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DARLENE P. DEROSIER
COWLITZ CO. AUDITOR

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DECLARATION OF CONDOMINIUM

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REQUEST OF

OF

RIVER SUITES CONDOMINIUM

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DECLARATION made on May 29, 1996, by CHARLES W. BOND and BETTY M. BOND, husband and wife (the "Declarants"), for themselves, their grantees and assigns.

1. **SUBMISSION TO CONDOMINIUM OWNERSHIP.** CHARLES W. BOND and BETTY M. BOND, whose address is 1229 Commerce Avenue, Longview, Washington 98632, hereby submit the hereinafter described real property, together with the building and improvements thereon, hereinafter collectively called the "Condominium" to the provisions of The Condominium Act, Chapter 64.34 of the Revised Code of Washington for the purpose of a professional office condominium.

2. **LEGAL DESCRIPTION OF THE REAL PROPERTY.** Attached as Exhibit "A" and by this reference incorporated herein is the legal description of the real property included in this Condominium.

3. **CROSS REFERENCE TO RECORDING NUMBER OF SURVEY MAP AND PLANS.** A Survey Map was executed by Declarant and recorded simultaneously herewith in the office of the Auditor of Cowlitz County, Washington, under Auditor's Recording No. 960529073 in Volume 1 at Page 58, 59, 60 and the Plans were recorded under the Auditor's Recording No. 960529073 in Volume 1 at Pages 58, 59, & 60.

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RIVER SUITES CONDOMINIUM

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4. **NAME.** The Condominium shall be known as River Suites Condominium. Its address is 1801 First Avenue, Longview, Washington. The association of unit owners shall be known as the River Suites Condominium Association.

5. **NUMBER OF UNITS.** The Condominium will contain one (1) four-story building and contain eight (8) Units.

6. **IDENTIFYING NUMBER OF EACH UNIT.** Each Unit is identified by the use of a capital letter designating the Unit preceded by the number designating the floor upon which the Unit is located. Each of the floors of the condominium will contain two (2) Units designated by the letters A and B. The interior surfaces of the perimeter walls, floors and ceilings are the boundaries of a Unit. Decorative and finished surface coverings (including paint, wallpaper, paneling, carpeting, tiles and finished flooring), are a part of the Unit, and all other portions of the walls, floors, or ceilings are a part of the Common Elements.

7. **OFFICE UNITS.** The approximate square footage of each Unit is as shown on the Survey Map referenced in paragraph 3 hereof.

8. **PARKING SPACES.** There shall be forty (40) parking spaces for the Condominium, all of which are uncovered, and shall be used exclusively for the Condominium. There are an additional nineteen (19) uncovered parking spaces on the appurtenant easement property which are non-exclusive spaces as shown on the Survey Map.

9. **COMMON ELEMENTS.** All appurtenances and facilities and other items which are not part of the individual office Units shall comprise the Common Elements as

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graphically shown on the Survey Map and Plans. The Common Elements shall also include by way of description but not by way of limitation:

9.1. **Land.** All lands described in Exhibit "A" aforesaid, whether or not occupied by the Condominium building containing the above-described Units.

9.2. **Improvements.** All streets, curbs, sidewalks and parking spaces serving the Condominium.

9.3. **Ornamentals and Utilities.** Lawn areas, shrubbery, conduits and utility lines shown on the survey maps and plans serving the Condominium.

9.4. **Utilities.** Public connections for gas, electricity, light, telephone and water not owned by the public utility or other agencies providing such services.

9.5. **Building.** The foundation, main walls (including windows and doors), roofs, floors, loadbearing interior walls, and partitions.

9.6. **Lighting.** Exterior lighting and other facilities necessary to the upkeep and safety of the building and grounds.

9.7. **Other Elements.** All other elements of the Condominium rationally of common use or necessary to the existence, upkeep, and safety thereof and, in general, all other devices or installations existing for common use such as corridors, stairways, and the elevator.

10. **LIMITED COMMON ELEMENTS.** The Limited Common Elements consist

of:

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10.1. Any chute, flu, duct, wire, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit.

