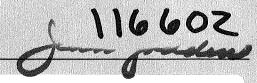
Ordinance No. 123064

Council Bill No.



AN ORDINANCE relating to certain City-owned property located at the intersection of Ninth Avenue and Lenora Street in the City of Seattle; authorizing the Director of the Fleets and Facilities Department to execute an agreement with the State of Washington Secretary of State to create a nonresidential condominium on the property and to convey certain units therein to the State of Washington in connection with the operation of the Washington Talking Book and Braille Library, and authorizing execution of related agreements.

#### Related Legislation File:

| Date Introduced and Referred:                  | To: (committee):                     |
|--|--------------------------------------|
| Date Re-referred:                              | To: (committee):                     |
| Date Re-referred:                              | Finance + Budge To: (committee);     |
| Date of Final Action:                          | Date Presented to Mayor:             |
| 8-10-09  | 8-10-09 Date Returned to City Clerk: |
| 8 - 17 - 01                                    | 8.17.09                              |
| Published by Title Only Published in Full Text | Date Vetoed by Mayor:                |
| Date Veto Published:                           | Date Passed Over Veto:               |
| Date Veto Sustained:                           | Date Returned Without Signature:     |

# The City of Seattle – Legislative Department Council Bill/Ordinance sponsored by:

| Date                | Committee A                    |                    | Vote   |
|---------------------|--------------------------------|--------------------|--------|
| 8/06/09             | Pass                           |                    | Y-JG,N |
|                     |                                |                    |        |
|                     |                                |                    |        |
| This file is comple | ete and ready for presentation | on to Full Council |        |
|                     |                                |                    |        |
|                     |                                |                    |        |
|                     | Full Counci                    | l Action:          |        |
| Date                | Full Counci Decision           | l Action:          | Vote   |
| Date 8-10-0         | Decision                       | Action:            | Vote   |
|                     | Decision                       | Action:            | Vote   |
|                     | Decision                       | Action:            | Vote   |
|                     | Decision                       | Action:            | Vote   |
| 8-10-0              | Decision                       | Action:            | Vote   |
|                     | Decision                       | l Action:          | Vote   |

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## ORDINANCE 123064

AN ORDINANCE relating to certain City-owned property located at the intersection of Ninth Avenue and Lenora Street in the City of Seattle; authorizing the Director of the Fleets and Facilities Department to execute an agreement with the State of Washington Secretary of State to create a nonresidential condominium on the property and to convey certain units therein to the State of Washington in connection with the operation of the Washington Talking Book and Braille Library, and authorizing execution of related agreements.

WHEREAS, in 1995 the City acquired the real property commonly known as the Ninth and Lenora Building at 2021 9th Avenue, Seattle, Washington (the "Property"), in part with funds contributed by the State of Washington ("State"); and

WHEREAS, the Property includes a building ("Building") that currently is used by the Washington Talking Book and Braille Library ("WTBBL"), The Seattle Public Library Mobile Services Unit ("Mobile Library"), and The City of Seattle Police Department ("Police Parking Facilities"); and

WHEREAS, the City currently operates the Mobile Library and Police Parking Facilities; the State assumed the operation of the WTBBL from the City on July 1, 2008; and

WHEREAS, the Building comprises the following four (4) floor levels: Basement, Floor 1, Floor 2, and Floor 3 (which is the roof). These levels have the following current uses:

| LEVEL    | CURRENT USE                         |  |
|----------|-------------------------------------|--|
| Basement | Police Parking Facilities           |  |
| Floor 1  | WTBBL                               |  |
| Floor 2  | WTBBL and Mobile Library            |  |
| Floor 3  | Police Parking Facilities (rooftop) |  |

;and

WHEREAS, in consideration of the State's contribution of funds used by the City to acquire the Property and the State's assumption of the operation of the WTBBL on July 1, 2008, the City and the State desire to transfer the ownership of Floors 1 and 2 of the Building from the City to the State; and



Hillary Hamilton/MEJ FFD WTBBL – Ord.doc May 8, 2009 Version #2

WHEREAS, the parties desire that the ownership of the Building be divided by converting the Property to the condominium form of ownership as a nonresidential condominium under RCW Chapter 64.34 and the delivery of a deed from the City to the State as to a portion of the condominium; and

WHEREAS, the parties do not currently foresee the need to make any significant improvements or structural alterations to the Property, including the Building, before the creation of the condominium and conveyance of a portion of the condominium from the City to the State; and

WHEREAS, on January 10, 2008, the City and the State entered into a nonbinding Memorandum of Understanding under which the parties studied the feasibility of converting the property to condominium ownership between the City and the State; and

WHEREAS, the City and State have agreed to basic terms and conditions under which the parties will complete the conversion of the Property to the condominium and by which the City will convey two units in the condominium to the State; NOW, THEREFORE,

#### BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Fleets and Facilities Department or designee is hereby authorized, for and on behalf of the City of Seattle, to execute, deliver, perform, administer and enforce a Condominium Creation and Conveyance Agreement substantially in the form of Attachment 1 hereto (the "Agreement") for the creation of a nonresidential condominium on the Property legally described on Exhibit A to Attachment 1 (the "Condominium").

Section 2. Conditioned upon execution of the Agreement described in Section 1, the Director of the Fleets and Facilities Department or designee is authorized to record a Condominium Declaration, substantially in the form of Attachment 2 hereto, and a survey map and plans, substantially in the form of Attachment 3 hereto, which documents will establish four nonresidential Condominium units on the Property. In addition, the Director of the Fleets and Facilities Department or designee is authorized to prepare bylaws and rules and regulations for the operation of the Condominium that are consistent with the Condominium Declaration, and is



Hillary Hamilton/MEJ FFD WTBBL – Ord.doc May 8, 2009 Version #2

further authorized to execute and record a Right of First Offer Agreement in the form of Attachment 4 hereto, which will give the State or the City, as the case may be, the first right to purchase any Condominium unit that either party wishes to sell.

Section 3. Upon the recording of the Condominium Declaration and survey map and plans, the Director of the Fleets and Facilities Department or designee is hereby authorized, for and on behalf of the City, to convey the Floor 1 Unit and Floor 2 Unit to the State of Washington by Bargain and Sale Deed substantially in the form of Attachment 5 hereto.

Section 4. Vehicle access to and from the Basement Unit and Floor 3 Unit is available only by way of an access ramp and tunnel, respectively, both of which are located on the adjacent City-owned West Police Precinct property. To facilitate continued access to and from these Units, temporary easements will be created over the West Police Precinct property, benefitting the Basement and Floor 3 Units and the Condominium association. The Director of the Fleets and Facilities Department or designee is authorized, for and on behalf of the City, to execute and record a declaration of such temporary easements, substantially in the form of Attachment 6 hereto.

Section 5. The Director of the Fleets and Facilities Department or designee is further authorized and directed, for and on behalf of the City, to make technical, conforming or otherwise nonmaterial changes to the Agreement; and to execute, deliver, record, administer and perform such ancillary agreements or documents or to take such other actions as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.



Hillary Hamilton/MEJ FFD WTBBL - Ord.doc May 8, 2009 Version #2

1 facilities and structures (the "Common Elements"), it is desirable and efficient that certain 2 services be provided uniformly throughout the Condominium. The Condominium Association as 3 a whole will be responsible to facilitate such services. Therefore, the provisions of Title 20 of 4 5 6 7 8 9 10

Title 20. Section 7. The City's Excess Property Disposition Policies adopted by Resolution 29799 and amended by Resolution 30862 shall not apply to this transaction.

Section 6. Because the four Condominium units will share various common spaces,

the Seattle Municipal Code (relating to Public Works, Improvements and Purchasing) shall not

apply to the purchase of products or services by the Condominium Association for the operation,

maintenance, repair and replacement of the City's Condominium Units and the City's limited

common elements, however, shall comply with all provisions of the Municipal Code, including

maintenance, repair and replacement of the Common Elements. The City's operation,

Section 8. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

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Hillary Hamilton/MEJ FFD WTBBL - Ord.doc May 8, 2009 Version #2 (Seal)

Passed by the City Council the 10 day of August, 2009, and signed by me in open session in authentication of its passage this 10 day of 1,2009. of the City Council President Approved by me this 17 day of Augus 2009. Gregory J. Nickels, Mayor Filed by me this \\ \frac{1}{2009}\) day of \( \frac{4\quad \text{quist}}{2009}\) City Clerk エルナ Attachment 1: Form of Condominium Creation and Conveyance Agreement Between The City of Seattle and the State of Washington Exhibit A to Attachment 1: Legal Description Exhibit B to Attachment 1: Drawings Attachment 2: Form of Condominium Declaration and Covenants, Restrictions, and Reservations for the Ninth and Lenora Condominium

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Exhibit A to Attachment 2: Legal Description

Attachment 4: Form of Right of First Offer Agreement

Exhibit B to Attachment 2: Unit Description Schedule

Exhibit A to Attachment 4: Description of the City Property

Exhibit B to Attachment 4: Description of the State Property

Attachment 3: Form of Survey Map and Plans for Ninth and Lenora Condominium

May 8, 2009 Version #2 Attachment 5: Form of Bargain and Sale Deed for Level 1 and Level 2 Units at Ninth and Lenora Condominium Exhibit A to Attachment 5: Legal Description Exhibit B to Attachment 5: Description of Easements Attachment 6: Form of Declaration of Temporary Elevated Ramp and Tunnel Easements Exhibit A to Attachment 6: Description of the Burdened Property Exhibit B to Attachment 6: Description of the Benefited Property Exhibit C to Attachment 6: Description of the Elevated Ramp Easement Area Exhibit D to Attachment 6: Description of the Tunnel Easement Area 

Hillary Hamilton/MEJ FFD WTBBL – Ord.doc



## CONDOMINIUM CREATION AND CONVEYANCE AGREEMENT Washington Talking Book and Braille Library/Ninth and Lenora Condominium

THIS CONDOMINIUM CREATION AND CONVEYANCE AGREEMENT (this "Agreement") is made by and between the CITY OF SEATTLE, a Washington municipal corporation (the "City"), and the STATE OF WASHINGTON, acting by and through the Office of the Secretary of State (the "State").

#### **RECITALS**

- A. The City owns the real property commonly known as 2021 and 2025 9th Avenue, Seattle, Washington, legally described on Exhibit A attached hereto (the "Property"). The State contributed funds used by the City to acquire the Property in 1995.
- B. The Property includes a building (the "Building") that currently is used by the Washington Talking Book and Braille Library ("Talking Book Library"), The Seattle Public Library Mobile Services Unit ("Mobile Library"), and City of Seattle Police Department ("Police Parking Facilities").
- C. The City currently operates the Mobile Library and Police Parking Facilities; the State assumed the operation of the Talking Book Library from the City on July 1, 2008.
- D. The Building comprises the following four (4) floor levels as depicted generally on the drawings attached hereto as <u>Exhibit B</u> (the "Drawings"): Basement, Floor 1, Floor 2, and Floor 3 (also known as the "roof"). These levels have the following current uses:

| LEVEL    | CURRENT USE  |
|----------|--|
| Basement | Police Parking Facilities  |
| Floor 1  | Talking Book Library   |
| Floor 2  | Talking Book Library and Mobile Library (including enclosed loading dock and accessory parking facilities) |
| Floor 3  | Police Parking Facilities (unenclosed)   |

Exhibit B-1 shows the square footage of each proposed unit and the proposed common elements and limited common elements.

E. In consideration of the State's contribution of funds used by the City to acquire the Property and the State's assumption of the operation of the Talking Book Library on July 1, 2008, the City and the State desire and intend to transfer the ownership of Floors 1 and 2 of the Building from the City to the State.



- F. The parties desire that the ownership of the Building be divided by the submission of the Property to the condominium form of ownership as a nonresidential conversion condominium under RCW Chapter 64.34 (the "Condominium") and the delivery of a deed from the City to the State as to a portion of the Condominium.
- G. The parties do not currently foresee the need to make any significant improvements or structural alterations to the Property, including the Building, before the creation of the Condominium and conveyance of a portion of the Condominium from the City to the State.
- H. On January 10, 2008, the City and the State entered into a nonbinding Memorandum of Understanding (the "2008 MOU") relating to the subject matter of this Agreement. The 2008 MOU described a "Project Agreement" to be made by the City and the State. This Agreement is intended to be the "Project Agreement" described in the 2008 MOU.
- I. This Agreement is made to set forth the terms and conditions under which the parties will complete the conversion of the Property to the Condominium and by which the City will convey one or more units in the Condominium to the State.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the State hereby agree as follows:

#### **AGREEMENT**

- 1. Creation of Condominium. If each of the conditions precedent described below is satisfied or waived in writing, then the City shall submit the Property to the condominium form of ownership as a nonresidential conversion Condominium under RCW Chapter 64.34. The Condominium shall comprise four (4) Condominium units: the Basement Unit, Floor 1 Unit, Floor 2 Unit, and Floor 3 Unit (collectively, the "Units"), all as depicted generally on the Drawings attached hereto as Exhibit B. The exact boundaries of the Units and Common Elements shall be established by the Condominium survey map and plans and declaration approved by the parties as described hereinbelow.
- 2. Conveyance of Condominium Units. If each of the conditions precedent described below is satisfied or waived in writing, then the City shall convey to the State the Floor 1 Unit and Floor 2 Unit.

## 3. Due Diligence: Architect/Engineer Report.

- **a.** Architect/Engineer Work. The City has engaged a qualified and licensed architect (the "Architect/Engineer") to perform the following tasks regarding the Property:
- i. Inspect and evaluate the present condition of all improvements to the Property, including the Building, access and parking facilities, storm water drainage facilities, other structures, and all electrical, mechanical, plumbing, and other utility facilities.



- ii. Prepare and deliver to the City and the State a written report (the "Architect/Engineer Report") signed and sealed by the Architect/Engineer containing the following:
- (A) Descriptions and photographs of all apparent physical defects in the improvements and the estimated cost to repair each defect.
- (B) An analysis of the expected useful life of each component of the Building, access and parking facilities, storm water drainage facilities, other structures, and all electrical, mechanical, plumbing, and other utility facilities.
- (C) Descriptions and photographs of all instances in which the Building and other improvements do not comply with applicable federal, state, and local laws, orders, ordinances, and regulations relating to access, energy, fire and life safety, and parking, the estimated cost to correct each instance of noncompliance, and copies of all outstanding governmental notices of uncured code violations. Instances of noncompliance with construction and land use codes may be noted in the Architect/Engineer Report but are outside the scope of work.
- (D) Drawings depicting the recommended boundaries of the Units, so that each Unit includes or has easement or other rights in all necessary access and parking facilities, storm water drainage facilities, and electrical, mechanical, plumbing, and other utility facilities within the Property.
- (E) Recommendations regarding the means by which all utility services may be separately metered to each Unit.
- State in the supervision of the Architect/Engineer. The Architect/Engineer shall be the consultant and contractor of the City but shall owe equal duties of due diligence, good faith and loyalty to both the City and the State. The City shall ensure the delivery to the State promptly after receipt by the City of copies of all correspondence, documents, reports, and other work product delivered by the Architect/Engineer to the City. The City shall communicate directly with the Architect/Engineer and shall use commercially reasonable efforts to enable the State to participate in the communication.
- c. Fee Allocation. The State and the City each shall bear one half (1/2) of the fee charged by the Architect/Engineer.
- 4. **Due Diligence: Books and Records.** Within ten (10) days after the date of mutual acceptance of this Agreement, the City shall deliver to the State complete copies of all appraisals, drawings, plans, reports, studies, and surveys ("City's Documents") in the possession of the City relating to the Property.
- 5. **Due Diligence:** Access to Property. Between the date of mutual acceptance of this Agreement and the date of closing, expiration or termination of this Agreement, the City shall grant the State and its agents, contractors, and employees access to the Property during normal business hours from time to time, upon at least one (1) day's prior notice to the City, for



the purpose of inspecting the Property ("State's Inspection"). The State, its agents, contractors, and employees, shall not alter or damage the Property, shall not disturb any tenant within the Property, and shall conduct no destructive or invasive testing of any improvement or soils within the Property without the City's prior written approval of the scope of such testing.

## 6. Condominium Survey Map and Plans.

- a. Surveyor Work. The City has engaged a qualified and licensed condominium surveyor (the "Surveyor") to perform the following tasks regarding the Property:
- i. Review the Architect/Engineer's Report regarding the condition of the Property and the creation of Condominium units within the Property and consult with the Architect/Engineer as necessary.
- ii. Survey the Property and prepare and deliver to the City a condominium survey map and plans (the "Survey Map and Plans") in compliance with RCW 64.34.232, sufficient to establish upon recording in the real property records of King County a nonresidential Condominium comprising four (4) nonresidential Condominium units within the Property, so that each Unit includes or has easement or other rights in all necessary access and parking facilities, storm water drainage facilities, and electrical, mechanical, plumbing, and other utility facilities within the Property.
- iii. Prepare and deliver to the City such Condominium unit information and legal descriptions of easement areas as may be useful to legal counsel in the preparation of a condominium declaration (the "Condominium Declaration") for the Property.
- iv. Assist the City and legal counsel in recording the Condominium Survey Map and Plans and Condominium Declaration in the real property records of King County.
- v. Provide related surveyor services relating to the creation of a nonresidential condominium in the City of Seattle.
- State in the supervision of the Surveyor. The Surveyor shall be the consultant and contractor of the City but shall owe equal duties of due diligence, good faith, and loyalty to both the City and the State. The City shall ensure the delivery to the State promptly after receipt by the City of copies of all correspondence, documents, reports, and other work product delivered by the Surveyor to the City. The City shall communicate directly with the Surveyor and shall use commercially reasonable efforts to enable the State to participate in the communication.
- c. Fee Allocation. The State and the City each shall bear one half (1/2) of the fee charged by the Surveyor.

## 7. Conditions Precedent to Obligations of City and State.

a. City Approval of this Agreement. The obligation of the City to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by the City of the following condition precedent on or before the Closing Date,



defined in <u>Section 8.b</u>: the approval of the making of this Agreement by the Seattle City Council and Seattle City Attorney. If the foregoing condition precedent is not timely satisfied or waived in writing, then either party may terminate this Agreement by prior written notice to the other party, in which case neither party shall have any further obligations or rights under this Agreement except those obligations and rights that reasonably may be intended to survive the expiration or termination of this Agreement, but until terminated this Agreement shall remain in full force and effect.

- complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by the State of the following condition precedent on or before the Closing Date: the approval of the making of this Agreement by the Washington Secretary of State and Washington State Attorney General. If the foregoing condition precedent is not timely satisfied or waived in writing, then either party may terminate this Agreement by prior written notice to the other party, in which case neither party shall have any further obligations or rights under this Agreement except those obligations and rights that reasonably may be intended to survive the expiration or termination of this Agreement, but until terminated this Agreement shall remain in full force and effect.
- of the City and the State to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by them of the following condition precedent on or before the Closing Date: the approval by the City and the State of the condition of title to the Property as described in the preliminary title commitment dated February 8, 2008, prepared by LandAmerica Title Insurance Company ("Title Company"), under Order No. RT-11209185. If the foregoing condition precedent is not timely satisfied or waived in writing, then either party may terminate this Agreement by prior written notice to the other party, in which case neither party shall have any further obligations or rights under this Agreement except those obligations and rights that reasonably may be intended to survive the expiration or termination of this Agreement, but until terminated this Agreement shall remain in full force and effect.
- City and the State to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by them of the following condition precedent on or before the Closing Date: the acceptance as complete and final by the City and the State of the Architect/Engineer Report and the making of an amendment to this Agreement if the City and the State agree that any action is required, including without limitation any structural alterations or repairs to the Property, either before or after closing, based on the content of the Architect/Engineer Report. If neither party delivers to the other timely written notice of disapproval of the Architect/Engineer Report, then both parties shall be deemed to have approved the Architect/Engineer Report, the foregoing condition precedent shall be deemed satisfied, and the Agreement shall remain in full force and effect.
- e. State Approval of City's Documents and State's Inspection. The obligation of the State to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by the State of the following condition precedent on or before the Closing Date: the State's approval of City's Documents and State's Inspection. If the State does not deliver to the City timely written notice of the State's disapproval of City's



Documents and State's Inspection, then the State shall be deemed to have approved City's Documents and State's Inspection, the foregoing condition precedent shall be deemed satisfied, and the Agreement shall remain in full force and effect.

- obligation of the City and the State to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by them of the following condition precedent on or before the Closing Date: the approval by the City and the State of the forms of the Condominium Declaration, Survey Map and Plans, articles of incorporation and bylaws of the new Condominium owners association, pro forma association budget and balance sheet, consent to action of board of directors in lieu of organizational meeting, and rules and regulations relating to the Condominium (the "Condominium Documents"). If the foregoing condition precedent is not timely satisfied or waived in writing, then either party may terminate this Agreement by prior written notice to the other party, in which case neither party shall have any further obligations or rights under this Agreement except those obligations and rights that reasonably may be intended to survive the expiration or termination of this Agreement, but until terminated this Agreement shall remain in full force and effect.
- Mutual Approval of Form of Lease of Mobile Library Premises. The obligation of the City and the State to complete the transactions described in this Agreement shall be subject to the satisfaction or written waiver by them of the following condition precedent on or before the Closing Date: the approval by the City and the State of the form of a lease agreement (the "Lease") under which the Mobile Library will continue to occupy that portion of the Floor 2 Unit that is currently occupied by the Mobile Library (the "Mobile Library Premises") after closing for no consideration except payment of its allocated share of Condominium owners association assessments and utility charges, until either (i) the State desires to expand the use of the Floor 1 Unit and Floor 2 Unit into the Mobile Library Premises, or (ii) the State desires to convey ownership of the Mobile Library Premises, in either of which cases the State shall give the City three (3) years or more prior written notice of Lease termination. If the foregoing condition precedent is not timely satisfied or waived in writing, then either party may terminate this Agreement by prior written notice to the other party, in which case neither party shall have any further obligations or rights under this Agreement except those obligations and rights that reasonably may be intended to survive the expiration or termination of this Agreement, but until terminated this Agreement shall remain in full force and effect.

#### 8. Closing.

- a. Termination Date. The transactions described in this Agreement shall be closed by Fidelity National Title Insurance Company, Seattle, Washington ("Closing Agent"). The target date for closing is July 27, 2009 (the "Target Date for Closing"), but the deadline for closing shall be August 31, 2009, which shall be the termination date of this Agreement (the "Termination Date"). Notwithstanding the foregoing, the Termination Date may be extended by either party at its option for up to thirty (30) days upon written notice to the other party, but the Termination Date shall not be extended beyond September 28, 2009, unless by amendment to this Agreement mutually approved by the City and the State.
- b. Closing Deliveries; Closing Date. At closing, the City shall execute and cause to be recorded in the real property records of King County, Washington, an access license



or easement document (the "Access Document") regarding the elevated ramp and the tunnel that provide access to the Basement Unit and Floor 3 Unit in form and substance approved by the parties, the Condominium Declaration and Survey Map and Plans in form and substance approved by the parties as described above, and a Bargain and Sale Deed (the "Deed") conveying to the State title to the Floor 1 Unit and Floor 2 Unit subject to no exceptions except matters approved by the parties as described above. At closing, the City and the State shall execute and cause to be recorded in the real property records of King County, Washington, a Right of First Offer Agreement in a form acceptable to the parties as described in the 2008 MOU. The date on which the Access Document, Condominium Declaration, Survey Map and Plans, Deed, and Right of First Offer Agreement are recorded in the real property records of King County, Washington, is referred to herein as the "Closing Date." The City and the State shall use commercially reasonable efforts and due diligence and shall work cooperatively in good faith to cause the Closing Date to occur on or before the Target Date for Closing defined above. At least three (3) days before the Termination Date, the parties shall deposit in escrow with Closing Agent all instruments, documents, and monies necessary to complete the transactions described in this Agreement. On or within thirty (30) days after the Closing Date, the City shall cause Title Company to deliver to the State an ALTA extended owner's policy of title insurance (the "Title Policy") in the amount of \$10,000,000, insuring the State's title in and to the Floor 1 Unit and Floor 2 Unit subject to no exceptions except matters approved by the parties as described above.

- as follows: the City shall bear that portion of the cost of the Title Policy attributable to standard coverage, and the State shall bear the additional cost attributable to extended coverage and any endorsements required by the State. The City and the State each shall pay one half (1/2) of Closing Agent's escrow fee, the cost of recording documents, the Architect/Engineer's fee, and the Surveyor's fee. All other costs of closing shall be allocated between the parties as required by law or according to local customs in Seattle, Washington.
- d. Condominium Documents. The City and State agree to cooperate and share equally in the costs of preparing the Condominium Documents to a maximum of Ten Thousand Dollars (\$10,000.00), unless the parties agree to a greater amount, in writing.
- hereinafter defined) are located in, on, under, or within the Property except in compliance with all Environmental Laws (as hereinafter defined). The City has received no written notice from any governmental agency suggesting that the Property is or may be targeted for clean-up of Hazardous Substances, and the City is not currently undertaking any such clean-up activity or removal of any above-ground or under-ground storage tanks within the Property. The City has not released, discharged, or emitted Hazardous Substances in, on, under, or within the Property. As used herein, the term "Hazardous Substance" means any substance or material defined or designated as dangerous or hazardous under any Environmental Law. As used herein, the term "Environmental Law" means any applicable federal or state law, rule, or regulation relating to pollution or protection of the environment or actual or threatened releases, discharges, or emissions into the environment.



