#### **RESOLUTION NO. 785**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON APPROVING AN AMENDED CONDOMINIUM DECLARATION FOR UNIVERSITY PLACE TOWN CENTER LOT 8

WHEREAS, in September 2011 the City Council approved a Condominium Declaration for Lot 8 of the University Place Town Center to allow for the construction of the Clearview Mixed Use Building upon the existing City-owned Lot 8 garage, which Condominium Declaration was intended to maintain the two separate ownerships within the structure; and,

WHEREAS, it has come to the City's attention that filing an Amended Condominium Declaration to clarify the separation of ownership is in the City's best interests:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. <u>Incorporation of Recitals</u>. The recitals are hereby incorporated herein as if set forth in full.

Section 2. <u>Approval of Form of Documents</u>. The City Council hereby approves execution of an Amended Condominium Declaration in substantially the form of the document accompanying this Resolution.

Section 3. <u>Completion of Transaction</u>. The City Manager is authorized to take and execute any additional measures or documents that may be necessary to complete this transaction, which are consistent with the approved form of the document attached, and the terms of this Resolution.

Section 4. <u>Effective Date</u>. This Resolution shall be effective immediately upon adoption by the City Council.

ADOPTED BY THE CITY COUNCIL ON JULY 20, 2015.

Denise McCluskey, Mayor

ATTEST:

Emelita Genetia, City Clerk

APPROVED AS TO FORM:

Steve Victor, City Attorney

RECORDING REQUESTED BY AND WHEN RECORDED, RETURN TO:

City of University Place 3715 Bridgeport Way University Place, WA 98466 Attn: City Attorney

DRAFT

# AMENDED DECLARATION AND COVENANTS, CONDITIONS, AND RESTRICTIONS FOR UNIVERSITY PLACE TOWN CENTER LOT 8, A CONDOMINIUM

Grantor: CITY OF UNIVERSITY PLACE

Grantee: PUBLIC

LOT 8 AS SHOWN ON UNIVERSITY PLACE

TOWN CENTER AMENDED BINDING SITE PLAN,

Legal Description (Abbreviated): RECORDED SEPTEMBER 18, 2009 UNDER

RECORDING NO. 200909185003, RECORDS OF PIERCE COUNTY AUDITOR, PIERCE COUNTY,

WASHINGTON

Tax Account Number: 4002560080

# AMENDED DECLARATION AND COVENANTS, CONDITIONS, AND RESTRICTIONS FOR UNIVERSITY PLACE TOWN CENTER LOT 8, A CONDOMINIUM

CITY OF UNIVERSITY PLACE ("City" or "Declarant") makes this Declaration pursuant to the provisions of the Washington Condominium Act, Chapter 64.34 of the Revised Code of Washington ("Act").

## SECTION I. INTERPRETATION

- 1.1 <u>Liberal Construction</u>. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium under the provisions of relevant Washington statutes. The provisions of the Act referenced herein under which this Declaration is operative, shall be liberally construed to accomplish the intent of this Declaration.
- 1.2 <u>Interpretation to Conform to Mixed Use Objectives</u>. The provisions of this Declaration shall be interpreted in a manner that facilitates the administration of a mixed-use condominium, avoids oppression or inequitable treatment of one Unit or another, supports the successful operation of the Units, preserves the value of the other Units, and ensures the first-class appearance of the Structure so as to retain its attraction to all Owners and Occupants. In any dispute concerning the meaning and effect of this Declaration, the foregoing intent and purposes shall be given primary consideration.
- 1.3 <u>Immaterial Defects</u>. The creation of the Condominium shall not be impaired and title to the Units shall not be rendered unmarketable or otherwise affected by reason of an insignificant failure of this Declaration or the Survey Map and Plans or any amendment thereto to comply with the Act.
- 1.4 <u>Partial Invalidity</u>. If any term, covenant, condition, restriction or reservation contained in this Declaration should be held to be unenforceable or invalid by any court of competent jurisdiction, such holding shall not invalidate this Declaration as creating a condominium and shall be limited to the extent practicable to the provision so invalidated.
- 1.5 <u>Terms Consistent With Act</u>. The terminology used herein is intended to have the meaning set forth in the Act unless the context clearly requires otherwise.
- 1.6 <u>Covenants Running With Land</u>. This Declaration (unless and until terminated as provided herein, or as provided in the Act) shall be operative as a set of covenants running with the Property, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act, should the Act be, in any respect, inapplicable.
- 1.7 <u>Singular/Plural, Etc.</u> The singular may include the plural, and the masculine may include the feminine, or vice versa, unless the context requires otherwise. When the word "include" is followed by listed items it is meant to be a nonexclusive list.
- 1.8 <u>Captions and Exhibits</u>. Captions given to the various sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

