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Request of: WHATCOM LAND TITLE

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HUGH LEWIS, ATTORNEY AT LAW, P.C.
2200 RIMLAND DRIVE, SUITE 220
BELLINGHAM, WA 98226-6643

TITLE OF DOCUMENT:

SECOND AMENDMENT TO DECLARATION
FOR GLENEAGLE VILLAS III, A
CONDOMINIUM

AF# OF AFFECTED DOCUMENT:

2061000345

GRANTOR:

JTC3, LLC

GRANTEE:

THE GENERAL PUBLIC

109510
**SECOND AMENDMENT TO DECLARATION
FOR GLENEAGLE VILLAS III, A CONDOMINIUM**

1101414

PURPOSE: TO EXERCISE RIGHTS TO ADD FINAL PHASE OF DEVELOPMENT, TO CORRECT
TECHNICAL ERRORS AND TO CONFORM DECLARATION TO APPLICABLE LAW,

AND TO CONFIRM TERMINATION OF DEVELOPMENT RIGHTS

THIS AMENDMENT is made this 12th day of March, 2010, by JTC3, L.L.C.,
a Washington limited liability company, ("Successor Declarant").

WITNESSETH THAT:

WHEREAS, the Declarant, Gleneagle Partners L.L.C., executed certain Condominium Instruments establishing GLENEAGLE VILLAS III, A CONDOMINIUM, in Blaine, Washington and caused the Declaration to be recorded in the land records of Whatcom County, Washington, at Auditor's File No. 2061000345, along with a Survey Map and Plans, which were contemporaneously recorded at Auditor's File No. 2061000344; and

WHEREAS, the Declaration was previously amended by a First Amendment to Declaration, which was recorded at Auditor's File No. 2071101982 among the land records of Whatcom County, Washington, along with a First Amendment to Survey Map and Plans, which were contemporaneously recorded at Auditor's File No. 2071101981; and

WHEREAS, Declarant's interest in the Condominium, together with all development rights and special declarant rights were conveyed to Successor Declarant by Trustee's Deed and subsequent Quit Claim Deed, recorded at Auditor's File Nos. 2091000892 and 2091203087, respectively; and

WHEREAS, pursuant to RCW 64.34.236 and Sections 3.3.2 and 17.6 of the Declaration, the Declarant may unilaterally amend the Condominium Instruments from time to time to exercise Development Rights, to correct nonmaterial technical errors and to conform them to applicable law; and

WHEREAS, in Section 3.3.1 of the Declaration, the Declarant reserved Development Rights to convert Development Units into Residential Units in the Condominium; and

WHEREAS, the Successor Declarant now wishes to exercise Development Rights and has converted one (1) Development Unit into Residential Units, using the process described in Section 3.3.2 of the Declaration; and

WHEREAS, Successor Declarant owns Development Unit Dev-1 in the Condominium and desires to subdivide said Development Unit into two (2) new Residential Units, each with associated Limited Common Elements;

NOW, THEREFORE, pursuant to and in compliance with Sections 3.3.2 and 4.1.2 of the Declaration and RCW 64.34.236 and 64.34.248, the following Sections of the Declaration are amended as follows:

1.2.1 Reference to Second Amendment to Survey Map.

Contemporaneously with the recordation of this Amendment, the Declarant has recorded with the Auditor of Whatcom County, Washington a Second Amendment to the Survey Map and Condominium plans, showing the location and dimensions of the new Units and other improvements constructed or contemplated to be constructed for Phase 3 of this Condominium, together with other information required by the Condominium Act; this Second Amendment to the Survey Map and Plans is recorded at Auditor's File No. 210030721 among the land records of Whatcom County, Washington.

3.1 Land and Street Address.

The land on which the buildings and improvements of this Condominium are located is situated at 8998 - 9026 Gleneagle Drive, Blaine, Whatcom County, Washington, and is more particularly described in Exhibit "A" to the Declaration.

3.3 Development Rights.

3.3.1 Description.

No further Units may be added to this Condominium. Development Rights are now terminated.