- 10. Risk of Loss. If the Property or any material portion thereof is taken in condemnation or materially damaged by fire or other casualty prior to closing, then the State may elect to terminate this Agreement or accept such damage or taking and close on or before the Termination Date, in which event any condemnation or insurance proceeds relating to the damage or taking shall be, (a) in the case of damage, used to rebuild, repair, and restore any improvements within the Property that were damaged, and (b) in the case of condemnation, divided and paid to the City and the State in proportion to the relative impacts of the taking on the fair market values of the Basement Unit and Floor 3 Unit as to the City and the Floor 1 Unit and Floor 2 Unit as to the State.
- the Floor 1 Unit and Floor 2 Unit on the Closing Date, provided, however, that the State agrees that on the Closing Date it will lease approximately 9,677 square feet of office space and twelve (12) second floor parking spaces on the Floor 2 Unit to the City, together with use of and access to appropriate common and limited common elements, granting the City the right to continue operating its Mobile Library in its current location, which right may be terminated only as provided in the Lease. The City shall retain ownership and possession of the Basement Unit and Floor 3 Unit before, on, and after the Closing Date.
- 12. New Encumbrances. At closing, the Units shall be subject to such new easements (e.g., access, vehicle parking, structural support, radio transmission antenna and tower, utilities, mechanical equipment), rental agreements, rights of first offer, Condominium termination provisions, and other rights as the parties may approve in their satisfaction and written waiver of the conditions precedent described above.
- Allocation of Liability. As between the City and the State, the State shall be solely responsible for all claims and liabilities relating to damages, injuries, and losses arising within the Floor 1 Unit and Floor 2 Unit except the Mobile Library Premises after the Closing Date except to the extent caused by the negligence or intentional misconduct of the City for so long as the State is the owner of such Units. As between the City and the State, the City shall be solely responsible for all claims and liabilities relating to damages, injuries, and losses arising (a) within the Property before the Closing Date except to the extent caused by the negligence or intentional misconduct of the State, and (b) within the Basement Unit, Floor 3 Unit, and Mobile Library Premises after the Closing Date except to the extent caused by the negligence or intentional misconduct of the State, for so long as the City is the owner or tenant of such Units.
- 14. Notices. All notices given under this Agreement shall be in writing and either delivered personally or sent by prepaid United States certified mail with return receipt requested, by a nationally recognized overnight courier service, or by telephonic facsimile, addressed to the addresses and facsimile numbers set forth below or at such address or facsimile number as either party may advise the other from time to time. A copy of the notice shall be sent simultaneously, by electronic mail, to the addresses indicated.



To State at:

Steve Excell, Assistant Secretary of State

Office of the Secretary of State

State of Washington Legislative Building P.O. Box 40220

Olympia, Washington 98504-0220

Fax: (360) 586-5629

e-mail: sexcell@secstate.wa.gov

With a copy to:

Susan E. Thomsen

Assistant Attorney General

P.O. Box 40108

Olympia, Washington 98504-0108

Fax: (360) 586-3593

e-mail: SusanT@ATG.WA.GOV

With a copy to:

Davis Wright Tremaine LLP

1201 Third Avenue

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Attn: Marco de Sa e Silva Fax: (206) 757-7024

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To City at:

Ted Maslin

Director of Real Estate

City of Seattle Fleets and Facilities Department

PO Box 94689

Seattle, WA 98124-4689

e-mail: ted.maslin@seattle.gov

With a copy to:

Kathryn Ewing

Fiscal & Policy Analyst

City of Seattle Department of Finance

600 Fourth Avenue, Floor 6

P.O. Box 94747

Seattle, Washington 98124-4747

Fax: (206) 233-0022

e-mail: kathryn.ewing@seattle.gov

With a copy to:

Helaine Honig

Assistant City Attorney, Contracts Section

Seattle City Attorney's Office

City Hall

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Seattle, Washington 98124-4769

Fax: (206) 684-8284

e-mail: helaine.honig@seattle.gov

Notices given hereunder shall be deemed to have been given on the date of personal delivery (or the first business day thereafter if delivered on a non-business day), the date of machine confirmed receipt by facsimile transmission (or the first business day thereafter if faxed on a non-business day), one business day after deposit with an overnight courier service, or the earlier of actual receipt or three business days after the date of mailing in the manner required.

- 16. Amendment to Property Legal Description; Boundary Line Adjustment. The parties acknowledge and agree that the legal description of the Property attached hereto as Exhibit A has been prepared before the preparation of the Survey Map and Plans, that the Survey Map and Plans will disclose the locations of structures and means of ingress and egress, and that based on information disclosed in the Survey Map and Plans within the Property the legal description of the Property attached hereto as Exhibit A may require amendment in order to comprise all of the fee simple and easement interests in real property required for the ownership and operation of the Condominium. The parties agree to communicate, cooperate, and negotiate with each other fairly and in good faith in order to make such amendments to Exhibit A attached hereto as may be required to correct and complete the legal description of the Property. In addition, the parties agree to cooperate with each other fairly and in good faith to complete any lot boundary adjustment that may be required in order to comply with all applicable subdivision laws, orders, ordinances, and regulations relating to division of the Property from other real property owned by the City.
- General. Time is of the essence of this Agreement. The deadlines established 17. herein may be extended by written amendment signed by an authorized representative of each of the parties, however the waiver by either party of the prompt performance by the other party as to any deadline shall not waive the prompt performance as to other deadlines. Each person signing this Agreement represents and warrants that he or she is duly authorized and empowered to execute and deliver this Agreement on behalf of the party for whom he or she signs. The parties shall cooperate fully with each other in order to give the terms of this Agreement full force and effect. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, agreements, arrangements, understandings, warranties, or guarantees, oral or written, between the parties or any of them with respect to the subject matter hereof except as set forth herein, except for the 2008 MOU and the Memorandum of Understanding dated June 21, 1993, between the parties, both of which shall terminate upon the closing of the transactions described in this Agreement. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Washington. The City and the State submit irrevocably to the exclusive jurisdiction and venue of the Superior Court of the State of Washington for Pierce County in any action to enforce or interpret this Agreement and agree irrevocably not to assert in any such action the doctrine of forum non conveniens. This Agreement may be delivered via hand, mail, electronic facsimile, electronic mail, or overnight delivery.

## EFFECTIVE as of last date set forth below.

| CITY:  | CITY OF SEATTLE, a Washington municipal corporation                             |
|--|---|
|  | By: Brenda Bauer Its: Director, Fleets and Facilities Department                |
|  | Date:   |
| STATE:                                       | STATE OF WASHINGTON, acting by and through the Office of the Secretary of State |
|  | By:   |
|  | Date:   |
|  |   |
| APPROVED AS TO FORM:                         |   |
| Ctata of Washington Office of the Attamos    | Can and   |
| State of Washington, Office of the Attorney  | General   |
| City of Seattle. Office of the City Attorney |   |



#### **EXHIBIT A**

### LEGAL DESCRIPTION

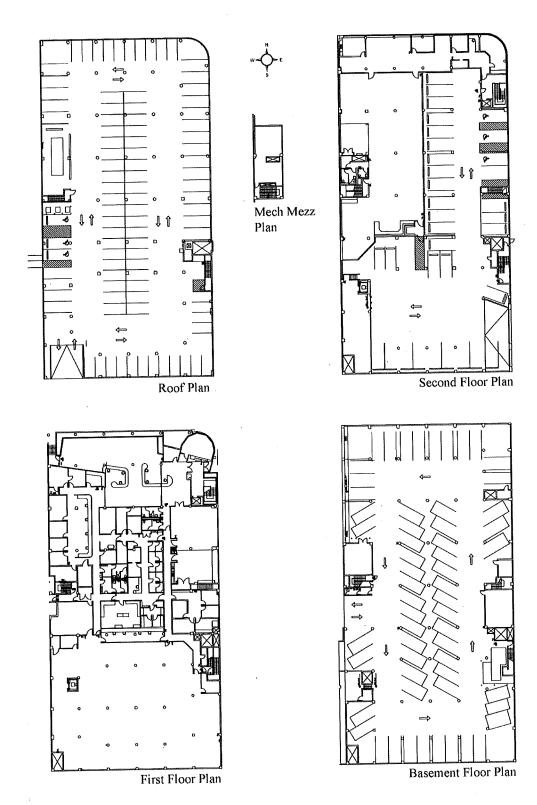
LOTS 7, 8, 9 AND 10 IN BLOCK 25 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE) AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY AUDITOR;

TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOTS;

TOGETHER WITH AN EASEMENT WITHIN THE SOUTHWESTERLY HALF OF THE VACATED ALLEY AS PROVIDED UNDER THAT CERTAIN EASEMENT AGREEMENT RECORDED UNDER KING COUNTY AUDITOR'S FILE NO. 9704161324;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

## EXHIBIT B



### EXHIBIT B-1

Ninth and Lenora Building square foot breakdown based on the survey report

| ,                   | City of<br>Seattle | State  | Limited<br>Common<br>Element | Common<br>Element | Total   |
|---------------------|--------------------|--------|------------------------------|-------------------|---------|
| Basement[           | 26,499             |        | 321                          | 1,206             | 28,026  |
| Floor 1 Unit        |                    | 25,753 | 701                          | 1,169             | 27,623  |
| Floor 2 Unit        |                    | 27,285 | 1,332                        | 356               | 28,973  |
| Floor 3 Unit (Roof) | 26,837             |        | 1,020                        | 416               | 28,273  |
| Total               | 53,336             | 53,038 | 3,374                        | 3,147             | 112,895 |

| Building Total          | Sq Ft<br>112,895 |
|-------------------------|------------------|
| Occupied Space          |                  |
| Basement                | 26,499           |
| Floor 1 Unit            | 25,753           |
| Floor 2 Unit            | 27,285           |
| Floor 3 Unit (Roof)     | 26,837           |
| Common Element          |                  |
| Common Element by Floor |                  |
| Basement                | 1,206            |
| Floor 1 Unit            | 1,169            |
| Floor 2 Unit            | 356              |
| Floor 3 Unit (Roof)     | 416              |
| Total                   | 3,147            |
| Common Element by Room  |                  |
| Stairway # 1            | 520              |
| Stairway # 3            | 627              |
| Planters on 1st flr     | 563              |
| Fire Control Room       | 188              |
| Boiler Room             | 495              |
| Sprinkler Room          | 104              |
| Electrical Vault        | 427              |
| Utility Tower           | 195              |
| Utility room on roof    | 28               |
| Common Element Total    | 3,147            |

| Limited Common Element (LCE)     |       |  |
|----------------------------------|-------|--|
| Basement                         |       |  |
| Elev. Machine Rm 1st & 2nd flr   | 49    |  |
| Telecom Room                     | 121   |  |
| Loading Elevator Machine Room    | 151   |  |
| LCE Basement                     | 321   |  |
| First Floor                      |       |  |
| Trash Enclosure 1                | 43    |  |
| Trash Enclosure 2                | 45    |  |
| Stair landing northwest corner   | 95    |  |
| Stairway 1st & 2nd floor         | 391   |  |
| Elevator 1st & 2nd floor         | 55    |  |
| Loading Elevator 1st & 2nd floor | 72    |  |
| LCE First Floor                  | 701   |  |
| Second Floor                     |       |  |
| Stairway 1st & 2nd floor         | - 385 |  |
| Elevator 1st & 2nd               | 55    |  |
| Loading Elevator 1st & 2nd floor | 90    |  |
| Mezzanine /Mechanical            | 802   |  |
| LCE Second Floor                 | 1,332 |  |
| Third Floor (Roof)               |       |  |
| HVAC Equip. (1 & 2 flr)          |       |  |
| HVAC Equip. (1 & 2 flr)          | 160   |  |
| LCE Third Floor (Roof)           | 1,020 |  |
| LCE Total                        | 3,374 |  |

#### WHEN RECORDED, RETURN TO:

Helaine Honig Seattle City Attorney's Office 600 Fourth Avenue, 4<sup>th</sup> Floor P.O. Box 94769 Seattle, Washington 98124-4769

# CONDOMINIUM DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR NINTH AND LENORA CONDOMINIUM

Grantor: THE CITY OF SEATTLE, a Washington municipal corporation

Grantee: NINTH AND LENORA CONDOMINIUM OWNERS ASSOCIATION, a

Washington nonprofit corporation

**Abbreviated Legal Description:** 

LOTS 7, 8, 9, and 10, IN BLOCK 25 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE) AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY AUDITOR; TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOTS; SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Complete legal description is at Exhibit A hereto.

| Assessor's Pr | operty Tax Parcel | <b>Account Numbers:</b> | 066000 | 0585 |
|---------------|-------------------|-------------------------|--------|------|
|---------------|-------------------|-------------------------|--------|------|

|                                 | ·                                  |
|---------------------------------|------------------------------------|
| Reference to Related Documents: |                                    |
| A.F. No                         | (condominium survey map and plans) |

Attachment 2 to Ordinance



## ARTICLE 1 DEFINITIONS

- Section 1.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.
- (a) Affiliate of Declarant shall mean any person who controls, is controlled by, or is under common control with Declarant (as "control" is defined in the Condominium Statute).
- (b) Allocated Interests shall mean the undivided interests in the Common Elements, common expense liability, and votes in the Association allocated to each Unit.
- (c) Articles shall mean the Articles of Incorporation of the Association defined below.
- (d) Association shall mean the Association of Owners described in Article 13 of this Declaration, which shall be known as Ninth and Lenora Condominium Owners Association, a Washington nonprofit corporation.
  - (e) Board shall mean the Board of Directors of the Association.
  - (f) **Building** shall mean the building described in <u>Article 4</u>.
  - (g) Bylaws shall mean the Bylaws of the Association.
  - (h) Common Elements shall mean the common elements described in

## Article 6.

- (i) Condominium shall mean the condominium created by this Declaration.
- (j) Condominium Statute shall mean The Washington Condominium Act, Laws of 1989, Chapter 43, presently codified in Chapter 64.34, RCW, and any amendments thereto.
- (k) **Declarant** shall mean the City of Seattle, a Washington municipal corporation.
- (I) **Declaration** shall mean this Condominium Declaration and Covenants, Conditions, Restrictions, and Reservations for Ninth and Lenora Condominium, as it may from time to time be amended.



Eligible Mortgagee shall mean any holder of a First Mortgage who has filed with the Secretary of the Association a written request, including its name and address and the Unit number for the Unit subject to the Mortgage held by such First Mortgagee, that it be notified of any proposed action that requires consent of a specified percentage of Eligible Mortgagees.

- (n) First Mortgage and First Mortgagee shall mean, respectively, (i) a Mortgage on a Unit that has legal priority over all other Mortgages thereon, and (ii) the holder, guarantor or insurer of a First Mortgage.
- (o) Institutional Holder of a Mortgage shall mean a Mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation in the business of owning or servicing real estate mortgages, an insurance company, or any federal or state agency.
- (p) Limited Common Elements shall mean those Common Elements described in Article 7.
- (q) Managing Agent shall mean the person designated by the Board under Section 15.4.
- (r) Mortgage shall mean a recorded mortgage or deed of trust that creates a lien against a Unit and shall also mean a real estate contract for the sale of a Unit.
- (s) Mortgagee shall mean the holder, insurer or guarantor of an encumbrance on a Unit created by a Mortgage and shall also mean the vendor of a real estate contract for the sale of a Unit.
- (t) Owner shall mean the Declarant or other legal owner of a Unit and shall also mean the vendee of a real estate contract for the sale of a Unit.
- (u) **Person** shall mean a natural person, corporation, partnership, association, trust, governmental subdivision or agency, or other legal entity.
- (v) **Property** shall mean the land and the buildings and all improvements and structures now or hereafter placed on the land described in <u>Exhibit A</u>.
  - (w) RCW shall mean the Revised Code of Washington.
- (x) Survey Map and Plans shall mean the survey map and the plans recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.



Unit shall mean a defined space within the Property. The boundaries of a Unit are graphically depicted on the Survey Map and Plans and comprise the interior surfaces of the unfinished perimeter walls, floors, and ceilings of the Unit and the exterior surfaces of the windows and doors, and each Unit shall include all materials constituting any part of the finished surfaces thereof, together with all covered air space that would be enclosed if the exterior surfaces of the Building were extended to cover all openings therein, and the Unit includes the portions of the Building so described and the air space so encompassed, and all interior partitions and other fixtures and improvements so contained. The Floor 3 Unit shall include all air space up to fifteen (15) feet in elevation above the unfinished surface of the Floor 3 Unit. A Unit includes all space within the boundaries described above.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

Section 1.3 Statutory Definitions. Some of the terms defined above are also defined in the Condominium Statute. The definitions in this Declaration are not intended to limit or contradict the definitions in the Condominium Statute. If there is any inconsistency or conflict, the definition in the Condominium Statute will prevail.

## ARTICLE 2 SUBMISSION OF THE PROPERTY TO THE CONDOMINIUM STATUTE

Declarant, being the sole owner of the Property, makes this Declaration for the purpose of submitting the Property to the Condominium form of use and ownership and to the provisions of the Condominium Statute. Declarant declares that the Property shall be held, used, conveyed, encumbered, leased, occupied, rented, and improved subject to the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which are in furtherance of the division of the Property into Units and Common Elements and shall be deemed to run with the land and be a burden and benefit to Declarant and all persons who own or acquire an interest in the Property or any part thereof, and their grantees, successors, heirs, executors, administrators, and assigns. Notwithstanding the foregoing, Article 4 of 64.34 RCW, comprising RCW 64.34.400 through 64.34.465 inclusive, shall not apply to the Units.

## ARTICLE 3 PHASING; JOINT USE; LIENS

Section 3.1 Phasing. Declarant presently intends to establish this Condominium in a single phase comprising four (4) Units, and this Declaration shall be effective immediately to establish a Condominium upon the Property described in Exhibit A.



- Units are subdivided or converted to Common Elements, all of the Common Elements will be for the use and enjoyment of the entire Condominium and all of the Owners in the Condominium shall share in the subsequent expenses of maintaining, repairing and replacing the Common Elements as may be necessary. In the case of subdivision of a Unit, the Allocated Interests of the subdivided Unit shall be reallocated among the Units created by the subdivision in accordance with <a href="Article 9">Article 9</a>. In the case of conversion of a Unit entirely to Common Elements, such reallocation shall be in accordance with <a href="Article 9">Article 9</a>.
- Section 3.3 Liens. Any liens that arise in connection with Declarant's ownership of or construction on of any portion of the Property shall be removed prior to addition of such portion of the Property to the Condominium. All taxes and other assessments relating to such portion of the Property for any period prior to the addition of such portion of the Property shall be paid or otherwise provided for by Declarant.

## ARTICLE 4 DESCRIPTION OF BUILDINGS

The Condominium includes one (1) building (the "Building"). The Building is constructed principally of reinforced concrete with finished concrete exterior materials. The Building is located as shown on the Survey Map and Plans. The Building comprises four (4) Units, Common Elements, and Limited Common Elements described below. All Units enjoy Common Elements and Limited Common Elements described below.

## ARTICLE 5 UNIT IDENTIFIERS, LOCATION, AND DESCRIPTION

- Section 5.1 Unit Identifiers. Initially, there are four (4) Units: the Basement Unit, Floor 1 Unit, Floor 2 Unit, and Floor 3 Unit.
- Section 5.2 Unit Location. Each Unit is identified by a separate address, as more fully described in <a href="Exhibit B">Exhibit B</a> attached hereto. Each Unit is located within the Building. The specific location of each Unit in the Condominium is identified on the Survey Map and Plans.
  - Section 5.3 Unit Description. All of the Units are nonresidential Units.



## ARTICLE 6 COMMON ELEMENTS

- Section 6.1 **Description.** The Common Elements consist of all portions of the Condominium other than the Units, including the following:
- (a) The tracts of land described in <u>Exhibit A</u>, and the easements, rights and appurtenances thereto, which have been included in this Condominium by this Declaration.
- (b) The foundations, studding, joists, beams, supports, main walls (excluding nonbearing interior partitions of Units, if any), and all other structural parts of the Building, to the boundaries of the Units.
- (c) The pipes, wires, conduits, TV antennae, cable television and security systems, if any, and other fixtures and equipment for utilities that serve all Units.
- (d) The stairwells that provide pedestrian access to all Units, which include one (1) stairwell located along the northeasterly wall and one (1) stairwell located along the southwesterly wall of the Building.
- (e) The utility tower, utility room, boiler room, electrical vault, sprinkler room, and fire control room, which serve all Units.
- (f) The exterior fixtures, including without limitation the exterior planter boxes, to the boundaries of the Units.
- (g) Certain items that could ordinarily be considered Common Elements may, pursuant to the decision of all Owners and specification in the Bylaws or administrative rules, be designated as items to be furnished and maintained by Unit Owners at their individual expense, in good order, according to standards and requirements set by the Board by rule, regulation, or Bylaws.
- Section 6.2 Use; Maintenance. Each Owner shall have the right to use the Common Elements (except the Limited Common Elements reserved for other Units) in common with all other Owners. The right to use the Common Elements shall extend not only to each Owner, but also to its agents, tenants, invitees, and licensees. The right to use the Common Elements, including the Limited Common Elements, shall be governed by the provisions of the Condominium Statute, this Declaration, the Bylaws, and the rules and regulations of the Association. The Owners shall not by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements and no other person shall have the right to have them partitioned or divided. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Owners and occupants shall not be deemed a partition or division. A



subdivision of a Limited Common Element as an incident of an authorized subdivision of a Unit pursuant to Article 25, or a subdivision, conversion, addition or withdrawal of Limited Common Elements or Common Elements pursuant to Article 7 will not be deemed a violation of this provision. The Association will be responsible for the operation, maintenance, repair and replacement of the Common Elements, provided, however, that each Owner will be responsible for the operation, maintenance, repair and replacement of any Limited Common Element reserved for the exclusive use of the Owner's Unit or Units, as described below.

## ARTICLE 7 LIMITED COMMON ELEMENTS

- Section 7.1 **Description.** The Limited Common Elements are Common Elements that are reserved for the exclusive use of the Unit or Units to which they are adjacent or allocated. They consist of those specified in the Condominium Statute, those designated on the Survey Map and Plans, and those described in this subsection. They include without limitation (a) the driveways, entrances, and ramps that are located outside the boundaries of any Unit and that serve fewer than all Units, and (b) the elevators, lobbies, and stairwells that are located outside the boundaries of any Unit and that serve fewer than all Units. The boundaries shall be as depicted on the Survey Map and Plans.
- Section 7.2 Maintenance of Limited Common Elements. Each Owner will be responsible for the operation, maintenance, repair and replacement of any Limited Common Element reserved for the exclusive use of the Owner's Unit or Units.
- Section 7.3 Appurtenant to Units. Conveyance of a Unit includes the exclusive rights to the use of the Limited Common Elements adjacent or allocated to that Unit.
- Elements. Limited Common Elements may be reallocated between Units only with the approval of the Board and by the Owners of the Units to which the Limited Common Element was and will be allocated, and the Mortgagees of such Units, memorialized in an amendment to the Declaration executed by such persons and recorded. The Board shall approve any request of an Owner or Owners for reallocation that has been approved by all Owners of the Units to which the Limited Common Element was and will be allocated within thirty (30) days, unless the proposed reallocation does not comply with this Declaration. The failure of the Board to act upon a request in compliance with this Declaration within such period shall be deemed approval thereof. Common Elements may be reallocated as Limited Common Elements and Limited Common Elements may be incorporated into an existing Unit with the approval of all Owners. Such reallocation shall be reflected in amendments to this Declaration and to the Survey Map and Plans.



## ARTICLE 8 ACCESS

Section 8.1 Access to Common Elements. Each Unit has direct access to Common Elements.

Access to Public Streets. The Floor 1 Unit and Floor 2 Unit have Section 8.2 direct pedestrian and vehicle access to a public street known as 9th Avenue, Seattle, Washington. The Basement Unit and Floor 3 Unit have direct pedestrian but not vehicle access to a public street known as 9th Avenue, Seattle, Washington. Vehicle access to any public street from the Basement Unit or Floor 3 Unit requires the use of easements or licenses that are not provided for in this Declaration. The Basement Unit may have direct vehicle access to a public street known as 8th Avenue, Seattle, Washington, but only if and to the extent that there may exist an easement or license for such access; no such easement or license is acknowledged or established within this Declaration. The Floor 3 Unit may have direct vehicle access to a public street known as 9th Avenue, Seattle, Washington, but only if and to the extent that there may exist an easement or license for such access; no such easement or license is acknowledged or established within this Declaration. Each Unit has an unrestricted right of ingress to and egress from such Unit, which right is perpetual and appurtenant to each Unit, provided, however, that the Basement Unit and Floor 3 Unit shall have no right of vehicle ingress to and egress from such Units through any other Unit or Common Element except to the extent that such right is established in an instrument other than this Declaration.