- 1.9 <u>Rule against Perpetuities</u>. The rule against perpetuities may not be applied to defeat any provision of this Declaration. In the event of an express conflict between this Declaration and the Act, the Act shall be controlling.
- 1.10 <u>Definitions</u>. The following definitions shall apply in this Declaration, unless the context requires otherwise:
  - 1.10.1 "Building" means the improvements constructed on the Land which are comprised of the Shell and Structure consisting of a three level parking garage.
  - 1.10.2 "<u>CC&Rs</u>" means the Declaration of Covenants, Conditions and Restrictions for University Place Town Center Lot 8, recorded prior to or contemporaneously herewith, as the same may be amended from time to time.
  - 1.10.3 "Improvements" mean the Land and all improvements constructed by or on behalf of the Declarant either at the time of recording of this Declaration or thereafter.
  - 1.10.4 "Condominium" means University Place Town Center Lot 8, A Condominium, situated in Pierce County, Washington and created hereby.
  - 1.10.5 "Conveyance" means any transfer of the ownership of a Unit, including a transfer by deed or by real estate contract, but shall not include a transfer solely for security purposes.
  - 1.10.6 "<u>Declarant</u>" means the party creating the Condominium, and where the context requires, includes the Person or Persons to whom the Special Declarant Rights are conveyed.
    - 1.10.7 "Declaration" means this instrument, as amended from time to time.
    - 1.10.8 "Developer" means S.E.B., Inc., a Washington corporation and its assigns.
  - 1.10.9 "Development Rights" means any right, if expressly reserved by Declarant in this Declaration, to: (a) add real property or improvements to the Condominium; (b) create Units within real property included or added to the Condominium; (c) subdivide Units or convert Units; (d) withdraw real property from the Condominium.
    - 1.10.10 "Eligible Mortgagee" means the holder of a Mortgage on a Unit.
  - 1.10.11 "<u>First Mortgage</u>" means a mortgage or deed of trust which constitutes a lien against a Unit with priority over all other mortgage or deed of trust liens against that Unit.
    - 1.10.12 "First Mortgagee" means the beneficial owner of a First Mortgage or its designee.
  - 1.10.13 "Foreclosure" shall include a judicial or non-judicial foreclosure, a real estate contract forfeiture, and a deed given in lieu of such foreclosure or sale.
    - 1.10.14 "Land" means the real property legally described in Exhibit A.
  - 1.10.15 "<u>Lease</u>" means any lease, sublease or other occupancy agreement for all or any portion of a Unit.
  - 1.10.16 "Lot" means any of Lot 8 as shown on University Place Town Center Amended Binding Site Plan recorded September 18, 2009 under Recording No. 200909185003, records of Pierce County, Washington.

- 1.10.17 "Mortgage" shall mean a mortgage, deed of trust, or real estate contract creating a security interest or lien on a Unit or the Property, but so long as Declarant or a municipal corporation or other public entity is an owner of a Unit, does not include any transfer by the Declarant, a municipal corporation or other public entity to a trustee for security purposes (other than a deed of trust under RCW 61.24) or sale and leaseback or lease purchase transaction by Declarant, such municipal corporation or other public entity.
  - 1.10.18 "Mortgagee" shall mean the beneficial owner of a Mortgage or its designee.
- 1.10.19 "Occupant" shall mean each Owner, and any Person or Persons from time to time entitled to the use and occupancy of any portion of a Unit under any lease, sublease, license or concession agreement or other arrangement pursuant to which such Person acquires rights of use and occupancy of a Unit. Occupants may include Declarant and includes the members, managers, directors, officers, shareholders, employees and agents of any such Persons to the extent that they otherwise meet this definition of Occupant, but does not include members of the general public or any invitee of any Occupant or any customer or patron of any business operated by any Occupant.
- 1.10.20 "Owner" means any Person who owns a Unit but if ownership is held by a nominee, a trustee for security purposes, a sale-leaseback lessor, a real estate contract vendor or other Person whose interest does not entitle such Person to possession or use of the Unit, such Person shall not be the Owner and the Person who is entitled to possession or use of the Unit shall be considered to be the Owner. The term "Owner" does not include a Person holding an interest in a Unit solely as security for an obligation.
- 1.10.21 "Parking Garage" means that portion of the Condominium located on parking levels P1 through P3 as shown on the Survey Map and Plans and which are used for parking and related purposes.
- 1.10.22 "<u>Person</u>" includes an individual, corporation, partnership, limited partnership, limited liability company, trust, governmental subdivision or agency, municipal corporation or other legal entity.
- 1.10.23 "Project Standards." Except as provided below, "Project Standards" means those standards for use, occupancy, operation, maintenance, repair, replacement and upgrades consistent with "Class A" with respect to office components and "First Class" with respect to the remainder of such Units. The Project Standards for the Parking Garage shall be those which are customary for parking garages for comparable mixed-use projects located in the Pacific Northwest.
  - 1.10.24 "Project" means all improvements contemplated for the Condominium.
- 1.10.25 "Property" means the fee simple interest in, over, or under the Land, including structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance.
- 1.10.26 "Requirements of Law" means all applicable local, state and federal laws, ordinances and regulations and other governmental rules, orders and determinations now or hereafter in effect, whether or not presently contemplated (and except as may be vested in the Property, the Condominium or any Unit thereof by operation of law), applicable to the Property, the Condominium or any Unit therein, or their ownership, operation, use or possession including (without limitation), all those relating to parking, subdivision, environmental, air quality, flood hazard, building codes, zoning or other land use matters, the Americans With Disabilities Act of 1990, as amended, life safety requirements, the City of University Place Town Center Overlay Zone, including the design standards and guidelines adopted by the City in connection therewith, and other governmental approvals, permits, licenses and/or certificates as may be necessary from

time to time to comply with any or all of the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, covenants, conditions and restrictions which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Property, the Condominium or any Unit therein or any part thereof.

- 1.10.27 "Shell" means those improvements located above or below grade which physically separate the exterior environment from the interior space and which protect the interior space from weather and other exterior conditions including water penetration. Interior space includes both heated and unheated space. The Shell includes the curtain wall or window wall, and other weatherproofing systems, fireproofing materials, roofs, and all related systems including roof and terrace drains and drainage systems, flashing systems, ventilating systems, roof membranes, and membranes beneath decks or terraces and pavers for the same which protect the interior space below from water penetration. The Shell does not include any portion of Unit Two.
- 1.10.28 "Special Declarant Rights" means rights, if expressly reserved in this Declaration for the benefit of Declarant to:
- (a) Complete improvements indicated on the Survey Maps and Plans filed with the Declaration under RCW 64.34.232;
  - (b) Exercise any reserved right under Section 2.4; and
- (c) Use easements through the Units for the purpose of making improvements within the Condominium.
- 1.10.29 "Structure" means those improvements which provide structural support for the Shell, Units, Unit Improvements and other spaces in the Condominium. The Structure includes foundations, footings, ceiling and floor slabs, bearing columns, shear or bearing walls, braces, tie downs, structural steel, rebar, and other structural elements. The Structure does not include any portion of Unit Two.
- 1.10.30 "Survey Map and Plans" means the survey map and plans filed simultaneously with the recording of this Declaration and any amendments, corrections, and addenda thereto subsequently filed.
- 1.10.31 "The Act" means the Washington Condominium Act (Revised Code of Washington, Chapter 64.34), as amended from time to time.
- 1.10.32 "Unit Improvements" mean those improvements constructed within the boundaries of a Unit or are otherwise designated in this Declaration as Unit Improvements. Unit Improvements include, to the extent located within the boundaries of a Unit, all non-structural improvements such as interior or tenant improvements, fixtures (such as cabinets) and appliances and equipment which serve only one Unit except to the extent the same are part of the Systems and Facilities, permanently-installed wall and floor coverings, interior walls, partitions, any other betterments and improvements, and replacements or upgrades of the same, whether installed by the Declarant, Owner or its Occupant. Unit Improvements do not include Improvements (such as the Shell and Structure) even if they may be entirely or partially located within the boundaries of a Unit. For Unit Two, the Unit Improvements include interior and exterior improvements, as well as structural and non-structural improvements.
- 1.10.33 "<u>Unit</u>" and "<u>Condominium Unit</u>" mean a portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 2.3 below.