3.2 Buildings.

The Condominium presently contains nine (9) buildings depicted on the Survey Map and Plans and amendments thereto.

* * * * *

4.1.1 Number of Units Following Amendment.

The Condominium contains eighteen (18) Residential Units which are depicted on the Survey Map and Plans. The location of existing Units within the buildings and the dimensions of those Units are shown on the Survey Map and Plans. Exhibit B hereto contains a list of all Units, their identifying numbers, size, the Allocated Interests appurtenant to each Unit, and other information required by the Condominium Act.

* * * * *

10.3. Reserves for Capital Improvements, Replacements, Major Repairs, & Insurance Deductibles.

10.3.1. General Provisions.

The Board of Directors shall establish and maintain reasonable reserves for major repairs and/or replacement of components of the project that are the responsibility of the Association, along with the amount of any insurance deductible(s), by providing for such reserves in the Annual Budget, segregating such reserves on the books of the Condominium, and allocating and paying monthly to such reserves one-twelfth of the total amount budgeted for such reserves for the current fiscal year. The Board may also establish and maintain reserve funds for operations, capital improvements and/or for such other purposes as may appear advisable from time to time. The portion of the Units' Assessments paid into such reserves shall be conclusively deemed to be non-refundable contributions to the capital of the Association by the Unit Owners. Such reserves may be expended only for the purposes for which they were established unless the Unit Owners, at a duly-constituted meeting of the Association, otherwise decide. The Budget may include reserves for any Special Limited Common Elements, to be assessed against only the Unit(s) benefitted thereby.

10.3.2. Reserve Study Required by State Law.

Unless doing so would impose an unreasonable hardship, the Association shall prepare and update a Reserve Study, in accordance with the relevant 2008 amendments to the Condominium Act. The initial Reserve Study must be based upon a visual site inspection conducted by a Reserve Study Professional. Unless doing so would impose an unreasonable hardship, the Association shall update the Reserve Study annually. At least every three years, an updated Reserve Study must be prepared and based upon a visual site inspection conducted by a Reserve Study Professional. In preparing a Reserve Study, the Association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget. A Reserve Study shall include:

- (a) A reserve component list, including quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current repair and replacement cost for each component;
- (b) The date of the study and a statement that the study meets the statutory requirements;

- (c) The level of reserve study performed: (i) Level I: Full reserve study funding analysis and plan; (ii) Level II: Update with visual site inspection; or (iii) Level III: Update with no visual site inspection;
- (d) The Association's reserve account balance;
- (e) The percentage of the fully funded balance that the reserve account is funded;
- (f) Special assessments already implemented or planned;
- (g) Interest and inflation assumptions;
- (h) Current reserve account contribution rate;
- (i) Recommended reserve account contribution rate;
- (j) Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments;
- (k) Whether the Reserve Study was prepared with the assistance of a Reserve Study Professional; and
- (l) Statutory warning language, if applicable, regarding the Reserve Study.

10.3.3 Working Capital Fund.

To facilitate project approval by institutional lenders, the Successor Declarant may also require that an initial Working Capital Fund be established and maintained by the Association to insure that the Association will have the funds to meet unforeseen expenditures or to purchase any additional equipment or services. Unless otherwise agreed between affected lenders and the Successor Declarant, if such fund is established, each purchaser of a Unit in the Condominium shall be required to pay at closing of the sale of the Unit a nonrefundable sum equal to two months of the regular Common Expense Assessment then allocated to such Unit, plus a *pro rata* portion of such Assessment for the month in which closing occurs. These funds are not to be considered as advance payments of regular Assessments. During the Declarant Control Period described in Section 8.1 hereof, the Successor Declarant may not use any of these working capital funds to defray its expenses, its reserve contribution requirements, its construction costs, or any Association budget deficits. When unsold Units are sold, the Successor Declarant may use funds collected at closing to reimburse itself for funds it may have paid the Association for each unsold Unit's share of the Working Capital Fund.