## ARTICLE 9 PERCENTAGES OF ALLOCATED INTERESTS IN COMMON ELEMENTS

The percentages of Allocated Interests of each Unit are set forth in <u>Exhibit B</u> attached hereto. The Allocated Interest are allocated equally to each Unit. The Allocated Interests allocated to each Unit shall not be reallocated unless the Owners of Units to which all of the votes in the Association are allocated approve; <u>provided</u>, <u>however</u>, that the Allocated Interests allocated to any subdivided Unit may be reallocated among the resulting Units if the Owner or Owners of the resulting Units approve the same by an amendment to the Declaration executed by such Owner or Owners.

#### ARTICLE 10 PARKING

Section 10.1 Garages and Surface Parking Areas. The Building includes motor vehicle parking areas within the Basement Unit, Floor 2 Unit, and Floor 3 Unit.



Section 10.2 Use of Parking Stalls. Parking stalls within the Building may be used only for the parking of operable motor vehicles as further regulated by the rules and regulations adopted by the Board from time to time. The use of such parking stalls for other purposes shall be prohibited.

## ARTICLE 11 PERMITTED USES; MAINTENANCE OF UNITS; CONVEYANCES

Section 11.1 Nonresidential Use Only. All of the Units are intended for and restricted to nonresidential use only, on an ownership, rental, lease, or license basis only, and for other reasonable activities normally incident to such use, to the extent permitted by applicable laws, orders, ordinances, and regulations and other provisions of this Declaration.

Section 11.2 Maintenance of Units. Each Owner shall, at the Owner's sole expense, keep the interior of its Unit and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all maintenance and painting at any time necessary to maintain the good appearance and condition of the Unit. Each Owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, heating or cooling equipment, electrical fixtures, or appliances which are in the Unit or portions thereof that serve that Unit only, and shall replace any glass in the windows and in the exterior doors of the Unit that becomes cracked or broken. Each Owner may make any improvements or alterations to its Unit that do not affect the structural integrity, mechanical or electrical systems, or lessen the support, of any portion of the Condominium, provided, however, that such improvements or alterations are made by Owner in compliance with all applicable building codes, rules, regulations and ordinances of any governmental entity having jurisdiction over the Unit. Owners may not modify, paint, or otherwise decorate, or in any way alter their respective Limited Common Elements without prior written approval of the Board.

Section 11.3 Exterior Appearance. In order to preserve a uniform exterior appearance of the Buildings, the Board shall provide for the painting of the Building and prescribe the type and color of paint. No Owner may modify or decorate the Common Elements, the exterior of the Building, or other portions of any Unit visible from outside the Unit without the prior written consent of the Board or in accordance with rules or regulations of the Board.

Section 11.4 Utilities. Each Owner shall, at the Owner's sole expense, be responsible for all utility and service charges related to its occupancy and use of the Unit, including but not limited to any hook-up charges there may be. To the extent feasible, utility services shall be separately metered to each Unit. Notwithstanding the foregoing, if any



charge for electricity, domestic water, sewer, storm sewer, garbage removal, or any other utility service, is not separately metered or otherwise directly charged to each Unit, then such charges shall be paid by the Association and each Unit Owner shall pay the Association a reasonable share of the charges, to be determined by the Board in its discretion, based on the Board's estimate of such Unit's actual usage. Such payment shall be made by each Owner concurrently with the payment of assessments under Article 16 below.

- Section 11.5 Effect on Insurance. Nothing shall be done or kept in any Unit or Common Element that will increase the rate of insurance on the Property without the prior written consent of the Board. Nothing shall be done or kept in any Unit or Common Element that will result in the cancellation of insurance on any part of the Property, or would be in violation of any applicable laws or regulations.
- Section 11.6 Alteration of Common Elements. Nothing shall be altered or constructed in or removed from any Common Element except with the prior written consent of the Board.
- Section 11.7 Signs. The Board, in its discretion, may establish and enforce rules and regulations relating to the design, location, and materials of signs displayed within any Unit that are visible from outside the Unit. Notwithstanding the foregoing, any sign existing as of December 1, 2008, may remain within any Unit and may be maintained, repaired, and replaced by its Owner from time to time.
- Section 11.8 Offensive Activity. No noxious or offensive activity shall be carried on in any Unit or Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to other Owners. No Owner shall place or allow to accumulate any rubbish or other debris of any kind within or adjacent to any Unit. No Owner shall allow any unsanitary, unsightly, offensive, or otherwise detrimental odors or loud noises to emanate from any Unit. No Owner shall engage in or allow any unsafe or hazardous activity within any Unit that offends or is detrimental to any other Unit or such Unit's Owner, guests, or tenants. Customary and lawful construction activities in connection with the building of improvements within a Unit shall not be considered a nuisance or otherwise be prohibited by this Declaration.
- Section 11.9 Weight Limits. The Board, in its discretion, but based upon the advice of a building engineer, may establish and enforce limits on the weight of motor vehicles and other personal property and fixtures within any Unit in order to protect the Common Elements and other Units from damage. The Board may impose and collect reasonable fines for the violation of any weight limits established by it, based upon an adopted schedule of fines generally applicable within the Condominium.



Section 11.10 Conveyances; Notice Required. The right of an Owner to sell, transfer, mortgage or otherwise convey its Unit shall not be subject to any right of approval, disapproval, or similar restriction by the Association or the Board, or anyone acting on their behalf, except as otherwise expressly provided herein. An Owner intending to sell a Unit, at least thirty (30) days before closing, shall deliver a written notice to the Board specifying the Unit being sold; the names and addresses of the purchaser, closing agent, and title insurance company insuring the purchaser's interest; and the estimated closing date. The Board shall have the right to notify the purchaser, title insurance company, and closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested.

### ARTICLE 12 ENTRY FOR REPAIRS

The Association and its agents or employees may enter any Unit and the Limited Common Elements adjacent or allocated thereto to effect repairs, improvements, replacements, or maintenance deemed by the Board to be necessary in the performance of its duties, to do necessary work that the Unit Owner has failed to perform, or to prevent damage to the Common Elements or to another Unit. Except in cases of great emergency that preclude advance notice, the Board shall cause the Unit occupant to be given notice and an explanation of the need for entry as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the Owners and occupants as practicable. Any damage caused by such entry shall be repaired by the Association as a common expense unless the repairs or maintenance were necessitated by the acts or default of the Owner or occupant of the Unit entered, in which event the costs of the repairs or maintenance shall be specially assessed to that Unit. Notwithstanding the foregoing, if any Unit is owned by the City of Seattle, then the Association and its agents or employees shall comply with all requirements of the City of Seattle regarding background checks and other security precautions before entering any such Unit or Limited Common Elements adjacent or allocated thereto.

## ARTICLE 13 ASSOCIATION OF UNIT OWNERS

Section 13.1 Form of Association. No later than the date the first Unit in the Condominium is conveyed, the Association shall be organized as a nonprofit corporation under the laws of the state of Washington; provided that, from and after the formation of such corporation, the rights and duties of the members and of such corporation shall continue to be governed by the provisions of the Condominium Statute and of this Declaration.



- Section 13.2 Qualification for Membership. Each Owner (including Declarant) shall be a member of the Association. Declarant shall be considered an "Owner" as that term is used herein, and shall be a member of the Association and the voting representative with respect to any Unit owned by Declarant.
- Section 13.3 Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the Unit giving rise to such membership, and shall not be transferred in any way except upon the transfer of the Owner's interest in the Unit and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of an Owner's interest in a Unit shall operate automatically to transfer the membership in the Association to the new Owner.
- Section 13.4 Voting. The voting power of the Owner of each Unit shall be equal to the Allocated Interest of the Unit as set forth on Exhibit B. An Owner (including Declarant) of more than one Unit shall have the votes appertaining to all Units owned. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to the Association shall be disregarded. No lessee of any Unit shall have the right to use the voting power of the Owner of such Unit, unless such lessee has been designated as the voting representative of such Unit by the Owner pursuant to Section 13.5 below.
- Section 13.5 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for its Unit. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from the Owner or by actual notice to the Board of the death or judicially declared incompetence of the Owner, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power of attorney, and the administrators or executors of an Owner's estate. If no designation has been made among multiple Owners of a Unit, or if a designation has been revoked and no new designation has been made, all votes allocated to each Unit may be cast by the one of multiple Owners present at the meeting, or if more than one of multiple Owners are present, according to the agreement of a majority in interest of such Owners in the Unit.
- Section 13.6 Joint Owner Disputes. The voting interest of each Unit must be cast as a single vote. Fractional votes shall not be allowed. If joint Owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question.
- Section 13.7 Pledged Votes. If an Owner is in default under a First Mortgage on its Unit for sixty (60) consecutive days or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged its vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such

pledge to a Mortgagee, and if the pledge is then effective, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Section 13.8 Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the second quarter of each fiscal year at such reasonable place and time as may be designated by no less than ten (10) or more than sixty (60) days written notice from the Board. Special meetings of the Association may be called at any time by the president, a majority of the Board or Owners having twenty percent (20%) of the votes in the Association, for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Any Institutional Holder of a First Mortgage may attend or designate a representative to attend the meetings of the Association.

Section 13.9 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, and, at least annually, shall prepare, or cause to be prepared, a financial statement of the Association, in a form that complies with generally accepted accounting principles.

Section 13.10 Audits. At the annual meeting, there shall be presented an audited financial statement of the Association, prepared by a certified or licensed public accountant who is not a member of the Board or an Owner. The above-described audit may be waived annually by the unanimous vote of all Owners. If the above-described audit is waived, any holder of a Mortgage may cause an audited financial statement of the Condominium to be prepared at such holder's expense and the Association shall cooperate fully with any such audit. The Board, or persons having thirty-five percent (35%) or more of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at its expense, may at any reasonable time conduct an audit of the books of the Board and the Association.

Section 13.11 Articles and Bylaws. The Association will adopt Bylaws to supplement this Declaration and the Articles and to provide for the administration of the Association and the Property and for other purposes not inconsistent with the Condominium Statute or this Declaration. The Articles and Bylaws may be amended as provided therein and consistent with applicable law. However, no material amendment of the Articles or Bylaws may be made without the prior written approval of fifty-one percent (51%) of the Eligible Mortgagees.

Section 13.12 Inspection of Condominium Documents, Books, and Records.

During normal business hours and at other reasonable times this Declaration, the Survey Map and Plans, the Articles, the Bylaws, and other rules governing the operation of the Condominium (collectively, the "Condominium Documents") shall be available for inspection free of charge by the Owners, First Mortgagees, prospective purchasers and their prospective First Mortgagees, and the agents or attorneys of any of them and, in addition, at such times



the books and records, financial statements, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for inspection by the Owners, Mortgagees, and the agents or attorneys of either of them.

#### ARTICLE 14 NOTICES

Section 14.1 Form and Delivery of Notice. All notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third (3rd) day of regular mail delivery after it has been deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Unit shall be sufficient if mailed to the Unit if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association.

Section 14.2 Eligible Mortgagees. Until such time as any Eligible Mortgagee withdraws its request for notice or satisfies the Mortgage held, guaranteed or insured by such Eligible Mortgagee of record, the Board shall send to the Eligible Mortgagee a copy of all notices of any proposed actions which require the consent of a specified percentage of Eligible Mortgagees. All Institutional Holders of First Mortgages shall be entitled to notices under <a href="Article 22">Article 22</a> (damage and repair of damage to property) and <a href="Article 23">Article 23</a> (condemnation) irrespective of whether they have filed requests for notices.

## ARTICLE 15 AUTHORITY OF THE BOARD

Section 15.1 Adoption of Rules and Regulations. The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to ensure compliance with the general guidelines of this Declaration and to promote the comfortable use and enjoyment of the Condominium. The Declaration and the Bylaws and the rules and regulations of the Association shall be binding upon all Owners and occupants and all other persons claiming any interest in the Condominium.

Section 15.2 Enforcement of Declaration, Etc. The Board shall have the power and the duty to enforce the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association.



Section 15.3 Goods and Services. The Board shall acquire and pay for as common expenses of the Condominium all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the Condominium. The goods and services shall include (by way of illustration and not limitation) utility services for the Common Elements; policies of insurance and fidelity bonds (including directors and officers liability insurance); legal and accounting services; maintenance, repair, landscaping, gardening, and general upkeep of the Common and Limited Common Elements; and all supplies, materials, fixtures, and equipment that are, in the Board's judgment, necessary or desirable for the operation of the Condominium and enjoyment of it by the Owners. The Board may hire such full-time or part-time employees as it considers necessary.

Section 15.4 Managing Agent. The Board may, but shall not be required to, contract with an experienced professional Managing Agent to assist the Board in the management and operation of the Condominium and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Only the Board can approve an annual budget or a supplemental budget, and only the Board can impose a special assessment on a Unit or authorize foreclosure of an assessment lien. Any contract with a Managing Agent, or any other contract providing for management or operational services, shall have a term no longer than one (1) year (but may be renewable by agreement of the parties for successive one- (1) year periods) and shall be terminable by the Board without payment of a termination fee, with or without cause, on thirty (30) days' written notice.

Section 15.5 **Protection of Property.** The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the Property, settle claims, or otherwise act in what it considers to be the best interests of the Condominium or the Association.

Section 15.6 Imposition of Payments, Fees, Fines. The Board may impose and collect charges for late payment of assessments described in Article 17 and, after notice and opportunity to be heard by the Board or by such representative designated by the Board and in accordance with procedures provided by the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board and furnished to the Owners for violations of the Declaration, Bylaws, or rules and regulations of the Association. The Board may impose and collect reasonable charges for the preparation and recording of amendments to the Declaration and statements of unpaid assessments, and may assign its right to future income, including the right to receive common expense assessments. The Board may impose and collect any payments, fees or charges for the use, rental or operation of the Common Elements other than Limited Common Elements appurtenant to each Unit, and for services provided to Owners. Upon ninety (90) days' notice, the Board may terminate without penalty any management contract, employment contract, or any other contract or lease between the Association and Declarant or an affiliate

of Declarant, or any contract or lease that is not *bona fide* or was unconscionable to the Owners at the time entered into under the circumstances then prevailing, if such contract or lease was entered into before the Board appointed or elected by the Owners took office.

# ARTICLE 16 BUDGET AND ASSESSMENT FOR COMMON EXPENSES

Section 16.1 Preparation of Budget. At least ninety (90) days prior to the beginning of each calendar year, the Board shall estimate the charges (including common expenses, and any special charges for particular Units) to be paid during such year and prepare a budget for creating, funding and maintaining reasonable repair, replacement and acquisition of Common Elements, taking into account any expected income and any surplus available from the prior year's operating fund (which surplus may be applied by the Association to current operating expenses as referenced in the budget). Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board shall provide a summary thereof to all Owners and set a date which is not less than fourteen (14) nor more than sixty (60) days after mailing of the summary for a meeting of the Owners to consider ratification of the budget. The budget shall be ratified unless at such meeting any Owner rejects the budget, whether or not a quorum is present. Without limiting the generality of the foregoing but in furtherance thereof, the Board may create and maintain from regular periodic assessments a reserve fund for periodic maintenance and repair of Common Elements and for replacement of those Common Elements which can reasonably be expected to require replacement prior to the end of the useful life of the Building. If the Board creates and maintains a maintenance reserve fund, then the Board is encouraged to make reasonable efforts to ensure that reserves are fully adequate to cover all reasonably foreseeable replacement costs, including hiring independent consultants to evaluate the useful life of each component of the Common Elements, should such efforts be requested by any Owner. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment of any Owner's assessment), the Board may prepare a supplemental budget, which shall be subject to Owner ratification as described above.

Section 16.2 Periodic Assessments for Common Expenses and Accrual of Assessments. The sums required by the Association for common expenses as reflected by the budget and any supplemental budgets shall be divided into equal installments to be paid each month over the period of time covered by the budget or supplemental budget, provided, however, that any Owner that is a governmental entity, including without limitation the City of Seattle or any department or office of the State of Washington, shall have the option to pay its annual assessment once each fiscal year without penalty at any time during the first six (6) months of the Association's fiscal year. The regular assessments shall be assessed to all of the Units and their respective Owners in proportion to the Units' Allocated Interests in the Common Elements, initially as described in Exhibit B. Notwithstanding the foregoing, the budget may include expenses related to Limited Common Elements which may be assessed



against the Units to which such Limited Common Elements appertain equally and/or expenses benefiting certain Units may be assessed exclusively against those Units. The cost of utilities shall be assessed in proportion to usage as described in <a href="Section 11.4">Section 11.4</a> above. Assessments to pay a judgment against the Association perfected under RCW 4.64.020 may be made only against Units in the Condominium at the time the judgment was entered in proportion to their Allocated Interests in common expense liability at the time the judgment was entered. Any common expenses caused by the misconduct of an Owner may be assessed exclusively against such Owner's Unit. Until the Association makes a common expense assessment, the Declarant shall pay all common expenses. The first assessment shall be made by the Association against all Units, no later than sixty (60) days after the first Unit is conveyed. Thereafter, assessments shall be made against all Units, based on a budget adopted by the Association.

Section 16.3 Revised Assessments. The assessments shall be based upon the Allocated Interests stated in <a href="Exhibit B">Exhibit B</a> as amended except as expressly provided otherwise in this Declaration.

Section 16.4 Special Assessments. The Board may levy special assessments for those Common Expenses that were not anticipated at the time any budget or supplemental budget was ratified by the Owners. If a special assessment becomes chargeable against a Unit under the authority of this Declaration or the Bylaws, the Board shall determine the amount of such special assessment and fix the schedule upon which it is to be paid, provided, however, that any Owner that is a governmental entity shall have the option to pay all special assessments due during any fiscal year in a single payment without penalty at any time within six (6) months after the initial payment of the special assessment is due during such fiscal year. The special assessment shall be added to the Unit's regular assessment of common expenses and be included in the assessment against the Unit.

Section 16.5 Notice of Assessment. The Board shall notify each Owner in writing of the amount of the assessments to be paid for such Owner's Unit and shall furnish copies of each budget on which the assessments are based to all Owners and, if so requested, to their respective Mortgagees.

Section 16.6 Payment of Assessments. On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer or Managing Agent of the Association the assessment against the Unit for that month, except as otherwise permitted in Section 16.2 as to any Owner that is a governmental entity. Any assessment not paid when due shall be delinquent and subject to late charges, interest charges and collection procedures as provided in Article 17.

Section 16.7 **Proceeds Belong to Association.** All assessments and other receipts received by the Association on behalf of the Condominium shall belong to the Association.



Section 16.8 Failure to Assess. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any budget period for the ensuing period shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent time period, and the assessments and amounts previously established shall continue until a new assessment is established.

Section 16.9 Certificate of Unpaid Assessments. Upon the request of any Owner, Mortgagee, prospective purchaser, or prospective Mortgagee of a Unit, the Board shall furnish within fifteen (15) days after request therefor a certificate in recordable form stating the amount, if any, of unpaid assessments charged to the Unit. The certificate shall be binding upon the Board, the Association and every Owner as to the amount of such indebtedness on the date of the certificate unless and to the extent known by the recipient to be false.

Section 16.10 Separate Accounts. If the Association maintains reserve accounts, then the Board shall require that the Association maintain separate accounts for current operations, maintenance reserves, and insurance reserves. No funds of the Association shall be commingled with the funds of any other association or with the funds of the Managing Agent or any other person responsible for the custody of such funds. Any action affecting reserve funds, including issuance of checks, shall require the signature of at least two (2) persons who are officers or directors of the Association. All such assessments and charges shall be collected and held in trust for, and administered and expended for the benefit of, the Owners.

## ARTICLE 17 LIEN AND COLLECTION OF ASSESSMENTS

Association for the share of the common expenses chargeable to any Unit and any sums specially assessed to any Unit under the authority of this Declaration or the Bylaws (together with interest, fines, late charges, costs, and attorneys' fees in the event of delinquency) shall constitute a continuing lien on the Unit and all its appurtenances from the time the assessment is due. The lien for such unpaid assessments shall be prior to all other liens and encumbrances except (a) liens and encumbrances recorded before the recording of the Declaration, (b) a Mortgage on the Unit recorded before the date on which the assessment sought to be enforced became delinquent, and (c) liens for real property taxes and other governmental assessments or charges against the Unit. Except as provided above (and subject to the provisions of Section 17.2 below), a Mortgagee that obtains the right of possession of a Unit through a foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the Unit free of any claims for assessments or installments thereof that became due prior to such right of possession, but will be liable for the common expenses and assessments that become due thereafter. The Unit's past due share

of common expenses or assessments shall become new common expenses chargeable to all of the Owners, including the Mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to their respective Allocated Interests in the Common Elements; however, the Owner shall continue to be personally liable for such past accrued assessments, as provided in Section 17.3. For the purpose of this Section, the terms "Mortgage" and "Mortgagee" shall not mean any real estate contract or vendor or designee or assignee of a vendor under a real estate contract.

Section 17.2 **Judicial Foreclosure.** The lien arising under <u>Section 17.1</u> may be foreclosed judicially by the Association or its authorized representative in the manner set forth in RCW Chapter 61.12. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight (8) months. Nothing in this section shall prohibit the Association from taking a deed in lieu of foreclosure.

Section 17.3 Nonjudicial Foreclosure. A lien arising under Section 17.1 may be foreclosed nonjudicially in the manner set forth in RCW Chapter 61.24 for the nonjudicial foreclosure of deeds of trust. Each Unit Owner ("Grantor") by its acceptance of title to its Unit does grant its Unit in trust to Chicago Title Insurance Company ("Trustee") to secure the obligations of such Unit Owner ("Grantor") to the Association ("Beneficiary") for the payment of assessments. Each Grantor shall retain the right to possession of Grantor's Unit so long as Grantor is not in default of any obligation to pay assessments. The Trustee shall have a power of sale with respect to each Unit, which becomes operative in the case of a default in a Grantor's obligation to pay assessments. The Units are not used principally for agricultural or farming purposes.

Section 17.4 Assessments Are Personal Obligations. In addition to constituting a lien on the Unit and all its appurtenances, all sums assessed by the Association chargeable to any Unit (together with interest, costs and attorneys' fees in the event of delinquency) shall be the joint and several personal obligations of the Unit Owner when the assessment is made and such Owner's successors in title who assume such obligations, for all assessments due up to the time of each Owner's conveyance of the Unit, without prejudice to any such successor's ability to recover from the Owner the amounts paid by such successor therefore, provided, however, that if an Owner is a corporate or governmental entity then these obligations shall not be the personal obligations of the individuals who may be affiliated with such entity unless they expressly personally assume such obligations. Suit to recover a personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the lien securing them.

Section 17.5 Receiver. From the later of (a) commencement of an action by the Association to foreclose a lien for delinquent assessment(s) against a Unit that is not occupied



by its Owner or (b) delinquency of the assessment(s), the Association may appoint a receiver to collect from any lessee of the Unit the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the Unit or permit its rental to others and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees and charges of the foreclosure action, and then to the payment of the delinquent assessments. Exercise by the Association of the foregoing rights shall not effect the priority of any preexisting liens on the Unit.

- Section 17.6 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish reasonable late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established nonusurious rate, delinquent assessments shall bear interest at the rate of twelve percent (12%) per annum.
- Section 17.7 Recovery of Attorneys' Fees and Costs. In any action to collect delinquent assessments, including appeal thereof and enforcement of a judgment, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorneys' fees and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law, provided, however, that the foregoing provision shall not apply if all Units are owned by governmental entities.
- Section 17.8 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under the law although not expressed herein, either concurrently or in any order.
- Section 17.9 Security Deposit. An Owner who has been delinquent in paying its assessments for seven (7) of the twelve (12) preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three (3) months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held by the Association in a separate fund, credited to such Owner, and may be resorted to by the Association at any time when such Owner is ten (10) days or more delinquent in paying its assessments.

Section 17.10 No Lien on City or State Property. Notwithstanding any other provision of this Declaration to the contrary, if any Unit is owned or leased by the City of Seattle, any department or office of the State of Washington, or other governmental entity within the meaning of RCW 6.17.080, as it may be amended from time to time, no lien created by this Declaration shall attach to such Unit, provided that this Section 17.10 shall not affect the liability of such governmental entity for the payment of any assessments due



hereunder, which shall, as provided in <u>Section 17.3</u>, be the personal obligation of the governmental entity.

## ARTICLE 18 COMPLIANCE WITH DECLARATION

Section 18.1 Enforcement. Each Owner and the Association shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration and the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both maintainable by the Board acting through its officers on behalf of the Owners, or by any aggrieved Owner on its own.

Section 18.2 No Waiver of Strict Performance. The failure of the Board (or the Managing Agent) in any instance to insist upon the strict compliance with this Declaration or the Bylaws or rules and regulations of the Association, or to exercise any right 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 any term covenant, condition, or restriction. The receipt by the Board of payment of an assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board.

## ARTICLE 19 LIMITATION OF LIABILITY

Section 19.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board, none of the Association, the Board, the Managing Agent or the Declarant shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; any injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may lead or flow from outside or from any parts of the Buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of 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.

Section 19.2 No Personal Liability. Except as otherwise provided in the Condominium Statute, so long as a Board member, Association committee member, Association officer, Declarant or the Managing Agent has acted in good faith, with ordinary and reasonable care (and in the case of Board officers and members appointed by Declarant,



with the care required of a fiduciary of the Owners), without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; <u>provided</u> that this section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

# ARTICLE 20 INDEMNIFICATION

Each Board member, Association committee member, and Association officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held the position of Board member, Association committee member, or Association officer, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association; and <u>further provided</u> that nothing contained in this <u>Article 20</u> shall be deemed to obligate the Association to indemnify any Owner who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by he or she under or by virtue of the Declaration as an Owner of a Unit covered thereby.