- 1.10.34 "<u>Unit One</u>" means the Unit with that designation described on <u>Exhibit B</u> and shown on the Survey Map and Plans. Unit One includes all parking spaces located in the Lot 8 Parking Garage, except for those reserved as part of Unit Two.
- 1.10.35 "<u>Unit Two</u>" means the Unit with that designation described on <u>Exhibit B</u> and shown on the Survey Map and Plans.
- 1.10.36 "<u>Unit Two Parking</u>" means a portion of Unit Two consisting of one hundred (100) parking stalls located in Unit One as specified in the Survey Map and Plans

## SECTION II. DESCRIPTION OF LAND, BUILDING AND UNITS

- 2.1 <u>Land Described</u>. The Declarant is the sole Owner of the Property legally described in <u>Exhibit A</u> hereto which is being developed as a Condominium.
  - 2.2 <u>Description of Building</u>. There is one building in the Condominium.
- 2.3 <u>Description of Units</u>. There are two units: (1) Unit One and (2) Unit Two. These Units are located as set forth on the Survey Map and Plans. Each Owner has the right to construct Unit Improvements within the boundaries of its Unit. These rights are subject to the restrictions stated herein. Declarant reserves the right to file amendments to this Declaration and to the Survey Map and Plans after substantial completion of construction of the Improvements to show the as-built location of those improvements and to adjust the Unit boundaries to conform to the Improvements as built. Each affected Owner shall consent to these amendments. The boundaries of the Units are shown on the Survey Map and Plans and are described below.
  - 2.3.1 Unit One is an "airspace unit" with its boundaries being an envelope of space the boundaries of which are described on the Survey Map and Plans. The boundaries of Unit One include the entire garage within that Unit, including all structures, improvements and fixtures now or hereafter located within said space.
  - 2.3.2 Unit Two is an "airspace unit" with its boundaries being an envelope of space the boundaries of which are described on the Survey Map and Plans. The boundaries of Unit Two include the entire building within that Unit, including all structures, improvements and fixtures now or hereafter located within said space.
  - 2.3.3 The boundaries of Unit One are the internal boundaries of the entire Parking Garage, except for that portion of the Parking Garage identified as parking for Unit Two and for portions thereof identified on the Survey Map and Plans. The lower boundary of Unit One consists of the horizontal boundary of the upper surface of the concrete slab on the lowest level of the Parking Garage, with the upper boundary being the lower surface of the concrete slab which constitutes the roof for the top floor of the Parking Garage. The vertical boundaries consist of a vertical plane from the outer portion of lower horizontal boundary to the outer portion of upper boundary, all as depicted in the Survey Map and Plans, and consist of all of the space included within that area.
  - 2.3.4 Each Unit includes the easements which benefit that Unit, and is subject to the easements which burden that Unit.
  - 2.3.5 The physical boundaries of a Unit constructed in substantial accordance with the original Survey Map and Plans shall constitute its boundaries rather than the metes and bounds expressed in the Survey Map and Plans, regardless of settling or lateral movement of the Building or minor variances between boundaries shown on the Survey Map and Plans and those of the Building.

- Reserved Rights. Declarant reserves, as Special Declarant Rights and Development Rights, the right to complete the construction of improvements to Unit Two, and the right to make such changes in those improvements as Declarant determines are appropriate in its sole discretion. Declarant also reserves all easements necessary or convenient for the completion of all construction relating to the exercise of the Special Declarant Rights and Development Rights (collectively, "Rights"). Declarant may assign to an Owner such of the Rights as may be necessary or convenient to allow such Owner to complete the improvements to Unit Two as well as any changes or improvements which are necessary or appropriate in connection with the contemplated improvements. Any Right may be exercised with respect to different portions of the Property at different times. No assurances are made regarding the boundaries of portions of the Property which may be subjected to the exercise of a Right or the order in which a Right may be exercised. If a Right is exercised, it is not necessary that the Right be exercised in all or any other portion of the remainder of the Property. Each Owner has the right to complete the Unit Improvements for such Owner's Unit without regard to these Rights provided the Owner complies with the requirements of this Declaration applicable to those construction activities. Without limiting the generality of the foregoing, Declarant specifically reserves the following Developer Rights pursuant to RCW 64.34.216(j), which rights are Special Declarant Rights pursuant to RCW 64.34.020(39).
- 2.5 <u>Use of Elevator</u>. The Owner of Unit One, its guests and invitees, shall have a right to use the elevator without charge within the Parking Garage and on the first floor of Unit Two. The Owner of Unit One, its guests and invitees, may also use the lobby of the building that is constructed on Unit Two for ingress and egress. The Owner of Unit Two may, however, impose reasonable rules and regulations with respect to the use of the elevator and the lobby.
- 2.6 Parking Garage. The Parking Garage (except for the parking assigned to Unit Two) is part of Unit 1 and no Owner or Occupant of a Unit has a right to park in the Parking Garage by reason of its ownership or lease of a Unit in the Condominium. All of the Parking Garage, except for the parking owned by Unit Two, shall be operated as a public parking garage open to members of the public for short term public parking on a first come/first served, unreserved basis. All costs associated with the maintenance, insurance and repair of the Parking Garage, including the Shell and Structure appurtenant thereto, is intended to be allocated among the owners of Lots 3, 4, 7, 8, 9 and 10 as shown on University Place Town Center Amended Binding Site Plan recorded September 18, 2009 under Recording No. 200909185003, records of Pierce County, Washington, as part of the Parking Garage Assessments levied on such owners under the terms of a future agreement. Any Parking Garage Assessments levied against Lot 8 under the CC&Rs shall in turn be allocated among the Owners of Units herein in a ratio of the number of parking stalls in or assigned to the Unit divided by the number of stalls on Lot 8. Until such a future garage cost sharing agreement is established among all owners, the Declarant shall be solely responsible for the cost of managing and operating the Parking Garage.