10.2. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

10.3. The Limited Common Elements may not be severed from the fee simple Ownership of the Unit itself.

11. **COMMON ELEMENTS, INTERESTS, AND VOTES.** The Owner of a Unit shall acquire as an appurtenance to each Unit an undivided one-eighth (1/8) interest in the Common Elements of the Condominium. The said appurtenant common interest shall not be divisible from the Unit to which it appertains. Anything to the contrary notwithstanding, voting rights of Unit Owners and their liability for common expenses shall be equal even though the square footage area of each Unit is not identical in size. All Units are approximately the same size.

If Units are added to or withdrawn from the Condominium, or merged or consolidated, the interest shall be reallocated amongst the then remaining Units. The undivided interest in the Common Elements and the common expense liability allocated to each Unit for the entire Condominium shall equal one hundred percent (100%).

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12. **OWNER'S ASSOCIATION.** The operation of the Condominium shall be by the River Suites Condominium Association, a non-profit corporation, to be organized under the laws of the State of Washington no later than the date the first Unit in the Condominium is conveyed and shall fulfill its functions as provided in RCW 64.34.300, et seq. The Declarants shall appoint an initial Board of Directors to control the Association until such time as their successors are elected as provided by the Washington Condominium Act and the By-Laws of the Association.

Each Owner (including Declarants) shall be a member of the Association and shall be entitled to one (1) membership for each Unit so owned; provided, that if a Unit has been sold on contract, the contract purchaser shall exercise the rights of the Unit Owner for purposes of the Association, this Declaration and the By-Laws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Unit shall be the sole qualification for membership in the Association. The Association membership of each Owner (including Declarants) shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Unit and then only to the transferee of title to such Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

The total voting power of all Owners shall be one (1) vote per Unit. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Unit. If more than one (1) of the

multiple Owners are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one (1) of the multiple Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. The vote allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of the vote by other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance. No vote allocated to a Unit owned by the Association may be cast and in determining the percentage of votes required to act in any matter, the votes allocated to Units owned by the Association shall be disregarded.

A meeting of the Association must be held at least once a year. Special meetings of the Association may be called by the President, a majority of the Board, or by Unit Owners having twenty percent (20%) of the votes in the Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary or other officers specified in the By-Laws shall cause notice to be hand-delivered or sent prepaid by First Class United States Mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to

be voted on by the members, including the general nature of any proposed amendment to the Declaration or By-Laws, changes in the previously approved budget that result in a change in assessment obligations, and any proposal to remove a director or officer.

A quorum is present throughout any meeting of the Association if the Owners of Units to which fifty percent (50%) of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting. A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent (50%) of the votes on the Board are present at the beginning of the meeting.

By-Laws (and amendments thereto) for the administration of the Association and the Property, and for other purposes not inconsistent with the Act or with the intent of this Declaration shall be adopted by the Association upon concurrence of those voting Owners holding a majority of the total voting power. Amendments to the By-Laws may be adopted at any regular or special meeting. Declarants may adopt initial By-Laws. The By-Laws may contain supplementary, not inconsistent, provisions regarding the operation and administration of the Condominium.

13. **MANAGEMENT OF CONDOMINIUM.** Initially, the Condominium will be managed by a Board of Directors appointed by the Declarants. Declarants or Persons designated by Declarants may appoint and remove officers and directors. Declarants' management will assure that the Condominium is adequately administered and that there is orderly transition to Association operations. Declarants' authority ends, and the Board will assume management, the earliest of:

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13.1. A date on which Declarants records an amendment to this Declaration pursuant to which Declarants voluntarily surrender the right to further appoint and remove officers and directors;

13.2. Sixty (60) days after conveyance of any Unit to Owners other than a Declarant; or

13.3. Two (2) years after the last conveyance or transfer of record of a Unit except as security for a debt.

During Declarants' control, Declarants have the right to elect all directors, subject to the following: not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Owners other than Declarants, at least one (1) director and not less than twenty-five percent (25%) of the directors must be elected by Owners other than Declarants; not later than sixty (60) days after conveyance of fifty percent (50%) of the Units to Owners other than Declarants, not less than one-third (1/3) of the directors must be elected by Owners other than Declarants. Declarants may not remove any director elected by Owners. The Owners (other than Declarants) may remove any director elected by the Owners. A Declarant may voluntarily surrender the right to appoint and remove officers and directors before termination of Declarant control. Notwithstanding such surrender, Declarant may require that specific actions of the Association or Board be approved by Declarants before they become effective. This right of approval will lapse at the end of the period of Declarant control.

