie Nuelle Assessor [Signature] Deputy Assessor

OK d/m 8/23/95

When Recorded Return To:

James M. Hushagen
Eisenhower & Carlson
First Interstate Plaza, Suite 1200
1201 Pacific Avenue
Tacoma, Washington 98402

FIRST AMENDMENT TO
DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
HERITAGE
A CONDOMINIUM

This First Amendment to Declaration and Covenants, Conditions, Restrictions and Reservations for Heritage, a Condominium ("First Amendment") is made August 23, 1995 by BMF Limited Partnership ("Declarant").

RECITALS

A. On January 25, 1994, Declarant recorded the Declaration and Covenant, Conditions, Restrictions and Reservations for Heritage, a Condominium ("Declaration") with the King County Records and Election Division under Recording Number 9401271305.

B. The real property effected by the Declaration is located at 123 South 340th, Federal Way, King County, Washington and legally described as set forth in Exhibit 1.

C. Declarant currently is the Owner of more than sixty-seven percent (67%) of the Units in the Condominium and, as such, has authority under Section 21.1 of the Declaration to amend the Declaration.

D. In order to preserve the Owner-occupied status of the Condominium, clarify certain restrictions concerning pets and correct typographical errors in the Declaration, the Declarant hereby amends the Declaration as set forth below.

AGREEMENT

1. Section 1.1.31 shall be amended to read as follows:

1.1.31 "Renting" or "Leasing" a Unit means the granting of the right to use or occupy a Unit, for a specified term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or

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services of value); but shall not mean and include joint ownership of Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

2. Section 10.12 shall be amended to read as follows:

10.12 Termination of Contracts and Leases. If entered into before the Board elected by the Unit Owners pursuant to Section 10.2 takes office, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities, (2) any other contract or lease between the Association and Declarant or an affiliate of Declarant, or (3) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing may be terminated without penalty by the Association at any time after the Board elected by the Unit Owners pursuant to Section 10.2 takes office upon not less than ninety (90) days' notice to the other party or within such lesser notice period provided for without penalty in the contract or lease.

3. Section 11.9 of the Declaration shall be amended to read as follows:

11.9 Pets. Domestic household pets may be kept by Unit Owners; provided, that no dogs may be kept in the Condominium and that the keeping of pets shall be subject to such reasonable rules and regulations as the Board may from time to time adopt. The Board may prohibit pets weighing more than twenty (20) pounds and cats which have not been neutered and may require the removal of any animal which the Board in the exercise of its reasonable discretion finds disturbing other Unit Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. If a Unit Owner violates the rules and regulations of the Board, the Board may, in its discretion, designate the particular pet a nuisance and impose a One Hundred Dollars and no/100 (\$100.00) per month assessment against the Unit Owner of the designated pet, which assessment shall be chargeable against the Unit Owners as an additional special assessment under Section 12.10 and any such special pet assessment shall, for purposes of this Declaration, be fully chargeable and enforceable against the Unit under Section 12 as if such amount were a regular monthly assessment under Section 12.

4. Section 11.13.1 is hereby amended to read as follows:

11.13.1 Lease Restrictions. With the exception of a lender in possession of a Unit following a default under a Mortgage, a Foreclosure proceeding or any deed or other arrangement in lieu of a Foreclosure, Unit Owners may Lease their Units only for limited terms under the limited conditions set forth below:

11.13.1.1 A Unit Owner who has moved permanently from the western Washington area may Lease his or her Unit, or enter into a Lease with an option to sell his or her Unit for a period of no more than three (3) years.

11.13.1.2 A Unit Owner who has moved temporarily from the western Washington area with the intention of returning may Lease his or her Unit for a period of no more than two (2) years; provided, if such Unit Owner's temporary move becomes a permanent move, this two (2) year rental period shall count towards the three (3) year rental period permitted for permanent relocation under Section 11.13.1.1 above.

11.13.1.3 A Unit Owner who vacates his or her Unit but does not move from western Washington may lease a Unit only to a member of his or her immediate family and only for a period of no more than one (1) year.

11.13.1.4 The Lease periods set forth above shall be cumulative and a Unit Owner shall not lease his or her Unit to different tenants for consecutive terms in excess of the above limitations.

5. Section 11.13.3 shall be amended to read as follows:

11.13.3 Written Leases. All Leasing or Rental agreements shall be in writing and be subject to this Declaration and Bylaws (with a default by the tenant in complying with this Declaration and/or Bylaws constituting a default under the Lease or Rental agreement) and shall be submitted to the Association prior to execution for approval or rejection based on the Unit Owner's compliance with the limitations set forth in this Section 11.13.

6. A new Section 11.13.5 shall be added to the Declaration to read as follows:

11.13.5 Enforcement. If any Unit Owner leases a Unit beyond the limited term or otherwise in violation of this Section 11.13, such Unit Owner hereby authorizes the Association to take control of the Unit on behalf of the Unit Owner, collect all the rents, remove the Tenant and take any other action which the Unit Owner may take with respect to the Unit. Any rental agreement whose term exceeds those permitted in Section 11.13.1 above shall be deemed terminated as of the date that the Lease term exceeds such limitations.

BMF LIMITED PARTNERSHIP

By: William F. Groff
William F. Groff
Its Managing General Partner

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that William F. Groff is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Managing General Partner of BMF Limited Partnership, a Washington limited partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED August 23, 1995.

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[Signature]
Signature of Notary Public
Julius M. Henshew
Name of Notary Public
NOTARY PUBLIC
7/12/97
My Appointment Expires

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