#### **REGULATION OF USES**

- 2.7 <u>Prohibited Use</u>. No use or operation will be made, conducted or permitted on or with respect to all or any part of the Condominium, which use or operation is unlawful or obnoxious to the development or operation of the Condominium as a first class mixed use project consistent with the objectives listed in Section 1.2 of this Declaration, including but not limited to, the following:
  - 2.7.1 Any public or private nuisance;
  - 2.7.2 Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;
    - 2.7.3 Any obnoxious or offensive odor, noise or sound;
    - 2.7.4 Any noxious, toxic, caustic or corrosive fuel or gas;
    - 2.7.5 Any dust, dirt or fly ash in excessive quantities;

- 2.7.6 Any unusual fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks;
- 2.7.7 Any assembling, manufacturing, refining, waste processing, industrial, agricultural, animal raising or boarding or mining operation; provided that this restriction shall not preclude a pet store or restaurant-brewery;
- 2.7.8 Any establishment selling or exhibiting primarily pornographic materials or any "adult use" as identified by the City of University Place Zoning Code;
- 2.7.9 Any motor vehicle, truck, trailer, recreational vehicle or boat sales, leasing or display;

#### 2.7.10 Any mortuary;

- 2.7.11 Any massage parlor (provided, however, that this restriction shall not apply to a day spa that provides for therapeutic massage among other services), tattoo parlor, bail bonds, pawnshop, check cashing store, gambling operation, bawdy house or brothel, or any use in violation of applicable zoning and other governmental laws and regulations; or
- 2.7.12 Any dumping of garbage or refuse other than that which is generated at the Unit and then only in approved receptacles.
- 2.7.13 Any Police or correctional institution facility, except that administrative facilities for the City's Police operations and a holding facility used to detain persons for not more than 24 hours are allowed in City Unit No. 2.
- 2.8 <u>Compliance with Laws</u>. Each Owner shall comply with all applicable laws, zoning ordinances, regulations, and permit or development conditions applicable to their Unit. Compliance is required with regard to all development and construction of Unit Improvements and the operation and occupancy of the Unit.
- 2.9 <u>Harmful Discharges</u>. No Owner shall permit emissions of dust, gases, or other substances, or the production, storage or discharge of hazardous substances or wastes on or about the Property or into the sewer system, to the extent the same may adversely affect the health, safety or comfort of the other Owners, or to the extent the same is contrary to laws, regulations or covenants applicable to the Property.

#### 2.10 General Use Restrictions.

- 2.10.1 <u>Deliveries</u>. The delivery or shipment of materials, supplies, and fixtures to and from each Unit shall be accomplished in a manner that shall not unreasonably interfere with the quiet enjoyment or the security of the other Units. Each Owner shall bear the expenses relating to any changes in electrical, gas or water service necessitated by the use of such Owner's Unit.
- 2.10.2 <u>Loading Restrictions</u>. All loading and unloading of goods shall be done only from the designated loading zones.
- 2.10.3 <u>Distress Sales</u>. No Unit Owner shall conduct or permit any fire, bankruptcy, auction, or "going out of business" sale in any Retail Unit except pursuant to court order or rule.
- 2.10.4 <u>Plumbing Facilities</u>. No Unit Owner shall use the plumbing facilities for any purpose other than those for which they were constructed or for any purpose that is inconsistent with this Declaration or applicable law.