Upon ninety (90) days notice to the other party (or within such lesser notice, as provided for in such lease or contract), any contracts or leases entered into

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prior to the Board that is entirely elected by the Owners having taken office may be terminated, at any time, without penalty, by the Association.

Within sixty (60) days of the termination of Declarant control, Declarants will deliver to the Association all property of the Owners and of the Association, which is held or controlled by Declarants.

The number and term of the Board of Directors are as set forth in the By-Laws of the Association. Within thirty (30) days after the termination of Declarant control, the Owners will elect a Board at a special meeting called for that purpose. The Board will elect officers. The directors and officers will take office upon election and serve until the first annual meeting. At each annual meeting, the Owners shall elect directors to replace those whose terms have expired.

The Board does not have any authority to conduct an active business for profit on behalf of any of the Owners.

14. **BUDGET AND EXPENSES.** At least thirty (30) but not more than ninety (90) days prior to the beginning of each fiscal year, the Board shall prepare a proposed budget for the Condominium. The budget shall include anticipated common expenses, taking into account any expected income and any surplus available from the prior year's operating fund and the estimated common expense liability for each Unit. The common expenses will be assessed to the Units and the Owners thereof on the basis of their allocated interest. Special assessments are to be levied against the Unit benefitting therefrom.

The Owners will review and consider ratification of the budget at a meeting called especially for that purpose as provided in the By-Laws of the Association. If the

proposed budget is rejected or if the required notice is not given, the periodic budget last ratified by the Owners will continue until the Owners ratify a subsequent budget proposed by the Board. The budget will provide for an assessment against each Unit for its common expense liability and until the Association makes an assessment, the Declarants will pay all common expenses. Any assessments made by the Association must be levied against all Units (including those owned by Declarants) based on the budget adopted.

To the extent any common expenses were caused by the misconduct of any Owner, the Association may assess that expense against the Owner's Unit. If common expense liabilities are reallocated, assessments and any installments thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities. Where the amounts are material in relationship to all expenses and it is feasible to do so, any common expense associated with the operation, maintenance, repair or replacement of a Limited Common Element shall be paid by the Owner of or assessed against the Units to which the Limited Common Element is assigned in equal shares. With the exception of elevators, any common expense or portion thereof benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted. The costs of insurance must be assessed and proportioned to risk and the costs of utilities must be assessed in proportion to the usage.

The assessments against each Unit are to be paid in such manner as designated by the Board. Where feasible, the assessments for each year are to be made in equal monthly installments due on or before the first day of each month. All common funds will be held in trust and administered and expended for the benefit of the

Owners. All common funds will be expended for the purposes designated in this Declaration or the By-Laws of the Association. Disbursement shall be made in accordance with the budget and other items necessary or advisable for the proper functioning of the Condominium. The Board will maintain detailed and accurate records of the receipts and expenditures of the Association. The records shall specify and itemize the maintenance, repair and other expenses incurred. The records shall be kept in the form established and recommended by the Association's accountant. Any assessment not paid within ten (10) days of the due date is deemed delinquent. Any delinquent assessment shall have added to it a late payment penalty, interest or attorney fees as provided by the By-Laws. The Association shall also have an assessment lien for any unpaid assessments from the time the assessment is due as provided by the By-Laws of the Association. The recording of this Declaration constitutes record, notice and perfection of the assessment lien. No further recording of any claim of lien for assessments is required to perfect the assessment lien. Nonetheless, the Association may record a Notice of Claim of Lien for Assessments under this paragraph in the real property records of any county in which the Condominium is located.

15. **INSURANCE.**

15.1. **Insurance Coverage.** The Board shall obtain and maintain at all times as a common expense a policy or policies required to provide:

- a. Fire insurance, with an extended coverage endorsement (including vandalism, malicious mischief, sprinkler leakage, debris removal, cost of demolition, windstorm and water damage), in an amount as near as practicable to the full insurable replacement value (without deduction for

depreciation) of the common and limited common areas and the buildings with the Board named as insured as trustee for the benefit of the owners and mortgagees as their interest may appear, or such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection insuring the owners and their mortgages as their interest may appear. Said policy or policies shall provide for separate protection for each Unit to the full insurable replacement value thereof (limited as above provided), and a separate loss payable endorsement, in favor of the mortgagee(s) of each Unit, if any, and further, a separate loss payable clause in favor of the mortgagee of the project, if any. All insurance shall be obtained from an insurance carrier rated Triple A (and rated as 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.