# ARTICLE 21 INSURANCE

Section 21.1 General Requirements. The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies and bonds necessary to provide property insurance; comprehensive liability insurance; fidelity bonds; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's directors, officers, and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Board deems advisable or is required by the Condominium Statute. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from an insurance carrier rated Triple A (and rated in Class XI or better financial condition) by Best's Insurance Reports or equivalent rating service, and licensed to do



business in the State of Washington. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond that meets the insurance and fidelity bond requirements for commercial condominium projects established by any applicable law, ordinance, or regulation. All such insurance policies and fidelity bonds shall provide that coverage may not be cancelled, modified or allowed to lapse (including cancellation for nonpayment of premium) without compliance with all applicable provisions of Chapter 48.18 RCW pertaining to cancellation or nonrenewal of insurance and at least thirty (30) days' prior written notice to any and all Mortgagees, designated servicers of Mortgagees, and all insurers that issue certificates or memoranda to the Association and, upon written request, to any Owner or Mortgagee. Promptly upon the conveyance of a Unit, the new Owner shall notify the Association of the date of the conveyance and the Owner's name and address. The Association shall notify each insurance company that has issued an insurance policy to the Association for the benefit of the Owners under this Article 21 of the name and address of the new Owner and request that the new Owner be made a named insured under such policy. No claims may be made under any insurance policy held by the Association except upon the approval of the Board. If any requirement of this Article 21 may be satisfied by participating in a government-procured program of insurance, then the Association may at its option satisfy such requirement by participating in such program.

Section 21.2 Property Insurance. The property insurance shall, at the minimum, consist of a standard form of fire insurance policy with extended coverage or "all risk" endorsements in an amount equal to the full replacement value (i.e., one hundred percent (100%) of current replacement cost exclusive of land, foundation, excavation, and other items normally excluded from coverage) of the Common Elements, and all fixtures and equipment belonging to the Association with an "Agreed Amount Endorsement" or its equivalent, if available, or an "Inflation Guard Endorsement." In addition to protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, the policy shall provide protection against loss or damage from sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as are customarily covered in policies for commercial condominium projects of similar construction and use in the greater Seattle metropolitan area. The policy or policies shall provide for separate protection for each Unit to the full insurance replacement value thereof (limited as above provided), and a separate loss payable endorsement in favor of the holder of the Mortgage that creates a lien against such Unit; provided, however, that each Owner shall obtain property insurance on the Owner's Unit on such terms as are generally consistent with the property insurance requirements of this Declaration and each Owner shall be responsible for casualty damages to its Unit up to the deductible amounts of its property insurance policy and the Association's property insurance policy. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurable trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. The policies shall provide that, notwithstanding any provisions



thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law. The policy or policies shall have deductibles of no greater than the lesser of Five Hundred Thousand Dollars (\$500,000.00) or one percent (1%) of the coverage amount.

- Section 21.3 Comprehensive Public Liability Insurance. The comprehensive policy of public liability insurance shall insure the Board, the Association, the Owners, and the Managing Agent, and cover all of the Common Elements, with a "Severability of Interest Endorsement" or equivalent coverage that would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or of another Owner, and shall include protection against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to commercial condominium projects of similar construction and use in the greater Seattle metropolitan area. The limits of liability shall not be less than One Million Dollars (\$1,000,000) covering all claims for personal injury and/or property damage arising out of a single occurrence and Two Million Dollars (\$2,000,000) general aggregate.
- Section 21.4 Additional Policy Provisions. The Board shall exercise its reasonable best efforts to obtain insurance policies pursuant to <u>Sections 21.2</u> and <u>21.3</u> containing the following provisions and limitations:
- Owners in accordance with their respective Allocated Interests in the Common Elements. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies.
- (b) Such policies shall not provide for contribution by or assessment against Mortgagees or become a lien on the Property superior to the lien of a First Mortgage.
- (c) In no event shall the insurance coverage be brought into contribution with insurance purchased by the Owners of the Units or their Mortgagees.
- (d) Coverage shall not be prejudiced by (i) any act or neglect of the Owners when such act or neglect is not within the control of the Association, or (ii) failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control.
- (e) A waiver of subrogation by the insurer as to any and all claims against the Association, any Owner and their respective agents, employees, household members, or



tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

- (f) A standard mortgagee clause which shall provide:
- (i) that any reference to a mortgagee in the policy shall mean and include all holders of Mortgages that create liens against any Units or Unit leaseholds or subleaseholds in their respective order of preference, whether or not named therein;
- (ii) that such insurance as to the interest of any holder of a Mortgage shall not be invalidated by any act or neglect of the Board or Owners or any persons under any of them;
- (iii) any provision invalidating such mortgagee clause by reason of the failure of any holder of a Mortgage to notify the insurer of any hazardous use or vacancy, any requirement that such holder pay any premium thereon, and any contribution clause; and
- (iv) that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Board or the insurance trustee.
- Section 21.5 Fidelity Bonds. The required fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association or the Managing Agent and all other persons who handle or are responsible for handling funds of the Association and be in an amount equal to at least fifty-five percent (55%) of the estimated annual operating expenses of the Condominium, including reserves. All such fidelity bonds shall name the Association as an obligee and contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.
- Section 21.6 Owners' Individual Insurance. Each Owner shall obtain additional insurance on its Unit and the contents at its own expense unless the Owner's insurance would decrease the amount that the Board, or any trustee for the Board, on behalf of all of the Owners, will realize under any insurance policy that the Board may have in force on the Property. Any Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such Owner shall file a copy of its individual policy or policies with the Board within thirty (30) days after such Owner buys it, and the Board shall immediately review its effect with the Board's insurance broker, agent, or carrier.
- Section 21.7 Insurance Proceeds. Insurance proceeds for damage or destruction to any part of the Property shall be paid to the Board on behalf of the Association which shall segregate such proceeds from any other funds of the Association for use and payment as



provided for in <u>Article 22</u>. The Association acting through the Board shall have the authority to settle and compromise any claim under insurance obtained by the Association, each Owner hereby appoints the Association as its attorney in fact for this purpose and the insurer may accept the release and discharge of liability made by the Board on behalf of the named insured under the policy.

## ARTICLE 22 DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

- Section 22.1 **Initial Board Determination.** In the event of damage to any part of the Property, the Board shall promptly, and in all events within sixty (60) days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:
- (a) The nature and extent of the damage, together with an inventory of the Property directly affected thereby.
- (b) A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two (2) or more firm bids obtained from responsible contractors. If the repair is deemed to be a public works project and if the Association is deemed to be subject to competitive bidding requirements under any applicable law, order, ordinance, or regulation, then such regulatory requirements shall control in the event of any conflict with any requirement of this <u>Article 22</u>.
- (c) The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.
- (d) The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds and the amount of the assessments that would have to be made against each Unit if the excess cost were to be paid as a maintenance expense and specially assessed against all the Units in proportion to their Allocated Interests in the Common Elements.
  - (e) The Board's recommendation whether the damage should be repaired.
- Section 22.2 Filing Proof of Loss. The Board shall promptly file a proof of loss statement with its insurer if the loss is covered by insurance and abide by all terms and conditions of its insurance policies, unless the Board determines it would not be in the best interest of the Association to file a proof of loss.
- Section 22.3 **Notice of Damage.** The Board shall provide each Owner and each Institutional Holder of a First Mortgage with a written notice describing the damage and summarizing the initial Board determinations made under <u>Section 22.1</u>. If the Board fails to



## CONDOMINIUM DECLARATION

## AND

COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS

**FOR** 

NINTH AND LENORA CONDOMINIUM

Attachment 2 to Ordinance



# CONDOMINIUM DECLARATION AND COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR NINTH AND LENORA CONDOMINIUM

## TABLE OF CONTENTS

|                   | <u>I</u>  | Page |
|-------------------|---|------|
| ADTICLE 1 DEFINIT | TIONS   | 1    |
| Section 1.1       | Words Defined                                       | 1    |
| Section 1.1       | Form of Words                                       | 3    |
| Section 1.3       | Statutory Definitions                               | 3    |
|                   |   |      |
| ARTICLE 2 SUBMIS  | SSION OF THE PROPERTY TO THE CONDOMINIUM            |      |
| STATUTE           |   | 3    |
|                   |   |      |
| ARTICLE 3 PHASIN  | IG; JOINT USE; LIENS                                | 3    |
| Section 3.1       | Dhaging   |      |
| Section 3.2       | Joint Use and Maintenance of Common Elements        | 4    |
| Section 3.3       | Liens   |      |
| ADTICI E A DESĆR  | IPTION OF BUILDINGS                                 | 4    |
|                   |   |      |
| ARTICLE 5 UNIT II | DENTIFIERS, LOCATION, AND DESCRIPTION               | 4    |
| Section 5.1       | Unit Identifiers                                    | ⊤    |
| Section 5.2       | Unit Location                                       | 4    |
| Section 5.3       | Unit Description                                    | 4    |
| - 4 603 0 6       | ON ELEMENTS   | 5    |
|                   | ON ELEMENTS  Description                            | 5    |
| Section 6.1       | Use; Maintenance                                    | 5    |
| Section 6.2       |   |      |
| ADTICLE 7 LIMITE  | ED COMMON ELEMENTS                                  | 6    |
| Section 7.1       | Description   |      |
| Section 7.1       | Maintenance of Limited Common Elements              |      |
| Section 7.3       | Appurtenant to Units                                | 6    |
| Section 7.4       | Allocation Reallocation of Limited Common Elements, |      |
| Doomon 7.1        | Common Elements                                     | 6    |
|                   |   |      |



|                    |  | 7       |
|--------------------|--|---------|
| ARTICLE 8 ACCESS . |  | 7       |
|                    | Access to Common Elements                    | 7       |
| Section 8.2        | Access to Public Streets                     | ,       |
| ADDICE DADED CENT  | TAGES OF ALLOCATED INTERESTS IN COMMON       |         |
| ARTICLE 9 PERCEN.  | TAGES OF ALLOCATED INTERESTS IN THE          | 7       |
|                    |  |         |
| ARTICLE 10 PARKIN  | IG   | 7       |
| ~ . 101            | Canada and Curtage Parking Areas             | ,       |
| Section 10.2       | Use of Parking Stalls                        | 8       |
|                    |  |         |
| ARTICLE 11 PERMIT  | TTED USES; MAINTENANCE OF UNITS; CONVEYANCES | O.<br>Q |
| a . 111            | Nonnegidential Liga Only                     | . 0     |
| a - 4! 11 0        | Maintenance of Units                         | .0      |
| Section 11.3       | Exterior Appearance                          | O.      |
| a . 11 1           | Titilities                                   | .0      |
| 0 1 11 5           | Effect on Insurance                          | . 7     |
| Section 11.6       | Alteration of Common Flements                | . >     |
| Section 11.7       | Ci   | . フ     |
| Section 11.8       | Officiary Activity                           | • -     |
| Section 11.9       | Weight Limits                                | • •     |
| Section 11.10      | Conveyances; Notice Required                 | 10      |
|                    | FOR REPAIRS                                  | 10      |
|                    |  |         |
| ARTICLE 13 ASSOC   | CIATION OF UNIT OWNERS                       | 10      |
| Section 13.1       | Form of Association                          |         |
| Section 13.2       | Ovelification for Membership                 | 1 1     |
| Section 13.3       | Transfer of Membershin                       | 1 1     |
| Section 13.4       | Voting                                       | 11      |
| Section 13.5       | Victing Denregentative                       | . 1. 1  |
| Section 13.6       | Toint Owner Disnutes                         | . 1     |
| Section 13.7       | Diadrad Votes                                | , L .   |
| Section 13.8       | Applied and Special Meetings                 | . 1 4   |
| ~ .1 12.0          | Dealer and Departs                           | , l 4   |
| Section 13.10      | Andita                                       | . I .   |
| Section 13.11      | Articles and Bylaws                          | .1.     |
| Section 13.12      | Dooled and Pacofile                          | . 1.    |
|                    |  | .1      |
| ARTICLE 14 NOTIC   | CES Form and Delivery of Notice              | .1      |
| Section 14.1       | Form and Delivery of Notice                  | .1      |
| Section 14.2       | Eligible Mortgagees                          |         |



| ARTICLE 15 AUTHO   | PRITY OF THE BOARD13                                    |
|--|---|
| Section 15.1   | Adoption of Rules and Regulations                       |
| Section 15.2   | Enforcement of Declaration, Etc                         |
| Section 153  | Goods and Services14                                    |
| Section 15.4   | Managing Agent  |
| Section 15.5   | Protection of Property14                                |
| Section 15.6   | Imposition of Payments, Fees, Fines                     |
|  |   |
| ARTICLE 16 BUDGE   | ET AND ASSESSMENT FOR COMMON EXPENSES15                 |
| Section 16.1   | Preparation of Budget                                   |
| Section 16.2   | Periodic Assessments for Common Expenses and Accrual of |
|  | Assessments   |
| Section 16.3   | Revised Assessments                                     |
| Section 16.4   | Special Assessments 16                                  |
| Section 16.5   | Notice of Assessment                                    |
| Section 16.6   | Payment of Assessments                                  |
| Section 16.7   | Proceeds Belong to Association <sup>10</sup>            |
| Section 16.8   | Failure to Assess                                       |
| Section 16.9   | Certificate of Unpaid Assessments                       |
| Section 16.10  | Separate Accounts                                       |
| ADDICTE 17 LIEN A  | AND COLLECTION OF ASSESSMENTS17                         |
| Section 17.1   | Assessments Are a Lien; Priority                        |
| Section 17.1<br>Section 17.2   | Judicial Foreclosure                                    |
| Section 17.2<br>Section 17.3   | Nonjudicial Foreclosure                                 |
| Section 17.3<br>Section 17.4   | Assessments Are Personal Obligations                    |
| Section 17.4<br>Section 17.5   | Receiver  |
| Section 17.5   | Late Charges and Interest on Delinquent Assessments     |
| Section 17.7   | Recovery of Attorneys' Fees and Costs                   |
| Section 17.7   | Pemedies Cumulative                                     |
| Section 17.9   | Security Denosit  |
| Section 17.10  | 10  |
|  |   |
| ARTICLE 18 COMP  | LIANCE WITH DECLARATION20                               |
| Section 18.1   | Enforcement   |
| Section 18.2   | No Waiver of Strict Performance                         |
| A DESCRIPTION OF THE STATE OF T | ATION OF LIABILITY20                                    |
|  | Liability for Utility Failure, Etc                      |
| Section 19.1   | No Personal Liability20                                 |
| Section 19.2   | NO FEISURIAL DIAUTITY                                   |



| ARTICLE 20 INDEM             | NIFICATION   | 21     |
|------------------------------|--|--------|
| ARTICI E 21 INSUR            | ANCE   | 21     |
| Section 21.1                 | General Requirements   | ,,,,,⊥ |
| Section 21.1                 | Property Insurance   | 22     |
| Section 21.2                 | Comprehensive Public Liability Insurance                         | 23     |
| Section 21.4                 | Additional Policy Provisions                                     | 23     |
| Section 21.5                 | Fidelity Bonds   | 24     |
| Section 21.6                 | Owners' Individual Insurance                                     | 24     |
| Section 21.7                 | Insurance Proceeds   | 24     |
| ADETOLE 02 DAMA              | GE AND REPAIR OF DAMAGE TO PROPERTY                              | 25     |
| Section 22.1                 | Initial Board Determination                                      | 25     |
| Section 22.1<br>Section 22.2 | Filing Proof of Loss   | 25     |
| Section 22.2<br>Section 22.3 | Notice of Damage   | 25     |
| ·= · ·                       | Definitions: Damage, Repair, Emergency Work                      | 26     |
| Section 22.4                 | Execution of Repairs.  | 26     |
| Section 22.5<br>Section 22.6 | Damage Not Substantial; Assessment Under One Million Dolla       | rs     |
| Section 22.0                 | (\$1,000,000)  | 27     |
| G + i 22 7                   | Substantial Damage; Assessment Over One Million Dollars          |        |
| Section 22.7                 | (\$1,000,000)  | 27     |
| Section 22.8                 | Effect of Decision Not to Repair                                 | 28     |
| ADTICLE 23 COND              | EMNATION   | 29     |
| Section 23.1                 | Consequences of Congenination, Notices                           |        |
| Section 23.1<br>Section 23.2 | Proceeds   | 29     |
| Section 23.3                 | Complete Taking  | 29     |
| Section 23.4                 | Partial Taking   | 30     |
| Section 23.5                 | Reconstruction and Repair  | 31     |
|                              | MENTS  |        |
|                              | MENTS In General   | 31     |
| Section 24.1                 | Encroachments  | 31     |
| Section 24.2                 | Encroachments  Easements and Other Rights Granted by Association | 32     |
| Section 24.3                 | Utility Easements Granted by Declarant                           | 32     |
| Section 24.4                 | Easements Run With the Land                                      | 32     |
| Section 24.5                 | Easements Run With the Land                                      |        |
| ARTICLE 25 PROC              | EDURES FOR SUBDIVIDING, COMBINING OR                             | 20     |
| RELOCATI                     | NG BOUNDARIES BETWEEN UNITS                                      | 52     |
| Section 25.1                 | Submission of Proposal   | 32     |
|                              | (a) Subdivision or Combination                                   | 32     |
|                              | (b) Relocation of Boundaries                                     | 52     |

|                  | (c) Leases                               | 32  |
|------------------|--|-----|
| Section 25.2     | Approvals Required                       | 33  |
|                  | (a) Subdivision                          |     |
|                  | (b) Approval Required for Combination    |     |
| Section 25.3     | Procedure After Approval                 | 33  |
| 0001011 2010     | (a) Subdivision                          | 33  |
|                  | (b) Relocation of Boundaries             | 33  |
| ARTICLE 26 AMEN  | DMENTS OF DECLARATION AND SURVEY MAP AND |     |
|                  |  | 34  |
| Section 26.1     | Amendments by the Association            | 34  |
| Section 26.2     | Approvals Required                       | 34  |
|                  |  |     |
| ARTICLE 27 ABAN  | DONMENT OR TERMINATION OF CONDOMINIUM    | 2.4 |
| STATUS           |  | 34  |
| ARTICLE 28 SEVER | RABILITY                                 | 35  |
| ARTICLE 29 EFFEC | TIVE DATE                                | 35  |
|                  |  |     |
| ARTICLE 30 REFER | RENCE TO SURVEY MAP AND PLANS            | 35  |
| ARTICLE 31 PROTI | ECTIONS FOR MORTGAGEES TO FACILITATE     |     |
| MORTGAGE         | LENDING                                  | 35  |
| Section 31.1     | Mortgagee Approvals                      | 35  |
| Section 31.2     | Notice to Mortgagees                     | 37  |
|                  |  |     |
| ARTICLE 32 CONV  | EYANCE OR ENCUMBRANCE OF COMMON ELEMENTS | 37  |

## **Attachments:**

Exhibit A - Description of Land

Exhibit B - Unit Description, Level, Type, Area and Allocated Interests



do so promptly after such damage, any Owner or Institutional Holder of a First Mortgage may make the determinations required under <u>Section 22.1</u> and give the notice required under this <u>Section 22.3</u>.

- Section 22.4 Definitions: Damage, Repair, Emergency Work. As used in this Article 22:
- (a) Damage shall mean all kinds of damage, whether of slight degree or total destruction.
- (b) Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each Unit and the Common Elements (including Limited Common Elements) having substantially the same vertical and horizontal boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.
- (c) **Emergency Work** shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the Owners from liability from the condition of the site.

## Section 22.5 Execution of Repairs.

- insurance proceeds therefor unless (a) the Condominium is terminated, (b) the repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) before the repairs (other than Emergency Work) are begun the Owners decide in accordance with this Article not to repair. If the cost of repair of the Common Elements exceeds the available insurance proceeds the Board shall impose a special assessment against all Units in proportion to their Allocated Interests in the Common Elements in an aggregate amount sufficient to pay the excess costs.
- (b) The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law. The Board shall require any building service vendor, general contractor, or subcontractor making repairs or providing services to provide a certificate of general liability insurance evidencing coverage of not less than One Million Dollars (\$1,000,000) for bodily injury or property damages liability and with aggregate limits of not less than One Million Dollars (\$1,000,000).



- (c) The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of One Hundred Thousand Dollars (\$100,000) or for the institution or company to collect the insurance proceeds and carry out the provisions of this <u>Article 22</u>.
- Section 22.6 **Damage Not Substantial; Assessment Under One Million Dollars** (\$1,000,000). If the estimated assessment determined under <u>subsection 22.1(d)</u> does not exceed One Million Dollars (\$1,000,000) for any one Unit, the damage will be deemed not to be substantial and the provisions of this <u>Section 22.6</u> shall apply.
- (a) Either the Board or the requisite number of Owners may, but shall not be required to, call a special Owners' meeting in accordance with <u>Section 13.8</u> and the Bylaws to decide whether to repair the damage.
- (b) Except for Emergency Work, no repairs shall be commenced until after the conclusion of the special meeting if such a special meeting is called.
- (c) A concurring vote of all Owners and eighty percent (80%) of the Institutional Holders of First Mortgages will be required to elect not to repair the damage or to rebuild in a manner different from the original design. The failure of the Board and the Owners within sixty (60) days after the date of damage to call a special Owners' meeting to decide whether to repair the damage shall be deemed a decision to repair the damage.
- Section 22.7 Substantial Damage; Assessment Over One Million Dollars (\$1,000,000). If the estimated assessment determined under subsection 22.1(d) is One Million Dollars (\$1,000,000) or more for any one Unit, the damage will be deemed substantial and the provisions of this Section 22.7 shall apply.
- (a) The Board shall promptly, and in all events within sixty (60) days after the date of damage, call a special Owners' meeting to consider repairing the damage. If the Board fails to do so within sixty (60) days, then notwithstanding the provisions of Section 13.8 and the Bylaws, any Owner or Institutional Holder of a First Mortgage may call and conduct the meeting.
- (b) Except for Emergency Work, no repairs shall be commenced until the conclusion of the special Owners' meeting.
- (c) A concurring vote of all Owners will be required to elect not to repair the damage. Failure of the Board, the Owners, and the Institutional Holders of First Mortgages to conduct the special meeting provided for under <u>subsection 22.5(a)</u> within one hundred twenty (120) days after the date of damage shall be deemed a unanimous decision to repair the damage.



- Section 22.8 Effect of Decision Not to Repair. Prior to and notwithstanding a decision under either subsections 22.4(a) or 22.5(a) not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for Emergency Work (which Emergency Work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the Property shall thereafter be held and distributed as follows:
- (a) If Owners of all Units and eighty percent (80%) of the Institutional Holders of First Mortgagees vote to terminate the Condominium:
- (i) The Property shall be owned in common by the Owners and shall no longer be subject to this Declaration or to condominium ownership;
- (ii) Owner's respective undivided interest in the Property shall be the same as the proportion of the fair market value of that Owner's Unit and Allocated Interest in the Common Elements (as determined by one (1) or more appraisers selected by the Association) to the fair market value of all Units and Common Elements immediately before the casualty. If any Unit or any Common Element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, each Owner's respective undivided interest in the Property shall be the same as each Owner's Allocated Interest in the Common Elements immediately before the termination;
- (iii) Mortgages and other liens affecting any of the Units shall be deemed transferred in accordance with the existing priorities to the Owners' respective undivided interests in the Property; and
- The Property shall be subject to an action for partition at the suit (iv) of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, if any, shall be considered as one (1) fund, which fund shall be divided into separate shares, one (1) for each Owner in a percentage equal to the percentage of undivided interest owned by such Owner in the Property. After first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all Mortgages and other liens on such Owner's interest, the balance remaining in each share shall be distributed to the Owner. Notwithstanding the foregoing, the right of partition shall be suspended if an agreement ("Sales Agreement") to sell the Property is provided for in an agreement ("Termination Agreement") to terminate the Condominium entered into by Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. The suspension of the right to partition shall continue unless and until the first to occur of the following: (A) no binding obligation to sell exists three (3) months after the recording of the Termination Agreement, (B) the Sales Agreement is terminated, or (C) one (1) year after the Termination Agreement is recorded.

- (b) If Owners of all Units and eighty percent (80%) of the Institutional Holders of First Mortgagees do not vote to terminate the Condominium:
- (i) Insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;
- (ii) Insurance proceeds attributable to any Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of such Units and the Owners of the Units to which such Limited Common Elements were allocated, or to the holders of any Mortgages or other liens affecting such Units, as their interests may appear; and
- (iii) The remainder of the insurance proceeds shall be distributed to all of the Owners and holders of Mortgagees or other liens, as their interests may appear, in proportion to the Owners' respective Allocated Interests in the Common Elements. If the Owners vote not to rebuild any Unit, that Unit's Allocated Interest shall be automatically reallocated upon such vote as if the Unit had been condemned as provided in Article 23.