* * * * *

14.1. No Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to Article XI, neither the Association, the Board nor the Successor Declarant shall be liable for any failure of any utility or other service obtained by the Board, or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of the buildings, or from any pipes, drains, conduits, appliances, or equipment, or from any other place, or for inconvenience or discomfort resulting from any action taken to make repairs to the Property, or to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of liability for Common Expense Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

* * * * *

16.2 Easements for Semiahmoo Resort Association, Emergency Access and City of Blaine.

16.2.1. Easements for Semiahmoo Resort Association and for Emergency Access.

A non-exclusive perpetual easement is hereby granted on, over, under and across the Common Elements to all police, fire, ambulance and other rescue personnel for the lawful performance of their functions during *bona fide* emergencies. A non-exclusive perpetual easement is also granted to Semiahmoo Resort Association on, over, under and across Gleneagle Drive for purposes of performing Upkeep thereto.

16.2.2. Easements for City of Blaine.

The Association shall have the responsibility to properly maintain all stormwater facilities within the Condominium Property. The City of Blaine may inspect all stormwater facilities and Association inspection and maintenance records. The City shall have the right, for the benefit of the City and of the public health, safety and welfare, to perform or provide Upkeep to such stormwater facilities in the event that the Association should fail to perform or provide such Upkeep in a competent and/or timely manner. In the event that the City shall incur any costs or expend any funds, directly or indirectly (including without limitation the cost of the City's own equipment and employees in performing or providing any such Upkeep), the Association shall be liable to the City for all costs and expenses so expended or incurred. If the Association should fail to pay such costs and expenses, the City shall have a lien against all Units, which lien may be foreclosed in the manner of a mortgage on real property.

* * * * *

___ Exhibits.

Attached hereto are the Second Amendments to Exhibit A and Exhibit B to the Declaration.

* * * * *

EXCEPT as modified by this Amendment, all of the terms and provisions of the Condominium Instruments are hereby expressly ratified and confirmed and shall remain in full force and effect.

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SECOND AMENDMENT TO EXHIBIT "A"
TO DECLARATION FOR
GLENEAGLE VILLAS III, A CONDOMINIUM

No change.

LEGAL DESCRIPTION OF LAND SUBJECT TO
DEVELOPMENT RIGHTS

The legal description of the land which is subject to Development Rights described in Section 3.3 of the Declaration, is as follows:

None remaining.

SECOND AMENDMENT TO EXHIBIT "B"
TO DECLARATION FOR GLENEAGLE VILLAS III, A CONDOMINIUM

Unit No.	Address	Square Footage †	Number of Bedrooms	Number of Bathrooms	Number of Fireplaces	Type of Heat	Limited Common Elements**	Allocated Interest*
1	9026	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
2	9024	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
3	9020	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
4	9018	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
5	9014	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
6	9012	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
7	9008	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%
8	9006	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.555%

Unit No.	Address	Square Footage †	Number of Bedrooms	Number of Bathrooms	Number of Fireplaces	Type of Heat	Limited Common Elements**	Allocated Interest*
9	9002	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
10	8998	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
11	8994	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
12	8992	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
13	9009	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
14	9011	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
15	9015	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
16	9017	1,750	2+Den	2	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
17	9021	2,460	3+Den	2.5	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%

Unit No.	Address	Square Footage †	Number of Bedrooms	Number of Bathrooms	Number of Fireplaces	Type of Heat	Limited Common Elements**	Allocated Interest*
18	9023	2,460	3+Den	2.5	1	Gas F.A.	Entry Way & Patio, Attached 2-Car Garage, Shared Driveway	5.5555%
Totals		32,920						100.0000%

* Allocated interests are the percentages of undivided interests in the Common Elements, fractional liability for the Common Expenses of the Association, and portions of the votes in the Association, allocated to each Unit under Sections 5.3, 7.4.2, and 10.6 of the Declaration, pursuant to RCW 64.34.224(1).

** Items listed are Limited Common Elements permanently assigned to their respective Units as identified above, pursuant to Section 6.1 of the Declaration.

† Square footages are calculated from architects' drawings of Apartment Units, and cover "heated space" within the building within the Unit. Such measurements are believed but not warranted to be accurate and will differ from calculations derived from Section 4.2 of the Declaration, which include small portions of land.