- 2.10.5 <u>Electrical Equipment</u>. No person shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or air conditioning system.
- 2.10.6 <u>Communications Equipment</u>. Except as provided by any easement to which this Declaration is subject, exterior antennas, satellite receivers and transmission dishes and other communication devices shall not be permitted to be placed upon the Units, and may not be placed on any Unit except in accordance with the Rules; provided, however, subject to any easements to which this Declaration is subject and the rights of the holders thereof, a Unit Owner may install, maintain, repair, replace and remove antennas, satellite receivers and transmission dishes and other communication devices on the roof of the Condominium in compliance with all applicable laws, so long as such devices do not require any structural alterations, interfere with reception by pre-existing communications equipment, cause any structural damage to the Building or cause roof leaks and are screened to the extent required under applicable law. If any such antennas, receivers, dishes or other devices are required to be relocated as a result of the exercise of rights by the holder of any easement to which this Declaration is subject, such removal shall be undertaken, pursued and completed promptly and with due diligence by and at the expense of the Unit Owner installing such communication equipment. All expenses of installing, operating, maintaining, repairing and removing any such equipment shall be borne solely by the Unit Owner installing such communications equipment and any income therefrom shall belong solely to such Owner.
- Unit Improvements. Each Owner shall, at such Owner's sole expense, maintain, repair, and keep the Unit Improvements comprising such Owner's Unit and the equipment, and appurtenances relating thereto, in a good and sanitary condition, free of rodents and pests, and in good order, condition, repair and appearance consistent with the Project Standards applicable to its Unit and shall do all decorating and painting at any time necessary to maintain the good appearance and condition of the Unit. A Unit Owner may make any improvements or alterations to the interior of such Owner's Unit which do not adversely affect the structural integrity or mechanical or electrical systems, lessen the support of any portion of the Condominium, affect the exterior enclosure (Shell and Structure of the Building) or violate the use restrictions in this Declaration. In the event of major damage by casualty, each Owner shall, with reasonable diligence, either re-construct the Unit Improvements or shall complete such demolition, clearing of debris and or partial reconstruction as is necessary to cause the damaged Unit Improvements to be compatible with the remainder of the Property and not materially detract from the value of the other Units. Each Owner may, at such Owner's sole cost and expense and in compliance with applicable law and development restrictions, construct, reconstruct, alter, or renovate the Unit Improvements subject to any restrictions stated in this Declaration.
  - 2.11.1 <u>Construction Insurance</u>. Each Owner shall maintain and shall ensure that all contractors performing work maintain in effect during construction all normal and customary insurance for the scope of construction work being performed. The insurance shall name the other Owners as additional insureds on all liability policies.
  - 2.11.2 <u>Best Construction Practices</u>. Each Owner shall ensure all construction of their Unit Improvements utilizes best construction practices including: (i) measures to ensure job site safety and the safety of others such as fencing the site, posting safety rules, and mandating the use of safety equipment; (ii) controlling the amount of dirt and debris traveling from the jobsite; (iii) clearing debris on a regular basis and otherwise keeping the site in an orderly condition; and (iv) complying with all regulations regarding work hours and maximum permissible noise levels.
- 2.12 <u>Uses Affecting Insurance</u>. No Owner shall permit anything to be done or kept in its Unit which will result in the cancellation of insurance on any part of the Condominium, or would be in violation of any applicable laws or regulations. This restriction shall specifically prohibit any Owner from storing or permitting the storage of explosive or flammable liquids or materials as long if doing so would result in the cancellation of insurance coverage or an increase in insurance premiums.

2.13 <u>Leases</u>. Owners may lease all or any portion of their Units for any lawful purpose not prohibited by this Declaration. The terms of any Lease shall be subject to the provisions of this Declaration which are applicable to the use of the leased premises, and any amendments of the same. No Lease shall relieve the Owner of its obligations hereunder.

## SECTION III. INSURANCE

- 3.1 <u>General Requirements</u>. Each Owner shall obtain separate insurance to cover its Unit Improvements.
- 3.2 Owner's Insurance Each Owner of a Unit, at its own expense, shall obtain and maintain the insurance described herein respecting its Unit, and any other insurance as is typically maintained by owners of similar properties; The policy will cover all of the Owner's Unit in the Condominium, will provide for a "severability of interest endorsement" or equivalent coverage which would preclude the insurer from denying the claim of an insured party because of the negligent acts of another insured party, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the Units, and such other risks as are customarily covered with respect to mixed-use condominium projects of similar construction, location and use. The limits of liability shall be in amounts generally carried by owners of projects of similar construction, location and use but shall be at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence and \$2,000,000 general aggregate.

#### 3.3 Additional Policy Provisions.

- 3.3.1 A provision that the insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of Chapter 48.18 RCW pertaining to the cancellation or non-renewal of contracts of insurance.
- 3.3.2 All property insurance policies shall contain a standard mortgagee clause which shall: (a) Provide that any reference to a mortgagee in the policy shall mean and include all Mortgagees of any Unit, whether or not named therein; (b) Provide that such insurance as to the interest of any such Mortgagee shall not be invalidated by any act or neglect of the Owners or any persons under any of them; (c) Waive any provision invalidating such mortgage clause by reason of the failure of any such Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that such Mortgagee pay any premium thereon, and any contribution clause.

## SECTION IV. DAMAGE OR DESTRUCTION; RECONSTRUCTION

4.1 The Owner of each Unit is solely responsible for insuring and rebuilding its Unit Improvements. The Owner of each Unit shall complete those repairs reasonably necessary to avoid further damage to the Shell and Structure or Unit Improvements for any other Unit, or substantial diminution in value of the other Unit, and to reasonably protect the Owners from liability from the condition of the site, at such Owner's sole cost and expense.

#### 4.2 <u>Determination to Repair, Modifications.</u>

4.2.1 <u>Decision to Rebuild</u>. The Shell and Structure Improvements shall be rebuilt unless the Owners holding eighty percent (80%) or more of the voting rights, and the Eligible Mortgagee of Unit Two, elect not to rebuild. Similarly, the Unit(s) shall be rebuilt unless such Owner(s) elect(s) not to rebuild. Except as provided in § 4.1.1 above, the Owner of any Unit may decide whether to rebuild its Unit Improvements. Unless the required supermajority of votes required to not rebuild has been achieved, then the repair or

restoration work shall be done unless such work would be illegal under any state or local health or safety statute or ordinance and modifications cannot be made to comply with those laws without substantially changing the character of improvements or unless the Condominium is terminated pursuant to the Act. No repair or restoration work shall be commenced by any Owner prior to the combined special meeting except for work (referred to as "Emergency Work") which the Owner deems reasonably necessary to avoid further damage to Unit Improvements for any Unit and to reasonably protect the Owners from liability from the condition of the site or to provide continued access to a Unit or Unit Improvements which have not been damaged subject to all applicable Requirements of Law, including the right of the permitting jurisdiction to restrict access to the Condominium or any Unit thereof as it may deem necessary in the exercise of its police power to protect public health or safety.