# ARTICLE 23 CONDEMNATION

- Section 23.1 Consequences of Condemnation; Notices. If any Unit or portion thereof or the Common Elements (including Limited Common Elements) or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (collectively, a "Taking") notice of the Taking shall promptly be given to each Owner and to each Institutional Holder of a First Mortgage and the provisions of this <a href="Article 23">Article 23</a> shall apply. If no Unit is owned by the condemning authority, then the Association, acting through the Board, shall represent the Owners in any proceedings, negotiations, settlements or agreements in connection with any Taking, and each Owner shall appoint the Association its attorney-in-fact for this purpose. If any Unit is owned by the condemning authority, then the Association shall be deemed to have a conflict of interest and each Owner shall represent itself in any proceedings, negotiations, settlements or agreements in connection with any Taking.
- Section 23.2 **Proceeds.** All compensation, damages, or other proceeds of the Taking (collectively, the "Award") shall be payable to the Association, as trustee for the Owners and Mortgagees as their interests may appear.
- Section 23.3 Complete Taking. If the entire Property is taken the Condominium ownership shall terminate effective as of the acquisition of the Property by the condemning authority. The Award shall be apportioned among the Owners in proportion to their



respective Allocated Interests in the Common Elements; <u>provided</u> that, if a standard different from the value of the Property as a whole is employed to measure the Award in the Taking, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Award to which each Owner is entitled. Each Owner's share shall be applied first to the payment of all Mortgages and liens on the Owner's interest in accordance with the existing priorities and the balance of each share, if any, shall be distributed to the Owner.

- Section 23.4 Partial Taking. If less than the entire Property is taken the Condominium ownership shall not terminate. The Allocated Interests of all Units taken shall be reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the Taking and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of the Unit is taken, which remnant may not practically or lawfully be used for any purpose permitted by this Declaration, shall become a Common Element effective as of the acquisition of the Property taken by the condemning authority. If part of a Unit is taken and the remaining part may be practically and lawfully used for a purpose permitted by this declaration, that Unit's Allocated Interest shall be reduced in proportion to the reduction in size of the Unit or on any other basis specified herein and the portion of the Allocated Interest divested from the partially taken Unit shall be automatically reallocated to such Unit and the remaining Units in proportion to the respective Allocated Interests of those units before the Taking, with any partially taken Unit sharing in the reallocation on the basis of its reduced Allocated Interest. Each Owner shall be entitled to a share of the Award determined in the following manner:
- (a) As soon as practicable the Board shall, reasonably and in good faith, allocate the Award among compensation for Property taken, severance damages, or other proceeds.
- (b) Any amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners in proportion to their respective Allocated Interests in the Common Elements.
- (c) Any amount allocated to the taking or partial taking of or injury to a particular Unit, Limited Common Elements appurtenant thereto and/or improvements made by the Owner therein shall be apportioned to the Unit.
- (d) Any amount allocated to severance damages shall be apportioned to the Units that were not taken.



- (e) Any amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.
- (f) If an allocation of the Award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the Award the Board shall employ that allocation to the extent it is relevant and applicable.
- (g) Distribution of apportioned proceeds shall be made to the Owners and their respective Mortgagees in the manner provided in <u>Section 23.4</u>.
- Section 23.5 Reconstruction and Repair. Any reconstruction and repair necessitated by a Taking shall be governed by the procedures specified in <u>Article 22</u> for repair of damage; <u>provided</u> that the Board may retain and apply such portion of each Owner's share of the Award as is necessary to discharge the Owner's liability for any special assessment arising from the operation of <u>Article 22</u>.

## ARTICLE 24 EASEMENTS

Section 24.1 In General. Each Unit has an easement in and through each other Unit and the Common Elements for structural support and utility cables, wires, pipes, tanks, ducts, vents, elevator facilities, telecommunications facilities except towers, telecommunications towers existing as of January 1, 2009, outdoor building signs, heating and cooling facilities, outdoor waste container facilities, and for reasonable access thereto, as required to effectuate and continue the proper operation of the Condominium. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements reserved by law. Section 8.2 acknowledges certain limitations on rights of vehicle access within the Condominium to and from the Basement Unit and Floor 3 Unit.

Section 24.2 Encroachments. Each Unit and all Common Elements are hereby declared to have an easement over all adjoining Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the Property, or any other similar cause, and any encroachment due to Building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and/or Common Elements so long as such encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by such encroachments; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit if the encroachment was caused by the willful act with full knowledge of the Owner. The encroachments described in this Section 24.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.



- Section 24.3 Easements and Other Rights Granted by Association. The Association shall have the right to grant additional permits, licenses and easements over the Common Elements for utilities, roads and other purposes necessary for the proper operation of the Condominium.
- Section 24.4 Utility Easements Granted by Declarant. Declarant grants to each company or municipality providing utility services to the Condominium or to the Owners an easement for the installation of all utilities serving the Condominium or the Owners, including, without limitation, such utilities services as water, sanitary sewer, storm sewer, electricity, gas, cable communications and telephone, and an easement for reasonable access over the roadways and Common Elements to the utility service facilities.
- Section 24.5 Easements Run With the Land. The easements, covenants, restrictions, benefits and obligations hereunder shall be perpetual and run with the land.

# ARTICLE 25 PROCEDURES FOR SUBDIVIDING, COMBINING OR RELOCATING BOUNDARIES BETWEEN UNITS

- Section 25.1 Submission of Proposal. No Unit or Units or Common Elements shall be subdivided and/or combined either by agreement or legal proceedings, except as provided in this Article and Article 3.
- (a) Subdivision or Combination. An Owner may propose subdividing and/or combining of a Unit, Units, or Common Elements by submitting the proposal in writing to the Board. If the proposal contemplates the subdivision of a Unit, the proposal must also be given to all First Mortgagees. The proposal must include complete plans and specifications for accomplishing the subdivision or combination (including plans and specifications for removal or alteration) and proposed amendments of this Declaration the Survey Map and Plans, if required by the Condominium Statute, which amendments shall reallocate the Allocated Interests formerly allocated to the former Unit or Units to the new Unit or Units in any reasonable manner prescribed by the Owners thereof. The Owners of the Unit or Units making the proposal shall bear all costs of the subdivision or combination.
- (b) Relocation of Boundaries. The Owners of adjoining Units may apply to the Association for relocation of the boundary between their Units. If the Owners have specified a reallocation between their Units of their Allocated Interests, the application must state the proposed reallocations.
- (c) Leases. This article shall not restrict the right of any Owner to lease, license, or sublease any portion of the Unit, including without limitation any parking stall.



## Section 25.2 Approvals Required.

- (a) **Subdivision.** A proposal that contemplates subdivision of a Unit will be accepted only if approved in writing by the Board, all Owners and Mortgagees/Institutional Holders of First Mortgages of the Unit or Units to be subdivided, and the Owners of Units to which a majority of the votes in the Association are allocated.
- (b) Approval Required for Combination. A proposal that contemplates only combination of Units without subdividing any of them will be accepted if approved in writing by the Board, the Owners of Units to which a majority of the votes in the Association are allocated, and all Owners and Mortgagees/Institutional Holders of First Mortgages of the Units to be combined.
- Section 25.3 Procedure After Approval. An Owner's proposal for combination, subdivision or relocation of boundaries shall be approved by the Board within thirty (30) days after any required Owner and/or Mortgagee approval is obtained, unless the proposed alteration does not comply with the Condominium Statute or this Declaration or impairs the structural integrity or mechanical or electrical systems of the Condominium or any proposed reallocation of Allocated Interests is unreasonable. Upon approval of the proposal, the Owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or provisions for the protection of other Units or Common Elements or that reasonable deadlines for completion of the work be inserted in the contracts for the work.
- (a) **Subdivision.** In the event of a subdivision, the Association shall prepare, execute and record (and the Owner of the subdivided Unit shall execute) an amendment to this Declaration and the Survey Map and Plans, subdividing the Unit, assigning identifying numbers to the Units created, and reallocating the Allocated Interests formerly allocated to the subdivided Unit to the new Units.
- (b) Relocation of Boundaries. In the event of a relocation of Unit boundaries, the Association shall prepare an amendment to the Declaration that identifies the Units involved and states the reallocations of Allocated Interests. The amendment must be executed by the Owners of the Units involved, contain words of conveyance between them and be recorded in the county in which the Condominium is located. The Association shall obtain and record Survey Maps or Plans necessary to show the altered boundaries between adjoining Units and their dimensions and identifying numbers.



# ARTICLE 26 AMENDMENTS OF DECLARATION AND SURVEY MAP AND PLANS

Section 26.1 Amendments by the Association. Any Owner may propose amendments to this Declaration or the Survey Map and Plans to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners to which twenty percent (20%) or more of the votes in the Association are allocated, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Mortgagees) entitled to receive notice of a meeting of the Association.

Section 26.2 Approvals Required. Except for amendments that may be executed by the Association under Section 7.3 (reallocation of Limited Common Elements), Article 23 (condemnation), or Article 25 (relocation of boundaries or subdivision of Units), or by certain Owners if and to the extent provided under Section 7.3 (reallocation of Limited Common Elements), Article 9 (Allocated Interests), or Article 25 (relocation of boundaries or subdivision of Units), all other amendments to this Declaration shall be adopted if approved unanimously by all of the Members at an annual, regular, or special meeting. In addition to the above and other provisions of this Declaration and of the Condominium Statute, the prior written approval of at least seventy-five percent (75%) of all Institutional Holders of First Mortgages will be required for any material amendment of this Declaration or the Bylaws, including, but not limited to, any amendment that would change the Allocated Interest of any Unit in the Common Elements. Once an amendment has been adopted by the Association it shall become effective when the amendment, executed and certified on behalf of the Association by any designated officer or the president of the Association, has been recorded in the county in which the Condominium is located.

# ARTICLE 27 ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS

Except as provided in <u>Articles 22</u> and <u>23</u>, the condominium status of the Property shall not be abandoned or terminated by reason of any act or omission by the Owners or the Association except with the consent of all Owners, by an instrument to that effect specifying a date after which such instrument will be ineffective unless recorded prior thereto and containing a description of the manner in which creditors of the Association will be paid or provided for and setting forth the terms of any sale of all or a portion of the Property to be sold following termination, which instrument must be duly recorded and then only if at least



seventy-five percent (75%) of all Institutional Holders of Mortgages approve in writing. Any Eligible Mortgagee who fails to submit a response to any written proposal for termination within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, return receipt requested, shall be deemed to have approved and consented to the termination. Proceeds of sale of any portion of the Property shall be distributed to, and title to any portion of the Property not sold upon termination shall vest in, the Owners, as described in the Condominium Statute.

#### ARTICLE 28 SEVERABILITY

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder complies with the Condominium Statute or, as covenants, affect the common plan.

### ARTICLE 29 EFFECTIVE DATE

This Declaration shall take effect upon recording.

## ARTICLE 30 REFERENCE TO SURVEY MAP AND PLANS

| The Survey Map and Plans were filed with the Recorder of King County, |     |
|---|-----|
| simultaneously with the recording of this Declaration under File No   | , m |
|   |     |
| ARTICLE 31  |     |

## PROTECTIONS FOR MORTGAGEES TO FACILITATE MORTGAGE LENDING

- Section 31.1 Mortgagee Approvals. Notwithstanding any other provision of any of the Condominium Documents, to the extent required or permitted by law, the prior written approval of fifty-one percent (51%) of the Eligible Mortgagees, with each Eligible Mortgagee being counted as having the same percentage of votes in the Association allowed to it as if allocated to the Unit encumbered by its Mortgage, shall be required for any of the following, and without such approval, no person, the Board or the Association shall by either act or omission seek nor can they legally effect:
- (a) Any change of a material nature to any of the Condominium Documents, including but not limited to any change respecting:
  - (i) decreasing Owner rights;



- (ii) foreclosing assessment liens or the priority of such liens;
- (iii) increasing assessments for maintenance, repair and replacement of the Common Elements;
  - (iv) performance or fidelity bonds;
- (v) change of Allocated Interests in or rights to use of any of the Common Elements;
- (vi) increasing assessments for maintenance and repair of the Condominium;
- (vii) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
  - (viii) relocation of the boundaries of any Unit;
- (ix) conversion of Units into Common Elements or of Common Elements into Units;
- (x) imposition of any restrictions on the right of an Owner to sell, transfer or otherwise convey its Unit;
- (xi) a decision by the Association to establish self-management when professional management had been required previously by the Condominium Documents or any Eligible Mortgagee;
- (xii) replacement or repair of the Condominium (after a hazard, damage or partial condemnation) in any manner other than that specified in the Condominium Documents;
- (xiii) any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; and
  - (xiv) any provisions that expressly benefit Mortgagees;

provided, however, that any abandonment or termination of the Condominium for reasons other than substantial destruction or condemnation of the Condominium shall require the consent and approval of at least sixty-seven (67%) of the Eligible Mortgagees and at least seventy-five (75%) of all Institutional Holders of First Mortgages, as set forth in Article 27. Any Eligible Mortgagee who fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the



notice was delivered by certified or registered mail, return receipt requested, shall be deemed to have approved and consented to the amendment in question.

- (b) Notwithstanding anything to the contrary in this Declaration, no requirement for Mortgagee approval shall operate to (1) deny or delegate control over the general administration of affairs of the Association by the Owners or the Board, or (2) prevent the Association or the Board from commencing, intervening or settling any litigation or proceeding, or receiving and distributing any insurance proceeds except pursuant to Article 22.
- Section 31.2 Notice to Mortgagees. Upon a written request sent by any Mortgagee to the Association stating such Mortgagee's name and address and the Unit number or address of the Unit subject to the Mortgage held, guaranteed or insured by such Mortgagee, such Mortgagee shall be entitled to timely written notice without charge of:
- (a) Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit subject to the Mortgage held, insured or guaranteed by such Mortgagee;
- (b) Any default in payment of assessments or charges owed by the Owner of a Unit subject to the Mortgage held, insured or guaranteed by such Mortgagee, where the delinquency has not been cured in sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any of the proposed changes referred to in <u>Section 31.1(a)</u> of this Declaration.

## ARTICLE 32 CONVEYANCE OR ENCUMBRANCE OF COMMON ELEMENTS

Portions of the Common Elements not necessary for the habitability of a Unit may be conveyed or subjected to a security interest by the Association if approved by the Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated, but in order to convey any Limited Common Elements or subject them to a security interest, all of the Owners of the Units to which such Limited Common Elements are allocated must consent in writing. Proceeds of any such sale or financing shall be an asset of the Association. Any agreement to convey Common Elements or subject them to a security interest must be evidenced by the execution of an agreement or ratification thereof in the same manner as a deed by the requisite number of Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in every county in which a portion of the Condominium is located.



The Association, on behalf of the Owners, may contract to convey Common Elements or subject them to a security interest but the contract shall not be enforceable against the Association until approved as required under this <u>Article 32</u>. Thereafter, the Association shall have all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments. No conveyance or encumbrance of Common Elements pursuant to this <u>Article 32</u> shall deprive any Unit of its rights of access and support, nor affect the priority or validity of any preexisting encumbrances.

| Executed as of the                | _day of    | , 2009.   |
|-----------------------------------|------------|---|
| DECLARANT:                        |            | THE CITY OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION |
|                                   |            |   |
|                                   |            | ByPrint Name:   |
| APPROVED AS TO FORM:              |            |   |
|                                   |            |   |
| City of Seattle, Office of the Ci | ty Attorne | У   |



| STATE OF WASHINGTON )                            |   |
|--|---|
| ) ss.  |   |
| ) ss.<br>COUNTY OF KING )                        |   |
| On dila 1. C                                     | 2000 1 6 27 27 27 27 27                             |
| On this day of                                   | , 2009, before me, a Notary Public in and for       |
| the State of Washington, personally appear       | ed, to me   |
| known to be the person who signed as the _       | of THE  |
| CITY OF SEATTLE, a Washington munic              | ipal corporation, the corporation that executed the |
| within and foregoing instrument, and acknowledge | owledged said instrument to be the free and         |
|  | for the uses and purposes therein mentioned and on  |
|  | eute said instrument and that the seal affixed      |
| thereto, if any, is the corporate seal of said   |   |
|  | vorpozwion,   |
| IN WITNESS WHEREOF, I have h                     | nereunto set my hand and official seal the day and  |
| year first above written.                        |   |
| ,  |   |
|  |   |
|  |   |
|  | NOTARY PUBLIC in and for the State of               |
|  | Washington, residing at                             |
|  | My appointment expires                              |
|  | Print Name  |
|  |   |



#### **EXHIBIT A**

## NINTH AND LENORA CONDOMINIUM

## **DESCRIPTION OF LAND**

LOTS 7, 8, 9 AND 10 IN BLOCK 25 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE) AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY AUDITOR;

TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOTS;

TOGETHER WITH AN EASEMENT WITHIN THE SOUTHWESTERLY HALF OF THE VACATED ALLEY AS PROVIDED UNDER THAT CERTAIN EASEMENT AGREEMENT RECORDED UNDER KING COUNTY AUDITOR'S FILE NO. 9704161324;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.



**EXHIBIT B** 

# NINTH AND LENORA CONDOMINIUM

AREA, PARKING SPACES, AND ALLOCATED INTERESTS IN COMMON ELEMENTS, COMMON EXPENSES, UNIT DESCRIPTION, UNIT ADDRESS, UNIT TYPE, UNIT LEVEL, CURRENT UNIT USE, APPROXIMATE AND VOTES IN ASSOCIATION

| Allocated Interest in Common Elements, Common Expenses, and Votes in Association | 25%   | 25%  |   | 25%  |
|--|---|--|---|--|
| Total<br>Number of<br>Parking<br>Spaces  | 59  | 0  |   | 37   |
| Number of<br>Enclosed<br>Parking<br>Spaces                                       | . 59  | 0  | 37  |  |
| Number of<br>Uncovered<br>Parking<br>Spaces                                      | 0   | 0  | 0   |  |
| Approximate<br>Area (in<br>square feet)  | 26,499  | 25,753   |   | 27,285   |
| Current<br>Unit Use  | Parking garage  | Library, offices   | Library,<br>offices,<br>parking<br>garage,  | loading  |
| Level  | Basement  | 1  |   | 2  |
| Unit Type  | Nonresidential  | Nonresidential   |   | Nonresidential   |
| Unit Address   | 2021 9 <sup>th</sup> Avenue,<br>Basement Unit,<br>Seattle, WA 98121 | 2021 9 <sup>th</sup> Avenue,<br>Floor 1 Unit, Seattle,<br>WA 98121 | 2021 9th Avenue,<br>Floor 2 Unit, Seattle,<br>WA 98121 (except<br>for portion currently | leased to Seattle<br>Public Library<br>Mobile Services Unit, |
| Unit<br>Name   | Basement  | Floor 1  |   | Floor 2  |





|              |   |                |       |                            |   |   |  |   | -   |
|--------------|---|----------------|-------|----------------------------|---|---|--|---|---|
| Unit<br>Name | Unit Address  | Unit Type      | Level | Current<br>Unit Use        | Approximate<br>Area (in<br>square feet) | Number of<br>Uncovered<br>Parking<br>Spaces | Number of<br>Enclosed<br>Parking<br>Spaces | Total<br>Number of<br>Parking<br>Spaces | Allocated<br>Interest in<br>Common<br>Elements,<br>Common<br>Expenses,<br>and Votes in<br>Association |
|              | which bears address 2025 9th Avenue, Seattle, WA 98121) |                |       |                            |   |   |  |   |   |
| Floor 3      | 2021 9th Avenue,<br>Floor 3 Unit, Seattle,<br>WA 98121  | Nonresidential | 3     | Surface<br>parking<br>area | 26,837                                  | 91  | 0  | 91                                      | 25%   |
| Totals       |   |                |       |                            | 106,374                                 | 91  | 96   | 187                                     | 100%  |
|              |   |                |       |                            |   |   |  |   |   |

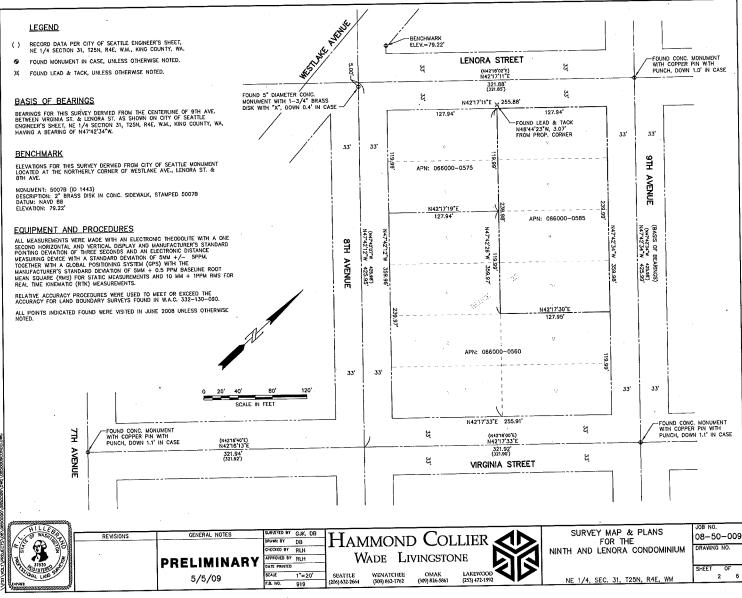


|  | ·  |
|--|--|
| DECLARATION  | LEGAL DESCRIPTION  |
| KNOW ALL PERSONS BY THESE PRESENT THAT WE, THE UNDERSIGNED OWNERS IN FEE SHIPLE OF THE PROPERTY SHOWN HEREN, HEREN TO ECLARE HIS SWATCH WAP AND PLANS OF THE MINH, AND LIGHORA COMPOSITIONED AND PLANS OF THE MINH, AND LIGHORA COMPOSITIONED AS TO THE WORLD AND LIGHORA COMPOSITIONED AS TO THE WORLD AND THE MINH AND LIGHORA COMPOSITIONED AS TO THE WORLD AND THE MINH AND T | AS PER THE TITLE REPORT ISSUED BY NORTHPOINT ESCRIB AND THEE LLC AS ACCHT FOR LAWYER'S TITLE INSURANCE CORPERATION, ORDER NO. KW-11208185.   |
| DEDICATE THE SAME FOR CONDOMINUM PURPOSES.  THIS SURVEY MAP AND PLANS OR ANY PORTION THEREOF SHALL BE RESTRICTED  BY THE TERMS OF THE CONDOMINUM DECLARATION RECORDED IN CONLANCTION  HERENTH UNDER NING COUNTY RECORDING NO.  | LOTS 7, 8, 9 MID 10 HE BLOCK 25 OF SECOND ADDITION TO THE TOWN OF<br>SEATTLE AS LAID OFF BY THE HERS OF SARAH A. BELL, (DECASED),<br>(COMMONLY KNOWN AS HERS OF SARAH A. BELL'S 2ND ADDITION TO THE<br>DIY OF SEATTLE) AS TOR PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE<br>121, RECORDS OF KING COUNTY AURITRY. |
| THIS DECLARATION IS NOT FOR PUBLIC PURPOSES, BUT SOLELY TO MEET THE REQUIREMENTS OF, AND TO SUBJECT THE PROPERTY TO THE WASHINGTON CONDOMINUM, AND, FOW OF AN IN THE CONDOMINUM DECLARATION.   | TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOTIS.  |
| WE FURTHER CERTIFY THAT ALL STRUCTURAL COMPONENTS AND MECHANICAL SYSTEMS OF ALL DUILDINGS CONTAINING OR COMPRISHED ANY UNITS HEREBY CREATED ARE TOSTRIC.   | TOGETHER WITH AN EASEWENT WITHIN THE SOUTHWESTERLY HALF OF THE VACATIED ALLEY AS PROVIDED UNDER THAT CERTAIN EASEWENT AGREEVENT RECORDED UNDER RING COUNTY JUSTOPICS FLE NO. 9704161325.   |
| CITY OF SEATTLE FILETS AND FACILITIES DEPARTMENT A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON  | SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.   |
| BY:  |  |
| цг.  |  |
| STATE OF   |  |
| ON THIS DAY OF THE STATE OF WASHINGTON, DUTY COMISSIONED A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, DUTY COMISSIONED PRESONALLY PROVING THE WASHINGTON, DUTY COMISSIONED THE STATE OF THE STATE OF WASHINGTON, DUTY COMISSIONED THE STATE OF THE STATE OF WASHINGTON, DUTY COMISSIONED THE STATE OF THE STATE OF WASHINGTON OF WASHINGTON, DUTY OF STATE FLEETS AND FACULTIES THE THE OF THE WITHIN AND FORCEONING INSTRUMENT AND ADMINISTRATION OF WASHINGTON OF WASHI |  |
| AFFILED, F AIN, IS THE CORPORATE SEAL OF SAID CITY. WITNESS MY HAND HERETO AFFIXED THE DAY AND YEAR IN THIS CERTIFICATE ABOVE WOTTEN.  | LAND SURVEYOR'S CERTIFICATE THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF THE CITY OF SEATTLE, IN MAY, 2008  |
| NOTARY PUBLIC IN AND FOR THE STATE OF MASHIKITIAN, RESDING IN WY COMMISSION EXPIRES: PRINT NOTARY NAME:  | CERTIFICATE NO. 37530  |
|  | DEPARTMENT OF ASSESSMENTS  EXAMINED AND APPROVED THIS DAY OF, 2009   |
|  | KING COUNTY ASSESSOR DEPUTY KING COUNTY ASSESSOR   |
|  | . ACCOUNT NUMBER   |
|  | RECORDER'S CERTIFICATE FEC. NO. 20 AT IN BOOK TO SURVEYS, FACE COLUER & WABE - LIVEISTIME ASSOCIATES, INC.   |
| MACADINE SINGUIS   | COUNTY RECORDER  |
| REUSIONS OCIERAL NOTES OCIERAL | SURVEY MAP & PLANS FOR THE NINTH AND LENGRA CONDOMINIUM  STONE   |
| 5/5/09 SALE 1-20 SEATTH WINATHER CHA   | SLEET OF   |