## SECTION V. CONDEMNATION

- 5.1 <u>Consequences of Condemnation</u>. If at any time or times during the continuance of the Condominium ownership pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, each Owner may seek, at its sole expense, a separate award from the condemning authority for damages resulting from the taking or all or a portion of its Unit. In that regard, an Owner may represent itself with regard to its Unit.
- 5.2 <u>Proceeds</u>. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Unit Owners except that if the Condemnation Award identifies a portion of the Award as pertaining to a particular Unit, then that portion of the Award will be payable directly to the Owner and Mortgagee of that Unit.
- 5.3 <u>Partial Versus Complete Taking</u>. In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership thereof shall terminate. In the event that less than the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership hereunder shall not terminate.
- 5.4 <u>Allocation of the Condemnation Award</u>. Each Owner shall be entitled to a share of the Condemnation Award from a partial or complete taking determined in the following manner:
  - 5.4.1 <u>Apportionment Among Owners</u>. Amounts shall be apportioned among Owners in proportion to their respective Adjusted Allocated Interests.
  - 5.4.2 <u>Severance Damages</u>. The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned.
  - 5.4.3 <u>Damage to a Unit; Unit Improvements</u>. The respective amounts allocated to the taking of or injury to a particular Unit or its Unit Improvements shall be apportioned to the particular Unit involved.
  - 5.4.4 <u>Agreed Allocation</u>. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then allocation will control to the extent it is relevant and applicable; otherwise, the Condemnation Award shall be allocated among the affected Units based upon their then relative appraised fair market values, excluding the value of any readily removable trade fixtures and personal property.
  - 5.4.5 <u>Distribution of Proceeds</u>. After first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all Mortgages and liens on the interest of such Owner, the balance remaining in each share shall then be distributed to each Owner respectively.

- 5.5 Reductions of Condominium Upon Partial Taking. In the event that (a) a partial taking occurs which pursuant to Section 5.3 does not result in a termination of Condominium ownership hereunder, and (b) at least one (1) Unit is taken or condemned and (c) the condemning authority elects not to hold, use and own said Unit as an Owner subject to and in accordance with the Declaration, then the provisions of this Section 5.5 shall take effect immediately upon the condemning authority taking possession of the Unit or Units so taken or condemned.
  - 5.5.1 <u>Reduction of Declaration</u>. The Units subject to this Declaration shall be reduced to those Units or partial Units not taken or condemned (or not sold or otherwise disposed of in lieu of or in avoidance thereof).
  - 5.5.2 Recalculation of Allocated Interests, Adjusted Allocated Interests and Votes. The votes and Allocated Interests appurtenant to each Unit not so taken or condemned shall be reallocated in proportion to the relative votes and Allocated Interests of those remaining Units. Provided however, if a portion of any Unit is condemned, but the remaining portion of that Unit may still be practically and lawfully used for a purpose not prohibited hereunder, then the votes and Allocated Interests and the Adjusted Allocated Interests of that Unit as set forth on Exhibit B shall be reduced in the same proportion as the reduction in the gross floor area of the Unit resulting from the partial condemnation. In the latter case, the votes and Allocated Interests and the Adjusted Allocated Interests shall be reallocated among all Units in proportion to their relative votes and Allocated Interests and Adjusted Allocated Interest with the partial Unit participating on the basis of its reduced vote and Allocated Interest. In each case, the allocations shall be rounded such that the totals are 100.
  - 5.5.3 <u>Interest of Owner of Condemned Unit</u>. Except with respect to the share of proceeds apportioned pursuant to Section 5.4, no Owner or Mortgagee of a Unit so taken or condemned (except for a Unit only partially condemned which may still be practically and lawfully used) shall have, nor shall there be appurtenant to any Unit so taken or condemned, any right, title, interest, privilege, duty or obligation in, to or with respect to any Unit which remain subject to this Declaration and which are not so taken or condemned.
  - 5.5.4 <u>Interest of Owners of Remaining Units</u>. Except as otherwise expressly provided in Section 5.5, the rights, title, interests, privileges, duties and obligations of an Owner and Mortgagee in, to or with respect to a Unit not so taken or condemned shall continue in full force and effect as provided in this Declaration.
  - 5.5.5 This Section Binding. The provisions of Section 5.5 shall be binding upon and inure to the benefit of all Owners and Mortgagees. All such Owners, Mortgagees and other persons covenant to execute and deliver any documents, agreements or instruments (including appropriate amendments to the Declaration and Survey Map and Plans) as are reasonably necessary to effectuate the provisions of Section 5.5.
- 5.6 <u>Reconstruction and Repair</u>. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified herein.

## SECTION VI. COMPLIANCE

- 6.1 <u>Enforcement</u>. Each Owner shall comply strictly with the provisions of this Declaration, and the administrative rules and regulations made pursuant thereto as they may be lawfully amended from time to time.
- 6.2 <u>No Waiver of Strict Performance</u>. The failure of any Owner in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect.

## SECTION VII. EASEMENTS

- 7.1 <u>In General</u>. In addition to rights under the Act, the Units are benefited by those easements described in this Section. The specific mention or reservation of any easement in this Declaration does not limit or negate any general easement reserved by law. All such easements shall be located as such features are located in the Building as built, or as they may become located due to settling or repair or reconstruction.
- 7.2 <u>Utility and Other Easements</u>. All Owners and their respective customers and invitees shall have an easement over the other Units, as reasonably necessary for access to and from such Owner's Unit and public streets and for access to and from Drexler Drive W. and those portions of the Parking Garage, if any, that such Owner has a right to use.
- 7.3 Encroachments. Each Unit is hereby declared to have an easement over all adjoining Units for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the improvements, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a Unit is are partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Units shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.
- 7.4 Easement for Access to Systems and Facilities. Each Owner shall have an easement for reasonable access through the Units to install, maintain, repair, replace and improve Systems and Facilities to the extent the only practical access is through another Owner's Unit. Except in the event of an emergency, the entering Owner shall give reasonable advance notice to the affected Owner or the affected Occupant by providing reasonable advance notice in writing at its premises. In the event of an emergency the entering Owner shall give notice to the affected Owner and Occupant at the time of entry or as soon thereafter as is possible under the circumstances.
- 7.5 <u>Easement for Lateral and Vertical Support</u>. Each Unit is burdened by an easement in favor of every other Unit for support to the extent any portion of the subject Unit is necessary for lateral or vertical support, including engineering elements necessary for bearing, shear, or seismic purposes. Each Owner shall maintain any such structural elements which comprise a portion of its Unit and shall not take or permit any modifications or other action which would undermine or adversely affect the structural integrity of any other Unit without the consent of those Owners benefiting from such easement for support.