PROJEC

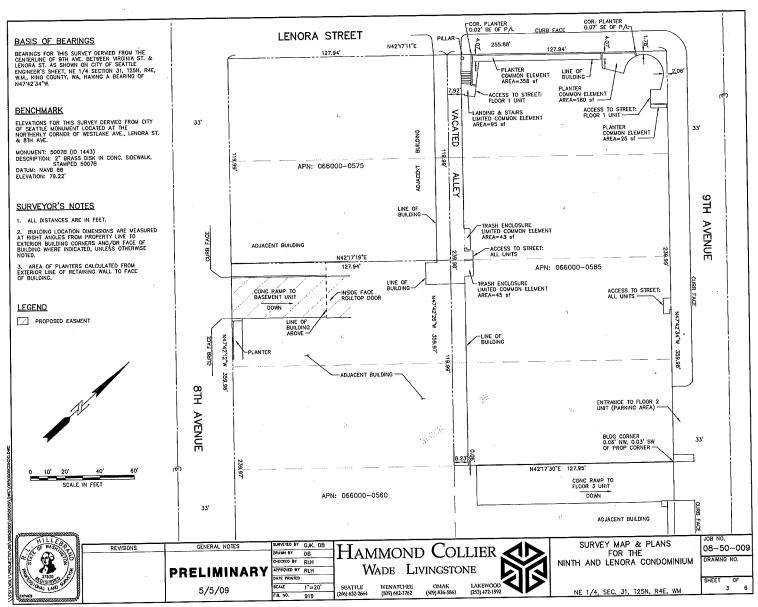
(LH) (CUNCII)

Attachment 3 to Ordinano



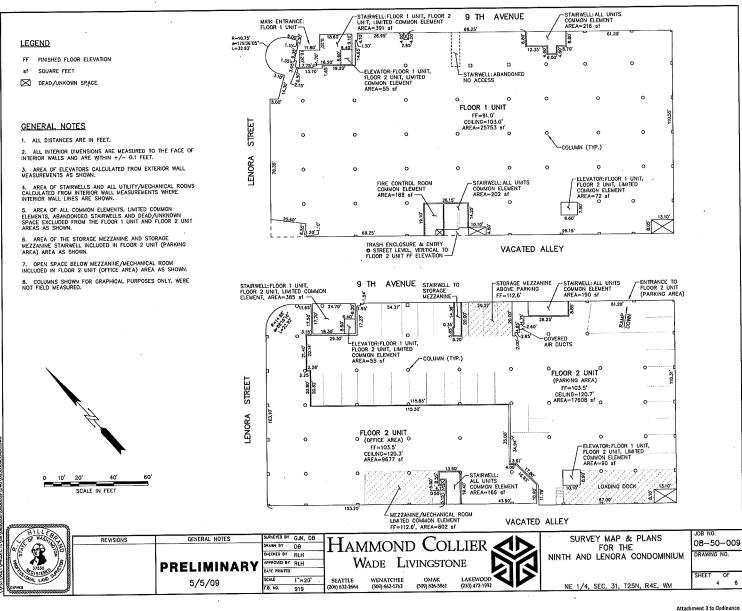
Attachment 3 to Ordinance





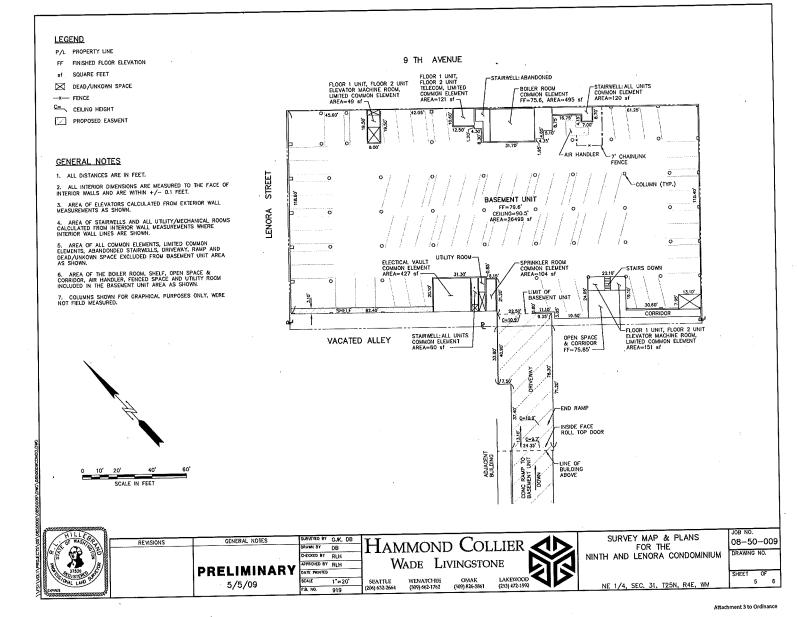
Attachment 3 to Ordinance





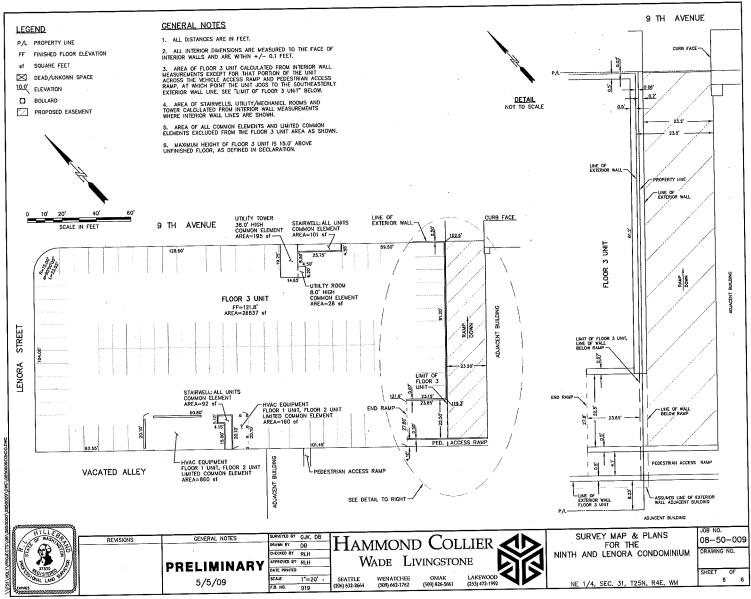
Attachment 3 to Ordinance







(COUNCIL)



Attachment 3 to Ordinance



## WHEN RECORDED, RETURN TO:

Helaine Honig Seattle City Attorney's Office 600 Fourth Avenue, 4<sup>th</sup> Floor P.O. Box 94769 Seattle, WA 98124-4769

# RIGHT OF FIRST OFFER AGREEMENT (NINTH AND LENORA CONDOMINIUM)

**Grantor:** 

THE CITY OF SEATTLE, a Washington municipal corporation

STATE OF WASHINGTON, acting by and through the Office of the Secretary

of State

Grantee:

THE CITY OF SEATTLE, a Washington municipal corporation

STATE OF WASHINGTON, acting by and through the Office of the Secretary

of State

### **Legal Description:**

| The Basement Unit, Floor 1 Unit, Floor 2 Unit, and Floor 3 Unit, | nit of Ninth and |
|--|------------------|
| Lenora Condominium, according to the condominium survey          |                  |
| and declaration recorded in the real property records of King (  | County,          |
| Washington, under Auditor's File Nos.                            | and              |
| respectively, as amended.  |                  |

### **Assessor's Property Tax Parcel Account Numbers:**

066000 0585 (prior to creation of condominium)

### **Reference to Related Documents:**

None.



# RIGHT OF FIRST OFFER AGREEMENT (NINTH AND LENORA CONDOMINIUM)

| THIS RIGHT OF FIRST                | OFFER AGREEMENT (this "Agreement") is made this        |
|------------------------------------|--|
| day of                             | , 2009, by THE CITY OF SEATTLE, a Washington           |
|                                    | "), and STATE OF WASHINGTON, acting by and through the |
| Office of the Secretary of State ( | (the "State").   |

### RECITALS

- A. The City owns the condominium units legally described on <u>Exhibit A</u> attached hereto (the "City Property").
- B. The State owns the condominium units legally described on <u>Exhibit B</u> attached hereto (the "State Property"). The City Property and the State Property comprise all of the units within a nonresidential condominium known as Ninth and Lenora Condominium, as more fully described on <u>Exhibits A</u> and <u>B</u> attached hereto (the "Condominium").
- C. The City and the State desire to establish certain rights relating to the City Property and the State Property as set forth in this Agreement.

### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree and covenant as follows:

## 1. City Right of First Offer.

portion of the State Property as the State may desire to sell from time to time (a "State Sale Unit"). If the State shall desire to sell a State Sale Unit, then the State first shall give the City written notice of such intent, and thereafter the City shall have sixty (60) days to submit to the State a complete binding offer, executed by an authorized official of the City, to purchase the State Sale Unit, setting forth the legal description of the State Sale Unit, the closing date (which shall be any date between six (6) and fifteen (15) months after the date of the initial offer but subsequently may be set at a later date by the mutual agreement of the City and State), the conditions precedent to the City's obligation to complete the purchase (which may include without limitation the approval of the City Council and availability of sufficient funds to pay the purchase price), and such other terms as may be customary in the form of commercial condominium purchase and sale agreement promulgated by the Commercial Broker's Association for Seattle, Washington, at the time the offer is made, except for the purchase price,



which shall be determined as provided in the following subsections, and the earnest money deposit, which shall be Zero Dollars (US\$0).

- Determination of Fair Market Value. Within fifteen (15) days b. following the State's receipt of the City's binding offer to purchase the State Sale Unit, the City and State shall retain a mutually agreed upon M.A.I. Appraiser to determine the fair market value of the State Sale Unit and provide a written appraisal within sixty (60) days of being retained. The cost of the appraisal shall be borne equally by the City and State. If City and State cannot agree upon an M.A.I Appraiser within fifteen (15) days as provided above, then each party shall obtain a separate appraisal performed by an appraiser meeting the criteria set forth above, the cost of which shall be paid by each party to its separately contracted appraiser and which appraisal shall be completed within sixty (60) days after the due date for agreeing upon an M.A.I. Appraiser. If the conclusions of the two appraisers do not vary by more than 10% of the higher valuation, then the fair market value of the State Sale Unit shall be the average of the two conclusions. If the conclusions vary by more than 10% of the higher valuation, then the two appraisers shall join to appoint a third appraiser within ten (10) days after the date of completion of their appraisals. Such third appraiser shall then review the two appraisals and, based upon such review, determine the fair market value of the State Sale Unit within thirty (30) days after the date of appointment. In the event such third appraiser's determination is higher than the previous high, said previous high shall be the fair market value, or in the event such third appraiser's determination is lower than the previous low, said previous low shall be the fair market value. The cost of the third appraiser, if any, shall be shared equally between the parties.
- Notice of Proposed Purchase Price and Acceptance of Offer. Within thirty (30) days after the completion of the appraisal process described above, the City shall deliver to the State written notice of the City's proposed purchase price of the State Sale Unit. If the City's proposed purchase price is equal to or greater than the fair market value of the State Sale Unit as determined by the appraisal process described above, then the City shall be obligated to purchase and the State shall be obligated to sell the State Sale Unit for the City's proposed purchase price and on the other terms of the City's complete binding offer described above, and within thirty (30) days after the City's delivery of written notice of its proposed purchase price the parties shall execute such purchase and sale agreement and other documents as may be reasonably necessary to evidence such obligations. If the City's proposed purchase price is less than the fair market value of the State Sale Unit as determined by the appraisal process described above, then the State may in its discretion either accept or reject the proposed purchase price; if the State accepts the proposed purchase price, then the parties shall execute such purchase and sale agreement and other documents as may be reasonably necessary to evidence their agreement, and if the State rejects the proposed purchase price, then the City shall have no right to purchase the State Sale Unit, and the State may offer and agree to sell the State Sale Unit to any third party, provided, however, that the State may not offer or agree to sell the State Sale Unit to any third party for a purchase price equal to or less than the City's proposed purchase price without granting the City the opportunity to purchase the State Sale Unit at such

lesser purchase price and on such other terms as had been offered by the City. In no event shall the State accept any offer or make any agreement to sell any portion of the State Sale Unit within one hundred eighty (180) days after giving the City written notice of its intent to sell, except to the City.

Termination; Subsequent Owners. The right of first offer described in d. this Section 2 shall bind the State but shall not bind any subsequent owner of any portion of the State Property. If the City does not submit a written offer in full compliance with the requirements set forth above within sixty (60) days after receipt of the State's notice of intent to sell, then this right of first offer shall terminate as to the State Sale Unit and the State shall be free to sell the State Sale Unit to any third party. If the City and State agree on the terms of the purchase and sale of the State Sale Unit, and if the City thereafter shall fail to complete the purchase of the State Sale Unit within the period provided in the binding agreement, then this right of first offer shall terminate as to the State Sale Unit and the State shall be free to sell the State Sale Unit to any third party. The right of first offer described in this paragraph shall terminate upon the first to occur of (a) the date twenty (20) years after the date hereof, (b) the date of termination of the Condominium, and (c) as described above, as to the State Sale Unit only, upon the failure of the City to submit a written offer or the failure of the City to complete the purchase. If the State Sale Unit does not comprise the entirety of the State Property then owned by the State, then the right of first offer shall continue in effect as to the remainder of the State Property, regardless whether or not the City exercised its right of first offer as to the State Sale Unit.

## 2. State Right of First Offer.

a. Generally. The State shall have a right of first offer to purchase such portion of the City Property as the City may desire to sell from time to time (a "City Sale Unit"). If the City shall desire to sell a City Sale Unit, then the City first shall give the State written notice of such intent, and thereafter the State shall have sixty (60) days to submit to the City a complete binding offer, executed by an authorized official of the State, to purchase the City Sale Unit, setting forth the legal description of the City Sale Unit, the closing date (which shall be any date between six (6) and fifteen (15) months after the date of the initial offer but subsequently may be set at a later date by the mutual agreement of the State and City), the conditions precedent to the State's obligation to complete the purchase (which may include without limitation the approval of the State Legislature and availability of sufficient funds to pay the purchase price), and such other terms as may be customary in the form of commercial condominium purchase and sale agreement promulgated by the Commercial Broker's Association for Seattle, Washington, at the time the offer is made, except for the purchase price, which shall be determined as provided in the following subsections, and the earnest money deposit, which shall be Zero Dollars (US\$0).

- Determination of Fair Market Value. Within fifteen (15) days b. following the City's receipt of the State's binding offer to purchase the City Sale Unit, the City and State shall retain a mutually agreed upon M.A.I. Appraiser to determine the fair market value of the City Sale Unit and provide a written appraisal within sixty (60) days of being retained. The cost of the appraisal shall be borne equally by the City and State. If City and State cannot agree upon an M.A.I Appraiser within fifteen (15) days as provided above, then each party shall obtain a separate appraisal performed by an appraiser meeting the criteria set forth above, the cost of which shall be paid by each party to its separately contracted appraiser and which appraisal shall be completed within sixty (60) days after the due date for agreeing upon an M.A.I. Appraiser. If the conclusions of the two appraisers do not vary by more than 10% of the higher valuation, then the fair market value of the City Sale Unit shall be the average of the two conclusions. If the conclusions vary by more than 10% of the higher valuation, then the two appraisers shall join to appoint a third appraiser within ten (10) days after the date of completion of their appraisals. Such third appraiser shall then review the two appraisals and, based upon such review, determine the fair market value of the City Sale Unit within thirty (30) days after the date of appointment. In the event such third appraiser's determination is higher than the previous high, said previous high shall be the fair market value, or in the event such third appraiser's determination is lower than the previous low, said previous low shall be the fair market value. The cost of the third appraiser, if any, shall be shared equally between the parties.
- Notice of Proposed Purchase Price and Acceptance of Offer. Within thirty (30) days after the completion of the appraisal process described above, the State shall deliver to the City written notice of the State's proposed purchase price of the City Sale Unit. If the State's proposed purchase price is equal to or greater than the fair market value of the City Sale Unit as determined by the appraisal process described above, then the State shall be obligated to purchase and the City shall be obligated to sell the City Sale Unit for the State's proposed purchase price and on the other terms of the State's complete binding offer described above, and within thirty (30) days after the State's delivery of written notice of its proposed purchase price the parties shall execute such purchase and sale agreement and other documents as may be reasonably necessary to evidence such obligations. If the State's proposed purchase price is less than the fair market value of the City Sale Unit as determined by the appraisal process described above, then the City may in its discretion either accept or reject the proposed purchase price; if the City accepts the proposed purchase price, then the parties shall execute such purchase and sale agreement and other documents as may be reasonably necessary to evidence their agreement, and if the City rejects the proposed purchase price, then the State shall have no right to purchase the City Sale Unit, and the City may offer and agree to sell the City Sale Unit to any third party, provided, however, that the City may not offer or agree to sell the City Sale Unit to any third party for a purchase price equal to or less than the State's proposed purchase price without granting the State the opportunity to purchase the City Sale Unit at such lesser purchase price and on such other terms as had been offered by the State. In no event shall the City accept any offer or make any agreement to sell any portion of the City Sale Unit within

one hundred eighty (180) days after giving the State written notice of its intent to sell, except to the State.

- Termination; Subsequent Owners. The right of first offer described in d. this Section 2 shall bind the City but shall not bind any subsequent owner of any portion of the City Property. If the State does not submit a written offer in full compliance with the requirements set forth above within sixty (60) days after receipt of the City's notice of intent to sell, then this right of first offer shall terminate as to the City Sale Unit and the City shall be free to sell the City Sale Unit to any third party. If the City and State agree on the terms of the purchase and sale of the City Sale Unit, and if the State thereafter shall fail to complete the purchase of the City Sale Unit within the period provided in the binding agreement, then this right of first offer shall terminate as to the City Sale Unit and the City shall be free to sell the City Sale Unit to any third party. The right of first offer described in this paragraph shall terminate upon the first to occur of (a) the date twenty (20) years after the date hereof, (b) the date of termination of the Condominium, and (c) as described above, as to the City Sale Unit only, upon the failure of the State to submit a written offer or the failure of the State to complete the purchase. If the City Sale Unit does not comprise the entirety of the City Property then owned by the City, then the right of first offer shall continue in effect as to the remainder of the City Property, regardless whether or not the State exercised its right of first offer as to the City Sale Unit.
- 3. Time Is of the Essence. Time is of the essence of this Agreement. No party shall have any right to an extension of any deadline, nor any right to deliver any notice or perform any act after the date set forth in this Agreement.
- 4. No Third Party Beneficiary. This Agreement is not made for the benefit of any third party.
- 5. Attorneys' Fees and Costs. If any party shall bring any action arising out of this Agreement, then the losing party shall pay the prevailing party a reasonable sum for attorneys' fees and costs incurred in such suit, at trial and on appeal, and such attorneys' fees and costs shall be deemed to have accrued on the commencement of such action.



the laws of the State of Washington. CITY OF SEATTLE, a Washington municipal CITY: corporation By: Brenda Bauer Its: Director, Fleets and Facilities Department STATE OF WASHINGTON, acting by and through **STATE:** the Office of the Secretary of State Date: APPROVED AS TO FORM: State of Washington, Office of the Attorney General City of Seattle, Office of the City Attorney

General. This Agreement shall be recorded in the real property records of King

County, Washington. This Agreement shall be governed by and construed in accordance with



| STATE OF WASHINGTON )   |  |
|---|--|
| ) ss.   |  |
| COUNTY OF KING )  |  |
| On this day of  | , 2009, before me, a Notary Public in and for the                    |
| State of Washington, personally appear  | red , to me known to   |
| be the person who signed as the   | of THE CITY OF   |
| SEATTLE, a Washington municipal c   | orporation, the corporation that executed the within and             |
| foregoing instrument, and acknowledg  | ged said instrument to be the free and voluntary act and             |
| deed of said corporation for the uses a or she was authorized to execute said | nd purposes therein mentioned and on oath stated that he instrument. |
| DI WATNIEGG WALEDEGE I L  | ave hereunto set my hand and official seal the day and year          |
|   | ave hereumo set my hand and official sear the day and your           |
| first above written.  |  |
|   |  |
|   | NOTARY PUBLIC in and for the State of                                |
|   | Washington, residing at  |
|   | My appointment expires   |
|   | Print Name   |
|   |  |



| STATE OF WASHINGTON )  |   |
|--|---|
| ) ss.  |   |
| COUNTY OF THURSTON )   |   |
| State of Washington, personally appear be the person who signed as the WASHINGTON, the government offic acknowledged said instrument to be the uses and purposes therein mentioned ar said instrument. |   |
| IN WITNESS WHEREOF, I ha   | we hereunto set my hand and official seal the day and year    |
| first above written.   |   |
|  | NOTARY PUBLIC in and for the State of Washington, residing at |
|  | My appointment expires  |
|  | Print Name  |
|  |   |

- EXHIBITS:
  A Description of the City Property
  B Description of the State Property



### **EXHIBIT A**

### DESCRIPTION OF THE CITY PROPERTY

| The Basement Unit and Floor 3 Unit of Ninth and Lenora Condominium   |                       |
|--|-----------------------|
| condominium survey map and plans and declaration recorded in the rea | I property records of |
| King County, Washington, under Auditor's File Nos.                   | and                   |
| respectively, as amended.  | •                     |



#### EXHIBIT B

## **DESCRIPTION OF THE STATE PROPERTY**

| The Floor 1 Unit and Floor 2 Unit of Ninth and Lenora Condominium, according to    | the      |
|--|----------|
| condominium survey map and plans and declaration recorded in the real property rec | cords of |
| King County, Washington, under Auditor's File Nos and                              |          |
| respectively, as amended.  |          |



After Recording Return Document to:

Marco de Sa e Silva Davis Wright Tremaine LLP 1201 Third Avenue, Suite 2200 Seattle, WA 98101-3045

Document Title:

Bargain and Sale Deed

Grantor:

The City of Seattle

Grantee:

The State of Washington, acting by and through the Office of the

Secretary of State

Legal Description:

FLOOR 1 UNIT AND FLOOR 2 UNIT OF NINTH AND LENORA

CONDOMINIUM, ACCORDING TO THE CONDOMINIUM SURVEY MAP AND PLANS RECORDED UNDER KING COUNTY AUDITOR'S

FILE NO.

AND CONDOMINIUM DECLARATION RECORDED UNDER KING COUNTY AUDITOR'S

; SITUATE IN THE CITY OF

SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Tax Parcel No.

066000 0585 (portion)

Reference to Related Documents:

None.