## SECTION VIII. AMENDMENT OF DECLARATION AND SURVEY MAP AND PLANS

8.1 <u>Declaration Amendment</u>. Amendments to the Declaration shall be made by an instrument in writing substantially entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by the Owners holding at least seventy percent (70%) of the votes; provided, however, any provisions of this Declaration relating to the rights of Mortgagees or otherwise requiring the approval of the Mortgagees, may only be amended with the consent of all Eligible Mortgagees. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. It is specifically consented and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein

which may be affected and any or all clauses of this Declaration or Survey Map and Plans unless otherwise specifically provided in the Section being amended or the amendment itself.

8.2 <u>Survey Map and Plans Amendment</u>. Except as otherwise provided herein, the Survey Map and Plans may be amended by means of an amendment to this Declaration which references by recording number the amendment to the Survey Map and Plans. Copies of any such proposed amendment to the Survey Map and Plans shall be made available for the examination of every Owner. Such amendment to the Survey Map and Plans shall be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.

## SECTION IX. TERMINATION OF CONDOMINIUM STATUS

The Condominium may be terminated voluntarily by the vote of the Owners voting in favor of termination and holding at least seventy percent (70%) of the votes and the written consent of all Eligible Mortgagees. Following termination, the Owners shall comply with the procedures, hold title to the real property formerly constituting the Condominium, and be entitled to disbursement of proceeds all as provided in RCW 64.34.268.

#### SECTION X.

#### **DISPUTE RESOLUTION**

10.1 <u>Claims</u>. The following provisions of this Section 10.1 shall apply to any claim, controversy or dispute by or among the Declarant (including members, officers, directors, shareholders and affiliates of Declarant), or one or more Unit Owners, or any of them, arising out of or related to the Declaration, or the Condominium.

#### 10.1.1 Mediation.

- 10.1.1.1 The party that intends to initiate litigation, arbitration or an administrative proceeding shall offer to use any dispute resolution program available within Pierce County, Washington. The written offer must be hand delivered or mailed by certified mail, return receipt requested, to the address contained in the records for the other party.
- 10.1.1.2 If the party receiving the offer does not accept the offer within ten (10) days after receipt by written notice hand delivered or mailed by certified mail, return receipt requested, to the address for the other party, the initiating party may commence the litigation, arbitration or the administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program.
- 10.1.1.3 If a qualified dispute resolution program exists within Pierce County, Washington, and an offer to use the program is made as required under subsection 10.1.1.1, litigation, arbitration or an administrative proceeding may be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation, arbitration or administrative action is stayed under this subsection, both parties shall participate in the dispute resolution process.
- 10.1.1.4 Unless a stay has been granted under subsection 10.1.1.3, if the dispute resolution process is not completed within thirty (30) days after receipt of the initial offer, the initiating party may commence litigation, arbitration or an administrative proceeding without regard to whether the dispute resolution is completed.
- 10.1.1.5 Once made, the decision of the court, arbitrator or administrative body arising from litigation, arbitration or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

- 10.1.1.6 The requirements of this Section do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation, arbitration or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines, nor shall such requirements preclude the issuance of temporary restraining orders or injunctions.
- Costs and Attorneys' Fees. The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation. The fees of any arbitrator and the costs of arbitration shall be paid by the nonprevailing party or parties; if none, such fees and costs shall be divided and paid equally by the parties. Otherwise, should any suit, action or arbitration be commenced in connection with any dispute related to or arising out of this Declaration, to obtain a judicial construction of any provision of this Declaration, or to enforce or collect any judgment or decree of any court or any award obtained during arbitration, the prevailing party shall be entitled to recover its costs and disbursements, together with such investigation, expert witness and attorneys' fees incurred in connection with such dispute, as the court or arbitrator may adjudge reasonable, at trial, in the arbitration, upon any motion for reconsideration, upon petition for review, and on any appeal of such suit, action or arbitration proceeding. The determination of who is the prevailing party and the amount of reasonable attorneys' fees to be paid to the prevailing party shall be decided by the arbitrator (with respect to attorneys' fees incurred prior to and during the arbitration proceeding) and by the court, and including any appellate or review court, in which such matter is tried, heard or decided, including a court that hears a request to compel or enjoin arbitration or that hears exceptions made to an arbitration award submitted to it for confirmation as a judgment (with respect to attorneys' fees incurred in such proceedings).
- Arbitration. Any such claim, controversy or dispute shall be first subject to mediation as provided above or otherwise, and, if not timely settled by mediation, resolved by arbitration in accordance with this Section. The decision and award of the arbitrator shall be final, binding and nonappealable. Any arbitration under this Declaration shall be conducted in Pierce County, Washington, pursuant to the arbitration statutes of the State of Washington, and any arbitration award may be enforced by any court with jurisdiction. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statute of limitations or for purposes of filing a notice of pending action.
  - 10.3.1 The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties. The arbitrator selected shall be neutral and unbiased, except to the extent the arbitrator's prior relationship with any party is fully disclosed and consented to by the other party or parties. If the parties are unable to agree upon the arbitrator within thirty (30) days after a party's demand for arbitration, upon application of any party, the Presiding Judge of the Pierce County Superior Court shall designate the arbitrator.
  - 10.3.2 Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single, consolidated arbitration; provided, however, if any claim, controversy or dispute involves a claim by either party against a third party who is not required to and does not voluntarily agree to submit such claim to arbitration, then either party may elect to have the matter determined by a court of law in a consolidated proceeding, rather than by arbitration. In such case, the parties hereby waive trial by jury and agree that the matter shall be determined by a judge sitting without a jury.
  - 10.3.3 The parties to the arbitration shall be entitled to such discovery as would be available to them in an action in Pierce County Superior Court. The arbitrator shall have all of the authority of the court incidental to such discovery, including, without limitation, authority to issue orders to produce documents or other materials, to issue orders to appear and submit to deposition, and to impose appropriate sanctions, including, without limitation, awards against a party for failure to comply with any order.
  - 10.3.4 The parties to the arbitration may offer such evidence as they desire and shall produce such additional evidence as the arbitrator may deem necessary for an understanding and determination of the dispute. The arbitrator shall determine the admissibility of the evidence offered. All evidence shall be

taken in the presence of the arbitrator and all of the parties, except where any of the parties is absent, in default or has waived its right to be present.