# BARGAIN AND SALE DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the City of Seattle, a Washington municipal corporation ("Grantor"), does hereby bargain, sell and convey to The State of Washington, acting by and through the Office of the Secretary of State ("Grantee"), that real property situate in the County of King, State of Washington, and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), subject to those matters described on Exhibit B attached hereto and incorporated herein by reference (the "Exceptions"), together with all tenements, hereditaments, and appurtenances thereto belonging or appertaining and any and all reversions, remainders, rents, issues, and profits thereof.

|   | by its duly authorized official.                       |
|---|--|
| Signed and acknowledged in the presence of: | THE CITY OF SEATTLE a Washington municipal corporation |
| (Witness Signature)                         | By:Printed Name:                                       |
| (Print Name)                                | Its:   |



| STATE OF WASHINGTON )  |   |
|--|---|
| ) ss.  | ,   |
| COUNTY OF KING )   |   |
|  | , 2009, before me personally appeared, to me known to be the  |
| of THI   | ECITY OF SEATTLE, the municipal corporation that  |
| and voluntary act and deed of said<br>on oath stated that (s)he was author | instrument, and acknowledged said instrument to be the free corporation, for the uses and purposes therein mentioned, and rized to execute said instrument on behalf of said association. |
| IN WITNESS WHEREOF, day and year first above written.                      | I have hereunto set my hand and affixed my official seal the  |
| day and your move to the   |   |
|  | Signature:  |
|  | Name:(print)  |
|  | NOTARY PUBLIC in and for the State  |
|  | of, residing at   |
|  | My appointment expires:   |
|  |   |



## **EXHIBIT A**

# Legal Description of the Property

| FLOOR 1 UNIT AND FLOOR 2 UNIT OF NINTE | HAND LENORA CONDOMINIUM,          |
|--|-----------------------------------|
| ACCORDING TO THE CONDOMINIUM SURVE     | Y MAP AND PLANS RECORDED UNDER    |
| KING COUNTY AUDITOR'S FILE NO.         | AND CONDOMINIUM                   |
| DECLARATION RECORDED UNDER KING CO     | UNTY AUDITOR'S FILE NO.           |
| ; SITUATE IN THE CITY (                | OF SEATTLE, COUNTY OF KING, STATE |
| OF WASHINGTON.                         |                                   |



## EXHIBIT B

# **Description of Easements**

| 1.      |                                  | Map and Plans for Ninth and Lenora Condominium, recorded in       |
|---------|----------------------------------|---|
| the rea | l property records of K          | ing County, Washington, under Auditor's File No.                  |
|         | , and                            | l in Volume of Condominium, pages through,                        |
|         |                                  | Declaration and Covenants, Conditions, Restrictions and           |
|         |                                  | enora Condominium,, recorded in the real property records of King |
| County  | y, Washington, under A           | Auditor's File No.  |
|         |                                  |   |
| 2.      |                                  | rary Elevated Ramp and Tunnel Easements recorded in the real      |
| proper  | ty records of King Cou           | inty, Washington, under Auditor's File No.                        |
|         | •                                |   |
|         |                                  | 1 11 d 1 1 CV's Country   |
| 3.      |                                  | greement recorded in the real property records of King County,    |
| Washi   | ngton, under Auditor's           | File No.  |
|         | 4 . 1.1 4 .                      | 1 u diti and thought  |
| 4.      | Agreement and the le             | rms and conditions thereof:                                       |
|         | Recorded:                        | January 08, 1954  |
|         | Recording No.                    | 440980  |
|         | Recording No. Regarding:         | Installation, maintenance and operation of underground electrical |
|         | Regarding.                       | facilities  |
|         |                                  | identities  |
| 5.      | Dight received by the            | City of Seattle to reconstruct, maintain and operate the existing |
|         | Right reserved by the            | ilities under City of Seattle Ordinance No. 82555 as disclosed by |
|         | or's File No. 74090505           |   |
| Audit   | 1 STIC NO. 14070303              | 07.   |
| 6.      | Agreement and the te             | rms and conditions thereof:                                       |
| 0.      | rigicomont and mo <sub>t</sub> e |   |
|         | Recorded:                        | April 16, 1997  |
|         | Recording No.                    | 9704161324  |
|         | Regarding:                       | Easement Agreement  |
|         |                                  |   |
| 7.      | The lien for real estat          | e taxes and assessments not yet due and payable.                  |
|         |                                  |   |
| 8.      | All matters that may             | be disclosed by an accurate survey of the Property.               |



## WHEN RECORDED, RETURN TO:

Helaine Honig Seattle City Attorney's Office 600 Fourth Avenue, 4<sup>th</sup> Floor P.O. Box 94769 Seattle, WA 98124-4769

## DECLARATION OF TEMPORARY ELEVATED RAMP AND TUNNEL EASEMENTS (F/B/O NINTH AND LENORA CONDOMINIUM BASEMENT UNIT AND FLOOR 3 UNIT)

**Grantor:** 

THE CITY OF SEATTLE, a Washington municipal corporation

Grantees:

THE CITY OF SEATTLE, a Washington municipal corporation

NINTH AND LENORA CONDOMINIUM OWNERS ASSOCIATION, a

Washington nonprofit corporation

Legal Description:

Burdened Property: LOTS 4 AND 11 IN BLOCK 25 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE) AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY AUDITOR; TOGETHER WITH THE SOUTHWESTERLY HALF OF VACATED ALLEY ADJOINING SAID LOT 4; TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOT 11; SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Benefited Property: BASEMENT UNIT AND FLOOR 3 UNIT OF NINTH AND LENORA CONDOMINIUM, ACCORDING TO THE CONDOMINIUM SURVEY MAP AND PLANS RECORDED UNDER KING COUNTY AUDITOR'S FILE NO.

AND CONDOMINIUM DECLARATION RECORDED UNDER

AND CONDOMINIUM DECLARATION RECORDED UNDER KING COUNTY AUDITOR'S FILE NO. ; SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

Assessor's Property Tax Parcel Account Numbers:

**Burdened Property: 066000 0560** 

Benefited Property: 066000 0585 (prior to creation of condominium)

**Reference to Related Documents:** 

| A.F. No. | (condominium survey map   | and p | lans |
|----------|---------------------------|-------|------|
| A.F. No. | (condominium declaration) | 1     | . •  |



# DECLARATION OF TEMPORARY ELEVATED RAMP AND TUNNEL EASEMENTS (F/B/O NINTH AND LENORA CONDOMINIUM)

| THIS DECLARATION OF TEMPORARY EL              | EVATED RAMP AND T            | UNNEL        |
|---|------------------------------|--------------|
| EASEMENTS (this "Declaration") is made this   | _ day of                     | , 2009       |
| by THE CITY OF SEATTLE, a Washington municipa | l corporation (hereafter ref | ferred to as |
| "Declarant").                                 |                              |              |

### RECITALS

- A. Declarant is the owner of real property situated in the City of Seattle, King County, Washington, legally described on <u>Exhibit A</u> attached hereto (the "Burdened Property"). The Burdened Property is commonly known as City of Seattle West Police Precinct.
- B. Declarant also is the owner of real property situated in the City of Seattle, King County, Washington, legally described on <a href="Exhibit B">Exhibit B</a> attached hereto (the "Benefited Property"). The Benefited Property adjoins the Burdened Property. The Benefited Property comprises the Basement Unit and Floor 3 Unit of the Ninth and Lenora Condominium (the "Condominium") as legally described on <a href="Exhibit B">Exhibit B</a> attached hereto. The Basement Unit and Floor 3 Unit are located within the building commonly known as the Washington Talking Book and Braille Library.
- C. Ninth and Lenora Condominium Owners Association (the "Association") is an association of owners (including Declarant and other owners) of condominium units (including the Basement Unit, Floor 3 Unit, and other units) within the Condominium. The Association requires a means of ingress and egress to and from the Benefited Property for the purpose of performing its obligations and exercising its rights relating to Condominium common elements and units, as described in the governing documents of the Condominium.
- D. Declarant desires to create certain temporary easements upon a portion of the Burdened Property for the benefit of the Association and the Benefited Property, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant does hereby declare as follows:



### **DECLARATION**

### 1. Creation of Easements.

- a. Elevated Ramp Easement (Elevated Ramp from 9<sup>th</sup> Avenue to Level 3). Declarant does hereby create, declare, establish, and impress upon the Burdened Property, subject to matters of record, a temporary nonexclusive easement (the "Elevated Ramp Easement") across, in, through, under, upon, and within that portion of the Burdened Property legally described on <a href="Exhibit C">Exhibit C</a> attached hereto (the "Elevated Ramp Easement Area"), for ingress and egress and for the construction, installation, maintenance, repair, replacement, and use of an elevated driveway, walls, curbs, gutters, storm water collection facilities, storm water conveyance facilities, lights, signs, underground utility facilities, and appurtenant facilities (collectively, the "Elevated Ramp Facilities"), for the benefit of the Association and the Floor 3 Unit of the Benefited Property.
- b. Tunnel Easement (Underground Ramp from 8<sup>th</sup> Avenue to Basement Level). Declarant does hereby create, declare, establish, and impress upon the Burdened Property, subject to matters of record, a temporary nonexclusive easement (the "Tunnel Easement") across, in, through, under, upon, and within that portion of the Burdened Property legally described on <a href="Exhibit D">Exhibit D</a> attached hereto (the "Tunnel Easement Area"), for ingress and egress and for the construction, installation, maintenance, repair, replacement, and use of an underground driveway, walls, ceilings, tunnel facilities, curbs, gutters, storm water collection facilities, storm water conveyance facilities, lights, signs, underground utility facilities, and appurtenant facilities (collectively, the "Tunnel Facilities"), for the benefit of the Association and the Basement Unit of the Benefited Property.
- c. Easements Subject to Rules and Regulations. Use of the easements created herein is subject to such rules and regulations as the Association may from time to time promulgate.

### d. Defined Terms.

- (i) Easements. The Elevated Ramp Easement and Tunnel Easement are referred to collectively herein as the "Easements."
- (ii) Easement Areas. The Elevated Ramp Easement Area and Tunnel Easement Area are referred to collectively herein as the "Easement Areas."
- (iii) Facilities. The Elevated Ramp Facilities and Tunnel Facilities are referred to collectively herein as the "Facilities."



- 2. **Reserved Rights.** Declarant reserves the right to use the Easement Areas and Facilities for any lawful purpose and to convey to third parties the right to use the Easement Areas and Facilities for any lawful purpose.
- Benefits and Burdens. This Declaration touches and concerns land. The Easements shall burden the Burdened Property, shall benefit the Benefited Property as an appurtenant easement, and shall benefit the Association as an easement in gross. The benefits and burdens of the Easements are intended to attach to and run with the land, except that the benefits of the Easements also are personal to the Association. The terms and conditions of this Declaration shall be binding upon and shall inure to the benefit of Declarant, the Association, and their respective successors and assigns.
- 4. **Alteration or Maintenance of Facilities.** The owner of the Benefited Property, and the owner of the Burdened Property, either independently or jointly, shall have the right to alter, demolish, maintain, rebuild, repair, or replace the Facilities at any time and from time to time. Notwithstanding the foregoing, if any person or entity or its agents, contractors, employees, guests, invitees, or licensees shall cause any extraordinary damage to the Facilities, then such person or entity shall timely repair and replace the damaged Facilities at their sole expense.
- 5. **Compliance with Laws.** Each person using the Easements at his or her sole expense shall comply with all applicable governmental laws, orders, ordinances, and regulations relating to the construction, installation, maintenance, repair, replacement, and use of the Easement Areas and Facilities. Each person using the Easements at his or her sole expense shall obtain any and all required governmental approvals and permits relating to the Easement Areas and Facilities prior to the construction, installation, maintenance, repair, replacement, and use of the Easement Areas and Facilities.
- defend, indemnify, and hold harmless Declarant and each other person using the Easements (collectively, "Indemnitee") from and against any and all loss, damage, claims, penalties, liability, suits, costs and expenses (including, without limitation, reasonable attorneys' fees) suffered or incurred by Indemnitee arising out of or related to the exercise or performance by Indemnitor of its rights or obligations under this Declaration, including without limitation Indemnitor's construction, installation, maintenance, repair, replacement, or use of the Easement Areas and Facilities and the use of the Easement Area and Facilities by Indemnitor's agents, contractors, employees, guests, invitees, and subcontractors.
- 7. **Restoration.** Each person using the Easements shall restore timely any damage to the Property caused by such person, its agents, contractors, employees, guests, and invitees, in their construction, installation, maintenance, repair, replacement, or use of the Facilities.



- Relocation. The owner of the Burdened Property at any time and from time to time may at its option relocate the Easement Area and Facilities, provided that (a) the owner of the Burdened Property shall bear all costs of relocation, including costs of the physical relocation of the Facilities and costs of preparing and recording an amendment to this Declaration to describe the relocated Easement Area, (b) the relocation shall not materially impair the use and enjoyment of the Easement Area and Facilities, and (c) after such relocation there shall be physical contiguity between the relocated Easement Area and Facilities and the areas and facilities to which the Easement Area and Facilities were connected before such relocation. Upon the request of any affected owner, the other owners shall mutually execute, deliver, and record in the real property records an amendment to this Declaration to describe the relocated Easement Area.
- 9. Amendments. This Declaration may be amended at any time by written approval of (a) a majority of the owners of the Burdened Property or an association of all owners of the Burdened Property, (b) a majority of the owners of the Benefited Property, and (c) the Association. Each amendment shall be evidenced by a Notice of Amendment signed and acknowledged by such owners or associations and recorded in the real property records of King County, Washington.

# 10. Termination of Easements; Termination of Easement Benefits as to Floor 3 Unit and Basement Unit.

- a. The Easements shall terminate automatically upon the substantial destruction, by demolition, earthquake, fire, or other cause, of the principal building that is located within the Benefited Property as of the date hereof.
- b. The Elevated Ramp Easement shall cease to benefit the Floor 3 Unit of the Benefited Property, but shall continue to benefit the Association, upon Declarant's conveyance of title to the Floor 3 Unit of the Benefited Property to any unrelated third party, provided, however, that Declarant may at its option authorize the continuation of the Elevated Ramp Easement as to the Floor 3 Unit in the instrument of conveyance or another document of record, either in perpetuity or for such lesser period as Declarant may approve.
- c. The Tunnel Easement shall cease to benefit the Basement Unit of the Benefited Property, but shall continue to benefit the Association, upon Declarant's conveyance of title to the Basement Unit of the Benefited Property to any unrelated third party, provided, however, that Declarant may at its option authorize the continuation of the Tunnel Easement as to the Basement Unit in the instrument of conveyance or another document of record, either in perpetuity or for such lesser period as Declarant may approve.



- 11. **Attorneys' Fees and Costs.** If any person shall bring any action arising out of this Declaration, the losing party or parties shall pay the prevailing party or parties a reasonable sum for attorneys' fees and costs incurred in such suit, at trial and on appeal, and such attorneys' fees and costs shall be deemed to have accrued on the commencement of such action.
- 12. **General.** This Declaration shall be recorded in the real property records of King County, Washington. This Declaration shall be governed by and construed in accordance with the laws of the State of Washington. This Declaration may be executed and delivered in counterparts, which together shall comprise a complete original Agreement.

IN WITNESS WHEREOF, Declarant has hereunto caused its authorized official to execute this Declaration as of the day and year first above-written.

| DECLARANT:                                   | THE CITY OF SEATTLE, a Washington municipal corporation                             |
|--|---|
|  |   |
|  | ByPrint Name:   |
|  | Print Name:   |
| APPROVED AS TO FORM:                         |   |
|  |   |
| City of Seattle, Office of the City Attorney |   |
| •  | OGED AND APPROVED   |
|  | NINTH AND LENORA CONDOMINIUM OWNERS ASSOCIATION, a Washington nonprofit corporation |
|  |   |
|  | ByPrint Name:   |
|  | Its   |



| STATE OF WASHINGTON )                    |   |
|--|---|
| ) ss.                                    |   |
| ) ss.<br>COUNTY OF KING )                |   |
|  |   |
| On this day of                           | , 2009, before me, a Notary Public in and for the, to me known to |
| State of Washington, personally appeared | , to me known to  |
| be the person who signed as the          | of THE CITY OF  |
| SEATTLE, a Washington municipal corpor   | ration, the corporation that executed the within and              |
|  | id instrument to be the free and voluntary act and                |
|  | rposes therein mentioned and on oath stated that s/he             |
|  | and that the seal affixed thereto, if any, is the                 |
| corporate seal of said corporation.      |   |
| · •                                      |   |
| IN WITNESS WHEREOF, I have h             | ereunto set my hand and official seal the day and year            |
| first above written.                     |   |
|  |   |
|  |   |
|  |   |
|  | NOTARY PUBLIC in and for the State of                             |
|  | Washington, residing at   |
|  | My appointment expires  |
|  | Print Name  |
|  |   |

## **EXHIBITS**:

- A Description of the Burdened Property
- B Description of the Benefited Property
- C Description of the Elevated Ramp Easement Area
- D Description of the Tunnel Easement Area



### **EXHIBIT A**

## DESCRIPTION OF THE BURDENED PROPERTY

LOTS 4 AND 11 IN BLOCK 25 OF SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE) AS PER PLAT RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY AUDITOR;

TOGETHER WITH THE SOUTHWESTERLY HALF OF VACATED ALLEY ADJOINING SAID LOT 4;

TOGETHER WITH THE NORTHEASTERLY HALF OF VACATED ALLEY ADJOINING SAID LOT 11;

SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.



### EXHIBIT B

# DESCRIPTION OF THE BENEFITED PROPERTY

| BASEMENT UNIT AND FLOOR 3 UNIT OF NINTH AT ACCORDING TO THE CONDOMINIUM SURVEY MAKING COUNTY AUDITOR'S FILE NO.  DECLARATION RECORDED UNDER KING COUNTY | Y MAP AND PLANS RECORDED UNDER AND CONDOMINIUM |
|---|--|
| ;   |  |
| SITUATE IN THE CITY OF SEATTLE COUNTY   | OF KING. STATE OF WASHINGTON.                  |



### **EXHIBIT C**

# DESCRIPTION OF THE ELEVATED RAMP EASEMENT AREA

5/5/09 JOB NO, 08-50-009

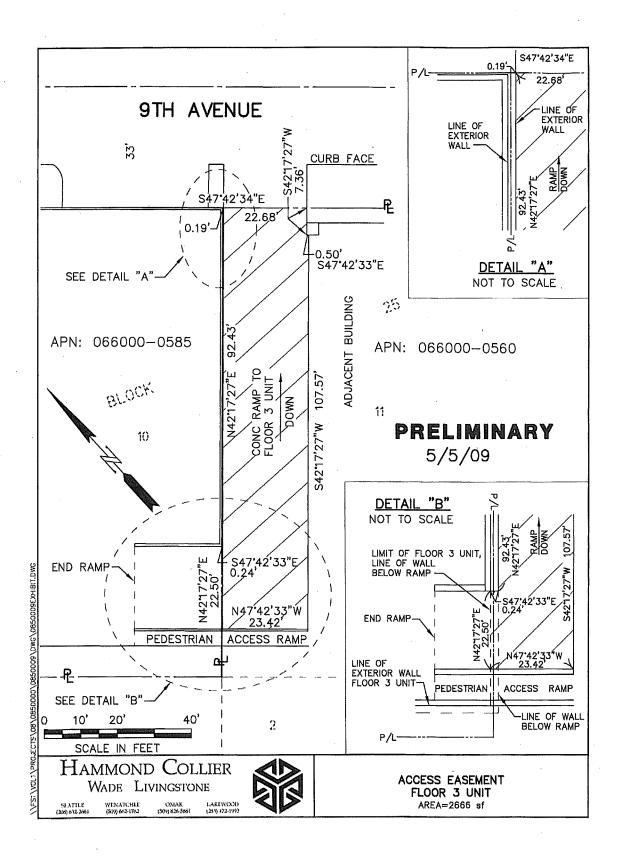
NINTH AND LENORA CONDOMINIUM FLOOR 3 UNIT ACCESS EASEMENT

### **EXHIBIT C**

AN EASEMENT FOR ACCESS PURPOSES AND APPURTENANCES THERETO, ACROSS AN EXISTING VEHICLE ACCESS RAMP, OVER, UNDER, ALONG AND ACROSS ALL THAT PORTION OF LOT 10 AND LOT 11, BLOCK 25, SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, STATE OF WASHINGTON, BEING MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHERLY CORNER OF SAID LOT 11; THENCE SOUTH 47° 42' 34" EAST ALONG THE NORTHEASTERLY LINE THEREOF, A DISTANCE OF 0.19 FEET TO THE *TRUE POINT OF BEGINNING*; THENCE CONTINUING SOUTH 47° 42' 34" EAST, A DISTANCE OF 22.68 FEET; THENCE SOUTH 42° 17' 27" WEST, A DISTANCE OF 7.36 FEET; THENCE SOUTH 47° 42' 33" EAST, A DISTANCE OF 0.50 FEET; THENCE SOUTH 42° 17' 27" WEST, A DISTANCE OF 107.57 FEET; THENCE NORTH 47° 42' 33" WEST, A DISTANCE OF 23.42 FEET; THENCE NORTH 42° 17' 27" EAST, A DISTANCE OF 22.50 FEET; THENCE SOUTH 47° 42' 33" EAST, A DISTANCE OF 0.24 FEET; THENCE SOUTH 47° 42' 33" EAST, A DISTANCE OF 0.24 FEET; THENCE NORTH 42° 17' 27" EAST, A DISTANCE OF 92.43 FEET TO THE *TRUE POINT OF BEGINNING*.

### **PRELIMINARY**



### **EXHIBIT D**

### DESCRIPTION OF THE TUNNEL EASEMENT AREA

5/5/09 JOB NO. 08-50-009

NINTH AND LENORA CONDOMINIUM BASEMENT UNIT ACCESS EASEMENT

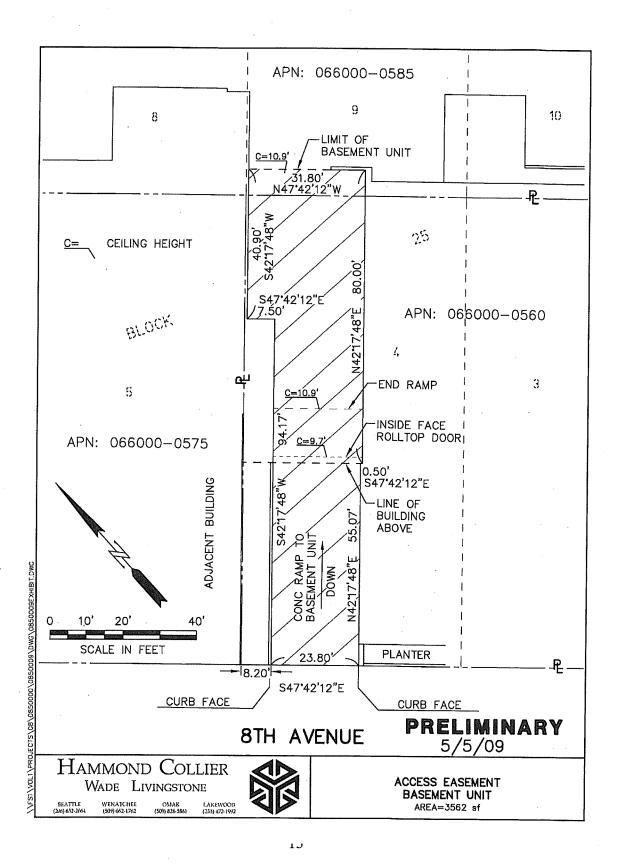
### EXHIBIT D

AN EASEMENT FOR ACCESS PURPOSES AND APPURTENANCES THERETO, ACROSS AN EXISTING VEHICLE ACCESS RAMP AND TUNNEL, OVER, UNDER, ALONG AND ACROSS ALL THAT PORTION OF LOT 4 AND LOT 9, BLOCK 25, SECOND ADDITION TO THE TOWN OF SEATTLE AS LAID OFF BY THE HEIRS OF SARAH A. BELL, (DECEASED), (COMMONLY KNOWN AS HEIRS OF SARAH A. BELL'S 2ND ADDITION TO THE CITY OF SEATTLE), ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 121, RECORDS OF KING COUNTY, STATE OF WASHINGTON, BEING MORE SPECIFICALLY DESCRIBED AS FOILOWS:

COMMENCING AT THE MOST WESTERLY CORNER OF SAID LOT 4; THENCE SOUTH 47° 42' 12" ALONG THE SOUTHWESTERLY LINE THEREOF, A DISTANCE OF 8.20 FEET TO THE *TRUE POINT OF BEGINNING*; THENCE CONTINUING SOUTH 47° 42' 12" EAST, A DISTANCE OF 23.80 FEET; THENCE NORTH 42° 17' 48" EAST, A DISTANCE OF 55.07 FEET; THENCE SOUTH 47° 42' 12" EAST, A DISTANCE OF 0.50 FEET; THENCE NORTH 42° 17' 48" EAST, A DISTANCE OF 80.00 FEET; THENCE NORTH 42° 17' 48" EAST, A DISTANCE OF 80.00 FEET; THENCE NORTH 42° 17' 48" WEST, A DISTANCE OF 40.90 FEET; THENCE SOUTH 47° 42' 12" EAST, A DISTANCE OF 7.50 FEET; THENCE SOUTH 42° 17' 48" WEST, A DISTANCE OF 94.17 FEET TO THE *TRUE POINT OF BEGINNING*.

### PRELIMINARY





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## FISCAL NOTE FOR NON-CAPITAL PROJECTS

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| Department:         | Contact Person/Phone:      | DOF Analyst/Phone:    | L |
|---------------------|----------------------------|-----------------------|---|
| Fleets & Facilities | Hillary Hamilton / x4-0421 | Katie Ewing / x3-9580 | ļ |

An ordinance relating to certain City-owned property located at the intersection of Ninth Avenue

and Lenora Street in the City of Seattle; authorizing the Director of the Fleets and Facilities Department to execute an agreement with the State of Washington Secretary of State to create a

This legislation authorizes the Director of the Fleets and Facilities Department to execute a Condominium Creation and Conveyance Agreement and to record a condominium declaration,

survey map and plans, and associated documents allowing the establishment and operation of four nonresidential condominium units at the City-owned Ninth and Lenora Building, formerly

known as the Washington Talking Book and Braille Library Building. After the declaration, survey map and plans are filed, the Director of the Fleets and Facilities Department is authorized

and Floor 3 Units for the condominium association and authorized vendors to service and

to convey two of the four condominium units to the State of Washington. This legislation also authorizes the execution of temporary easements to provide ingress and egress to the Basement

maintain mechanical and electrical systems. Finally, the legislation provides that Title 20 of the

Seattle Municipal Code (SMC), relating to Public Works, Improvements and Purchasing, shall not apply to the provision of certain products or services for the operation, maintenance or repair

of common areas in the Condominium, although the City's activities with respect to the City-

owned Basement and Floor 3 Units shall comply with all provisions of the SMC.

Library, and authorizing execution of related agreements.