10.4 <u>Survival</u>. The mediation and arbitration provisions of this section shall survive the transfer by any party of its interest or involvement in the Condominium and any Unit and the termination of this Declaration.

## SECTION XI. MISCELLANEOUS

- Notice. Except as may be specifically provided herein, all notices, requests, demands, statements, advice, Assessments, notifications and other communications contemplated hereunder or given pursuant hereto shall be in writing and shall be deemed given and effective when delivered personally, or twenty-four (24) hours after a copy has been deposited in the U.S. mail, first class postage prepaid. A notice to an Owner may be delivered to the address specified in a notice from that Owner or, in the absence of such a notice, to the address on file with the Pierce County Assessor for sending property tax statements.
- 11.2 <u>Remedies Not Exclusive</u>. No right or remedy conferred or reserved by this Declaration is exclusive of any other right or remedy, but each is cumulative, and shall be in addition to every other right or remedy given hereby or hereafter existing at law or equity or by statute.
- 11.3 <u>Severability</u>. If any term or provision of this Declaration or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Declaration, and the application of such term or provision to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Declaration shall be valid and enforceable to the fullest extent.
  - 11.4 <u>Effective Date</u>. The Declaration shall take effect upon recording.
- 11.5 Governmental Rights. Notwithstanding any provision of this Declaration to the contrary, nothing contained herein is intended or shall be interpreted to diminish the governmental or police powers of any Owner so long as such Owner is a political subdivision or agency of the State of Washington, a municipal corporation or any other governmental entity.

DATED this day of	, 20			
	DECLARANT AND OWNER OF UNIT 1:			
	CITY OF UNIVERSITY PLACE, a Washington municipal corporation			
	By: STEPHEN P. SUGG, CITY MANAGER			
	OWNER OF UNIT 2:			
	SEB, INCORPORATED			
	By:STEVE BERG, PRESIDENT			
STATE OF WASHINGTON )				
OUNTY OF PIERCE ) ss:				
before me, and said person acknowledged the execute this instrument and acknowledged	actory evidence that <b>Stephen P. Sugg</b> is the person who a part he signed this instrument, on oath stated that he was and d he is the <b>City Manager</b> of CITY OF UNIVERSITY PLANT or the uses and purposes mentioned in this instrument.			
DATED:	, 2015.			
	Notary Public Print Name			
	My commission expires			

STATE OF WASHINGTON	)	
COLDIEN OF DIED OF	) ss:	
COUNTY OF PIERCE	)	
me, and said person acknowl execute this instrument and ac	edged that he knowledged l	actory evidence that <b>Steve Berg</b> is the person who appeared before signed this instrument, on oath stated that he was authorized to the is the <b>President</b> of SEB, INCORPORATED, to be the free and purposes mentioned in this instrument.
DATED:		, 2015.
(Use this space for notary stamp/seal)		Notary Public Print Name My commission expires

## EXHIBIT A Legal Description of Property

Certain real property situated in the City of University Place, Pierce County, Washington, more particularly described as follows:

LOT 8 AS SHOWN ON UNIVERSITY PLACE TOWN CENTER AMENDED BINDING SITE PLAN, RECORDED SEPTEMBER 18, 2009 UNDER RECORDING NO. 200909185003, RECORDS OF PIERCE COUNTY AUDITOR, PIERCE COUNTY, WASHINGTON;

<u>EXHIBIT B</u>
Description of the Units, Allocation of Interests and Votes

Unit (sq		Unit Area	Votes and	Parking	
	(square feet)	Allocated Interests	No. of Stalls	Percentage	
Unit Two	2		50	100	
City Unit One	ı		50		
Totals			100		

### EXHIBIT C

#### Description of Unit Interfaces

The Unit interfaces and certain easement areas are shown on the Survey Map and Plans to the extent feasible, and are further described as follows;

- 1. <u>Signage</u>. All signage shall be assigned to the Unit which it identifies. All signage shall conform to applicable City of University Place ordinances and permit requirements.
- 2. <u>Parking Garage</u>. One hundred (100) parking stalls as noted on the Survey Map and Plans are part of Unit Two.
- 3. <u>Entries, Storefronts and Canopies</u>. The entries, entry doors, and store fronts (which include the plate glass, mounting system and window frames, but do not include the building façade) and canopies over the entries are assigned to the Units they primarily serve.
- 4. <u>Security Systems</u>. Any security system serving only one Unit is assigned to the Unit served.
- 5. <u>Emergency Access</u>. All Units are benefited and burdened by a perpetual, nonexclusive easement over all stairways, corridors, exits and other access ways to the extent necessary to provide legal ingress and egress including fire and other emergency access under those codes applicable to the Building. The Owners whose Units are burdened by this easement may install panic hardware, emergency exit signage and other access restrictions to the extent the same comply with applicable codes governing required ingress and egress for these purposes and shall maintain all emergency signage, lighting, fire department access, and other features required by applicable fire codes and other laws.
- 6. Elevators. The Lot 8 elevator core, shaft and pit and all elevator-related equipment which provides elevator access to and from Unit One to Unit Two is assigned to Unit Two.