**Summary of the Legislation:** 

nonresidential condominium on the property and to convey certain units therein to the State of Washington in connection with the operation of the Washington Talking Book and Braille

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## Legislation Title:

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## Background:

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Ninth and Lenora Building

The Washington Talking Book and Braille Library (WTBBL) is located in a structure now known as the Ninth and Lenora Building at 2021 9th Avenue in Seattle. Other buildings on this block include the adjacent Seattle Police Department (SPD) West Precinct/911 Communications Center, which uses secured parking in the basement and rooftop levels of the Ninth and Lenora Building. A privately owned building is on the northwest quarter of the block. An easement provides mutual access to the vacated alley that runs north and south between the library and the privately owned buildings used by the construction company, terminating at a secured entrance

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for SPD patrol vehicle parking underneath the West Precinct. The current uses of each floor in the Ninth and Lenora Building are outlined below:

| LEVEL    | CURRENT USE                         |
|----------|-------------------------------------|
| Basement | Police Parking Facilities           |
| Floor 1  | WTTBL                               |
| Floor 2  | WTBBL and Mobile Library            |
| Floor 3  | Police Parking Facilities (rooftop) |

History of Ownership and Operation

State law gives the Washington State Library system, which is under the purview of the Office of the Secretary of State (OSOS), the legal responsibility for providing a library to individuals who are "blind and/or physically handicapped" under RCW 27.04.045(14). Between 1975 and 2008, the State fulfilled this obligation by contracting with the Seattle Public Library (SPL) to operate the WTBBL, which has been located in the Ninth and Lenora Building since 1993. As part of the City acquisition of the West Precinct site in 1995, the City and the State agreed to joint funding for the purchase and renovation of the then privately-owned Ninth and Lenora Building. The City took title to both the West Precinct and the WTBBL properties, and in consideration of the State's financial contribution, the City committed to provide rent-free space to the State for operation of the WTBBL.

As an outcome of a 2005 Transition Plan for the WTBBL, the Washington State Library determined it would resume direct responsibility for the operation and administration of the WTBBL. OSOS explored a range of options including relocation of WTBBL to another location and/or acquiring the entire building through negotiation and/or condemnation. In 2007, negotiations between the State and the City resulted in development of a plan to convert the building to a nonresidential condominium with ownership divided between the City and the State. A nonbinding Memorandum of Understanding (Attachment 2), executed in January 2008, outlined the due diligence process to confirm the feasibility of condominium conversion, identified issues for mutual consideration, and established a basis for future agreements necessary to the condominium conversion. Effective July 1, 2008, OSOS/Washington State Library assumed administration and operation of the WTBBL.



## Condominium Conversion Overview

As described under RCW 64.34.020 a Condominium means:

Real property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real property is not a condominium unless the undivided interests in the common elements are vested in the unit owners, and unless a declaration and a survey map and plans have been recorded.

This applies to both residential and nonresidential buildings/units.

Currently, the City of Seattle is the sole owner of the Ninth and Lenora Building. Through the planned transaction, four separate nonresidential condominium units will be created. On creation of the condominium, the State will obtain ownership and control of Floors 1 and 2, currently occupied by the WTBBL and SPL's Mobile Branch. The City will retain ownership and control of the Basement and Floor 3 (rooftop), which will continue to serve as secured parking for employees of the West Police Precinct / 911 Communications Center.

In recognition of funding provided by the State for the purchase and development of the WTBBL facility, this transfer occurs with no exchange of funds and at no cost to the City. Further, since costs for operation, maintenance, repair and replacement of Condominium Common Elements will be shared between the City and the State, the transaction reduces the City's overall expenses with respect to the Building. Finally, either party will be able to sell its unit(s), subject to the other party's rights under a related Right of First Offer Agreement.

Please check one of the following:

# X This legislation does not have any financial implications.

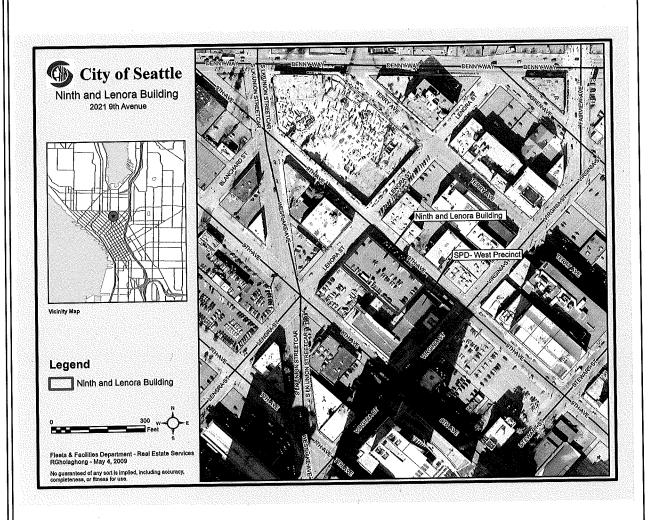
# Please list attachments to the fiscal note below:

Attachment 1: Map of Site

Attachment 2: January 2008 Memorandum of Understanding



## Attachment 1 to the Fiscal Note Map of Site





Attachment 2 to the Fiscal Note

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### MEMORANDUM OF UNDERSTANDING

### BETWEEN

THE CITY OF SEATTLE AND THE WASHINGTON OFFICE OF THE SECRETARY OF STATE

### REGARDING

## THE WASHINGTON TALKING BOOK AND BRAILLE LIBRARY

# 1. Purpose of Memorandum of Understanding

In October, 2007, representatives of The City of Seattle ("City") and the Washington Office of the Secretary of State ("State") reached an agreement in concept to convert the City-owned building located at 2021 9th Avenue, Seattle, Washington (the "Facility"), into a two-unit condominium. The City and the State would each own one unit. The Facility currently houses the Washington Talking Book and Braille Library ("WTBBL") and The Seattle Public Library's Mobile Services ("MOB"), and provides parking for the City's West Police Precinct and Emergency Operations Center. Since 1975, The Seattle Public Library staff has operated the WTBBL under an agreement with the Washington State Library. In 1993, the State contributed funds toward the City's acquisition and development of the Facility in consideration of rent-free occupancy for the WTBBL for an indefinite period (the "WTBBL Agreement"). It is anticipated that the State will begin operating the WTBBL on July 1, 2008. The State would like the WTBBL to remain at the Facility for the foreseeable future. The Seattle Public Library would like its Mobile Services Program to remain at the Facility for the foreseeable future.

This Memorandum of Understanding ("MOU") is entered into by and between the City and the State (the "Parties") for the purposes of (1) outlining mutual due diligence to confirm the feasibility of converting the Facility to a condominium, (2) identifying issues for mutual consideration during the due diligence process, and (3) establishing the basis for any necessary future project agreements including necessary terms to be included in a future condominium declaration and other related documents.

CITY-STATE MOU

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Attachment 2 to the Fiscal Note

### 2. Shared Vision

The Parties envision transformation of the Facility into a two-unit condominium that would continue the current uses or permit their replacement with other compatible uses that would be identified in the condominium documents. More particularly, the Parties have reached conceptual agreement on the following principles:

- A. The State's condominium unit will include the entirety of the first and second floors of the Facility, including the space currently used by WTBBL, The Seattle Public Library's MOB Program and the associated loading dock and parking garage.
- B. The City's condominium unit will include the roof and the basement floor.
- C. The City will allow the WTBBL to retain the antennae, required for operation of the Radio Reading Program on the roof of the Facility for as long as it is needed.
- D. Where feasible, utilities serving the units will be separated and/or separately metered. If not feasible, then utility rooms and utility facilities shall be limited common elements and both Parties shall have reasonable rights of access. The cost of shared utilities will be apportioned on a pro-rata basis to be determined, such as FTEs, square footage of finished employee spaces, or metered use.
- E. The State will allow The Seattle Public Library's MOB Program to remain in its current space on the Facility's second floor with related loading dock access and parking in the parking garage, together with access to, and maintenance of, utilities and services that currently support the MOB Program (such as phones, information technology, alarm and keys), all rent free. This arrangement will be covered by a lease between the State and The Seattle Public Library. If, at any time, the WTBBL requires additional program space to accommodate its expanding operations at the Facility, then the WTBBL shall notify The Seattle Public Library, in writing, of such need and the MOB Program shall vacate all or such portion of the Facility currently assigned to the MOB by the date specified by the State but which shall be no earlier than 36 months from the date of such written notice. The MOB Program will be responsible for tenant improvements related to its use and will contribute to the cost of utilities, and insurance on a proportionate basis that the Parties shall determine, for as long as the Program remains in the Facility. The parties agree that if the MOB Program moves out of the Facility, the State will thereafter use that space solely for the support of the WTBBL.
- F. Owners will be responsible for routine maintenance and capital maintenance of their units. The condominium association will be responsible for maintenance of assets used by both owners. Any such costs will be apportioned among the owners on a basis to be determined.

CITY-STATE MOU

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Attachment 2 to the Fiscal Note

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- G. The Parties will negotiate a Parking Agreement that allocates Facility parking spaces based on the programmatic needs of each Party. and taking into account applicable parking regulations for existing and permitted uses of the Facility.
- H. The condominium documents shall provide that if either of the Parties decides to relocate its services (e.g., the City decides to relocate police precinct parking or the State decides to relocate the WTBBL), such Party may use its unit for another use or may lease or sell its unit to another party. Any change in use of either Party's condominium unit will be subject to restrictions to ensure compatibility with the other party's uses.
- 1. The State shall have a right of first refusal if the City wishes to sell its space; similarly the City shall have a right of first refusal if the State wishes to sell its space. Third-party purchasers of either unit will have an obligation to maintain or replace shared utilities to assure continuous operation of the programs and services operated by the remaining owner.

### 3. Facility Improvements

The Parties agree that additional and continuing due diligence will be necessary in order to commit to developing the Facility into a condominium, including investigations by architects and engineers. If, upon completion of the due diligence as provided herein, both the City and State determine to proceed, the Parties acknowledge that such a development may require improvements to the Facility. Allocating responsibility between the City and State for funding and management of the building improvements will be determined in a future Project Agreement.

### 4. Identification of Project Phases

The Parties anticipate that their continued mutual exploration, consideration, and possible development of the Facility into a condominium will be undertaken in three generally sequential phases, as follows:

• Phase 1. Due Diligence. The Parties together and each separately will complete due diligence sufficient for each of them to fully evaluate the prospects for successfully converting the Facility into a condominium and operating as separate unit owners. During the due diligence period, the Parties will cooperate to select architects and engineers to perform the preliminary work of surveying the property to determine the legal description of the units, identifying any life-safety or building system issues that

CITY-STATE MOU

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### Attachment 2 to the Fiscal Note

need immediate attention and must be addressed prior to condominium conversion, and evaluating the shared utilities currently installed in and serving the Facility. The City will contract for these preliminary services with architects and engineers reasonably acceptable to the State and after receiving the State's input into the contracts' scope. The Parties will enter into a separate cost reimbursement agreement under which the Parties will share the costs of consultant services.

If due diligence work undertaken pursuant to this MOU confirms the viability and desirability of converting the Facility to a condominium, the Parties shall report their findings to the Secretary of State and to the Seattle Mayor and City Council. The Parties shall thereafter negotiate a Project Agreement, a draft condominium declaration and bylaws, a Parking Agreement and any additional agreements necessary to effectuate the intent of this MOU; provided, however, that such additional agreements shall be subject to the prior review and approval of the Mayor, the Seattle City Council and the Washington Secretary of State.

- Phase 2. Development. Assuming the Parties determine to proceed, programming, design and construction and creation of the condominium will be undertaken. The Project Agreement will guide this phase.
- Phase 3. Operation. Operation of the condominium will be undertaken by a Board of Directors comprised of unit owners.

To the maximum extent practicable, the Parties together and each separately will commit their good faith, best efforts to undertake and complete consideration and possible establishment of the condominium, as contemplated under this MOU, with the goal of substantial completion by June 30, 2008.

### 5. Phase 1: Due Diligence

a. Further Definition of Due Diligence Phase. During due diligence the Parties will focus on the improvement of the Facility for use as separate condominium units. Such work will include but is not limited to:

CITY-STATE MOU



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## Attachment 2 to the Fiscal Note

- thorough assessment of the condition of the existing Facility; and
- mutual agreement on the scope of any necessary or desirable building improvements, together with preliminary cost estimates, and a project timeline for completion.
- b. Financial Planning. During due diligence, the Parties will determine the manner of securing funds to complete the development and the Parties' respective contributions.

### 6. Phase 2: Development

Any Project Agreement between the City and State providing for development and construction of separate condominium units at the Facility shall specifically allocate responsibility between the City and State for funding and management of development and construction of the condominium. As a feature of allocating responsibility for project management, the Project Agreement will include mechanisms for addressing project cost increases or funding shortfalls.

### 7. Phase 3: Operations

The condominium documents shall address the following, among other matters:

- a) Operations Financial Responsibility. The manner of allocating financial responsibility between the City and the State for operation, maintenance and future capital improvements to the condominium.
- b) Safety and Security. The manner of providing for the safety and security of persons and property at the Facility.
- c) Insurance. The types of insurance required, the source(s) for obtaining such insurance and the manner of allocating the costs thereof among the Facility occupants.
- d) Use Restrictions. The permissible uses of the condominium units in the event of future
- e) Dispute Resolution Mechanism. A mechanism for resolving disputes between the Parties in the event of an impasse.

CITY-STATE MOU



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Attachment 2 to the Fiscal Note

### 8. Other Terms and Conditions

- a. <u>No Assumption of Liabilities</u>. By executing this MOU, the City and State do not assume any obligations or liabilities of the other. Each Party will bear its own expenses during the continuing due diligence phase provided for herein.
- b. WTBBL Agreement Remains in Full Force and Effect. Until such time as the condominium is created at the Facility and the units transferred to the Parties, the June 21, 1993, Memorandum of Understanding between the Parties with respect to the operation of the WTBBL Agreement remains in full force and effect.
- c. Nature of the MOU. The Parties agree and acknowledge that this MOU is not intended and will not be construed to create a contractual obligation or enforceable commitment on the part of either the City or the State. However, the City and the State recognize that a substantial amount of effort will be expended by both Parties following this MOU and that the Facility houses important public services. The Parties therefore affirm their intention to diligently and in good faith pursue their respective objectives, undertakings and obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding the day and year indicated below.

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THE CITY OF SEATTLE

By: B. J. B.

Brenda Bauer Director, Fleets & Facilities Department WASHINGTON SECRETARY OF STATE

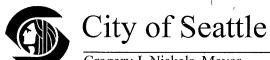
Ву: 01-19-200

Steve Excell
Assistant Secretary of State

CITY-STATE MOU

1/10/200





Gregory J. Nickels, Mayor

## Office of the Mayor

June 16, 2009

Honorable Richard Conlin President Seattle City Council City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill, which involves converting the Cityowned Ninth and Lenora Building, located at 2021 9th Avenue, to a nonresidential condominium. Two of the building's four floors would be conveyed to the State of Washington for continued operation of the Washington Talking Book and Braille Library (WTBBL). The other two floors will remain under City control. This action fulfills a Memorandum of Understating dated January 10, 2008 in which the City of Seattle and the State of Washington agreed in principle to divide ownership of the building equally. The proposed Council Bill will authorize execution of necessary documents to create the condominium and convey the units to the State. Current usage and operation of the building will not be changed. No funds will be exchanged as a result of this property transfer.

The Seattle Public Library (SPL) formerly operated the WTBBL under a contract with the State until the State assumed responsibility for operations of the WTBBL and the SPL mobile branch on July 1, 2008. The WTBBL which occupies Floor 1 and Floor 2 of the building, provides library services for the blind, consisting of a library of tapes and books in Braille and a radio program. SPL will continue to house its mobile branch on Floor 2, under a no-cost lease from the State. The Basement and Floor 3 (roof) units will be owned by the City for continued use as secured parking for employees of the neighboring Seattle Police Department's West Precinct. In developing the condominium conversion, the City of Seattle and the State of Washington have jointly completed a thorough analysis and mapping of the Ninth and Lenora Building. After the transaction is complete, costs for ongoing maintenance and repair of the building's common elements will be shared evenly between the City and the State.

The passage of this legislation will allow continued use of the Ninth and Lenora Building for both public library services and public safety. Thank you for your consideration of this legislation. Should you have questions, please contact Hillary Hamilton (FFD Real Estate Services) at 684-0421.

Sinceret

GREG NICKELS

Mayor of Seattle

cc: Honorable Members of the Seattle City Council

# STATE OF WASHINGTON - KING COUNTY

243757

CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

## **Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123057-62,64-69

was published on

08/21/09

The amount of the fee charged for the foregoing publication is the sum of \$ 268.85, which amount

has been paid in full.

before me on

Notary public for the State of Washington, residing in Seattle

Affidavit of Publication

# State of Washington, King County

# City of Scattle

### TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on August 10, 2009, and published here by title only, will be mailed upon request, or can be accessed at http://clerk.ci.seattle.wa.us. For further information, contact the Seattle City Clerk at 684-8344.

### ORDINANCE NO. 123069

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

### ORDINANCE NO. 123068

AN ORDINANCE authorizing, in 2009, acceptance of funding from non-City sources; authorizing the heads of the Seattle Department of Transportation, the Seattle Police Department, the Seattle Public Utilities, Seattle City Light, the Seattle Utilities, Seattle City Light, the Seattle Fire Department, the Human Services Department, and the Fleets and Facilities Department to accept specified grants and private funding and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

### ORDINANCE NO. 123067

AN ORDINANCE NO. 123067

AN ORDINANCE amending the 2009

Adopted Budget, including the 2009-2014

Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; establishing new appropriations; adding a new project and revising project allocations for certain projects in the 2009-2014 CIP; amending Ordinance 122663; and ratifying and confirming certain prior acts, all by a three-fourths vote of the City Council.

## ORDINANCE NO. 123066

AN ORDINANCE amending budget provisos that restrict spending of an appropriation for a Public Engagement Portal Initiative in the Department of Information Technology's 2009 Adopted Budget.

### ORDINANCE NO. 123065

AN ORDINANCE accepting funds from the Washington State Department of Commerce allocated through the American Recovery and Reinvestment Act of 2009; authorizing the Mayor or his designee to execute related agreements; amending the 2009 Adopted Budget to increase appropriations for the Office of Housing; and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

### ORDINANCE NO. 123064

AN ORDINANCE NO. 123064

AN ORDINANCE relating to certain City-owned property located at the intersection of Ninth Avenue and Lenora Street in the City of Seattle; authorizing the Director of the Fleets and Facilities Department to execute an agreement with the State of Washington Secretary of State to create a nonresidential condominium on the property and to convey certain units therein to the State of Washington in connection with the operation of the Washington Talking Book and Braille Library, and authorizing execution of related agreements.

### ORDINANCE NO. 123062

AN ORDINANCE relating to the partial AN ORDINANCE relating to the partial release of a restrictive covenant and easement in gross restricting the use of property in the Rainier Valley; authorizing the Superintendent of the Department of Parks and Recreation to execute and record, in favor of the Housing Authority of the City of Seattle, a partial release of an encumbrance on real property; and superseding the requirements of Ordinance 118477 for purposes of this ordinance.

### ORDINANCE NO. 123061

ORDINANCE NO. 123061

AN ORDINANCE accepting deeds, correction deeds, and easements for street, alley, and sidewalk purposes; laying off, opening, widening, extending, and establishing portions of the following rights-of-way: the alley in Lots 1 and 2, Block 26, of Second Addition to that part of the City of Seattle Laid off by A.A. Denny and W.M. Bell (Commonly known as Bell and Dennys 2nd Addition to the City of Seattle); the alley in Lots 3 through 6, Block 9, an Addition to the Town of Seattle, as laid off by the Heirs of Sarah A. Bell, Decased (commonly known as Heirs of Sara A. Bell's Addition to the City of Seattle; the sidewalk adjoining a portion of Lot 7, Block 9, Compton's 1st Addition to the City of Seattle; the alley in Lots 7 and 8, Block 69, D.T. Denny's Park Addition to North Seattle; the alley in Lots 9 and 10, Block 69, D.T.
Denny's Park Addition to North Seattle;

D.T. Denny's Park Addition to North Seattle; the alley in Lots 9 and 10, Block 69, D.T.

Denny's Park Addition to North Seattle; the sidewalk adjoining a portion of Lot 7, Block 19, Hill Tract Addition to the City of Seattle; the sidewalk abutting Lot 25, Block 13, Westholme; the alley in Lots 1, 2, and 3, Block 3, Jos. C. Kinnear's Addition to the City of Seattle; the alley in Lots 9 and 10, Block 23, South Park; the sidewalk adjoining portions of Lots 5 and 6, Block 23, Denny and Hoyt's Addition to the City of Seattle; the alley in Lot 4, Block 2, Daniel's University Grove; the alley turn-around in Lots 15 and 16, Block 48, Yesler's 2nd Addition (Supplemental) to the City of Seattle; the alley in Lots 46 and 47, Block 5, Pettit's University Addition; the alley in Lots 10 and 11, Block 9, Lake View Addition to the City of Seattle; the alley in Lots 3 and 4, Block 29, North Seattle; the alley in Lots 19, 20 and 21, Block 9, Lake View Addition to the City of Seattle; the alley in Lots 14, 17, 18, and 19, Block 9, Lake View Addition to the City of Seattle; the sidewalk adjoining Lot 7, Block 98, D.T. Denny's 5th Addition to North Seattle; the alley in Lots 14 and 15, Block 9, Latons First Addition to the City of Seattle; the sidewalk adjoining Lot 7, Block 98, D.T. Denny's 5th Addition to North Seattle; the alley in Lots 14 and 15, Block 9, Latons First Addition to the City of Seattle; the sidewalk adjoining Lot 7, Block 98, D.T. Denny's 5th Addition to North Seattle; the alley in Lots 7 and 8, Block 11, Fairview Homestead Addition For The Benefit of Mechanics and Laborers; and placing the real property conveyed by said deeds and eassements under the jurisdiction of the Seattle Department of Transportation.

### ORDINANCE NO. 123060

ORDINANCE NO. 123060

AN ORDINANCE relating to the Seattle Department of Transportation's Duwamish Intelligent Transportation Systems (ITS) project; authorizing the Director of Transportation to acquire and accept, on behalf of the City, permanent and temporary construction easements from the Port of Seattle, located in portions of Lots 14, 15, and 16, Block 426, Seattle Tide Lands, for the purpose of constructing, operating, maintaining, repairing, replacing, modifying, improving, removing, and using the easement areas for use of the conduit for underground electrical transmission and communications lines and Dynamic Message Sign (DMS) pole and base in connection with the Duwamish TPS project; and placing the real property conveyed by such easements under the jurisdiction of the Seattle Department of Transportation.

### ORDINANCE NO. 123059

AN ORDINANCE authorizing the Director of the City of Seattle's Fleets and Facilities Department to execute a lease agreement between the City and Morningstar Investments, LLC, d/b/a ChewChews, a Washington limited liability company, for the continued operation of a restaurant establishment in the Seattle Municipal Tower.

### ORDINANCE NO. 123058

AN ORDINANCE NO. 123058

AN ORDINANCE relating to Capitol Hill
Housing Improvement Program (CHHIP), a
public corporation chartered by The City of
Seattle, authorizing the Director of the Office
of Housing to enter into an agreement with
King County, consenting to a request from
CHHIP to develop an affordable housing project located in the White Center neighborhood
of unincorporated King County, and extending the City's powers, authorities and rights
regarding public corporations and authorities
beyond the city limits for that project.

#### ORDINANCE NO. 123057

AN ORDINANCE relating to the City's 2009-2012 Consolidated Plan for Housing and Community Development; authorizing acceptance of grant funds from the United States Department of Housing and Urban development for programs included in the City's Consolidated Plan for Housing and Community Development; increasing appropriations in the 2009 Budget for activities under the Community Development Block Grant Program, the HOME program, and the Housing Opportunities for Persons with AIDS program, and decreasing appropriations for the Emergency Shelter Grant program; adding appropriations for the Neighborhood Stabilization Program; readopting the City's 2009-2012 Consolidated Plan originally adopted in Resolution 31087; amending the Neighborhood Notification and Community Relations Guidelines Policy and the Annual Allocation Plan components of the Consolidated Plan, authorizing the use of Housing Levy loan repayments for rent assistance; reallocating unexpended funds from

tance; reallocating unexpended funds from prior years; authorizing other conforming amendments to the Consolidated Plan; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, August 21, 2009. 8/21(243757) [Clerk's Note: All linked files are PDF documents requiring Adobe Reader or equivalent program to view.]

## **Executed agreements relating to Ordinance 123064**

Condominium Creation and Conveyance Agreement, Washington Talking Book and Braille Library/ Ninth and Lenora Condominium

Condominium Creation (1.73 MB)

Condominium Declaration and Covenants, Conditions, Restrictions, and Reservations for Ninth and Lenora Condominium

Condominium Declaration (5.52 MB)

## **Right of First Offer Agreement (Ninth and Lenora Condominium)**

Agreement (1.17 MB)

Bargain and Sale Deed for Level 1 and Level 2 Units at Ninth and Lenora Condominium Deed (1.17 MB)

**Declaration of Temporary Elevated Ramp and Tunnel Easements** 

Declaration (346 KB)