b. General comprehensive liability insurance insuring the Board, the Association, the owners, and Declarant against any liability to the public or to the owners of the Units, and their invitees or tenants, incident to the ownership or use of the common and limited common areas (including but not limited to owned and non-owned automobile liability, water damage, host liquor liability for property of others, and, if applicable, elevator collision or garage-keeper's liability) the liability under such insurance shall be in an amount determined by the Board after consultation with insurance consultants, but not less than One Million Dollars

(\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence (such policy limits to be reviewed at least annually by the Board and increased in its discretion). Such insurance shall contain appropriate provisions or endorsements precluding the insurer from denying the claim of an owner because of the negligent act of the Association or another owner.

c. Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

15.2. Owner's Additional Insurance. Each owner shall obtain additional insurance respecting his Unit as contemplated under RCW 64.34.352(6) at his own expense. No owner shall, however, be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all of the owners will realize under any insurance policy which the Board may have in force on the project at any particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner to his Unit the value of which is in excess of One Thousand Dollars (\$1,000.00). Each owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance, and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

15.3. Insurance Proceeds and Claims. Insurance proceeds for damage or destruction to any part of the property shall be paid to the Board on behalf of

the Association, and the Board shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 16. The Association acting through its Board shall have the authority to settle and compromise any claim under insurance obtained by the Association and the insurer may accept a release and discharge of liability made by the Board on behalf of the named insureds under the policy.

15.4. **Additional Provisions.** The Board shall exercise its reasonable best efforts to obtain insurance policies that:

- a. Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of any other insurance obtained by or for any owner or mortgage.
- b. Contain no provision relieving the insurer from liability for loss because of any act or neglect which is not within the control of the Association or because of any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control.
- c. Contain a waiver of subrogation by the insurer as to any and all claims against the Association, owners and/or their respective agents, employees or tenants, and any defenses based upon coinsurance or upon invalidity arising from the acts of the insureds.
- d. Provide that despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be

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exercisable without the prior written consent of the Association, nor when such option is in conflict with the provisions of any insurance trust agreement to which the Association is a party or of any requirement of law.

16. **DAMAGE OR DESTRUCTION.** If all or any part of the Condominium is damaged or destroyed, the Board shall promptly (with twenty [20] days after the date of damage or destruction) prepare a written report of the damage. In making such report, the Board may use professionals and advice as it deems advisable. The report shall include the nature and extent of the damage or destruction, a reasonably reliable estimate of the cost to repair and restore the damage and destruction, the anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer, the amount, if any, by which the estimated cost of repairs exceeds the insurance proceeds and the amount of an assessment to each Unit should additional funds be necessary to repair the damage, and the Board's recommendation as to whether such damage or destruction shall be repaired or restored.

The Board shall promptly, and in all events within thirty (30) days after the date of the damage or destruction provide each Owner with a copy of the written report of damage. If the Board fails to do so within the thirty (30) day period, any Owner or mortgagee may prepare the written report of damage and give the copies required under this paragraph. Simultaneously with providing a copy of the written report of damage, the Board shall call a special meeting of the Association to consider such repair and restoration work. Should the Board fail to call for special meeting of the Association within the aforesaid thirty (30) day period, any Owner or first mortgagee may call for a

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special meeting of the Association within sixty (60) days after the date of damage or destruction. Any such notice of special meeting must be given at least ten (10) but not more than twenty (20) days prior to the date of such meeting. The purpose of the special meeting of the Association will be to consider repair and restoration of the Condominium. Any decision reached is deemed a unanimous decision by all Owners and first mortgagees.

In the case of damage or destruction of any portion of the Condominium for which insurance proceeds are available, any such damage or destruction shall be repaired and replaced promptly by the Association unless the Condominium is terminated, the repair or replacement would be illegal under any state or local health or safety statute or ordinance, or a vote not to rebuild by at least eighty percent (80%) of the Owners, including every Owner of a Unit or assigned Limited Common Element which would not be rebuilt.

The costs of repair or replacement in excess of insurance proceeds and reserves, if any, is a common expense. If the loss is not covered by insurance, except for emergency work, no repair and restoration work shall commence until after conclusion of the special meeting of the Association hereinabove provided for.

Any portion of the Condominium which is damaged or destroyed and is a loss not covered by insurance, shall be repaired or replaced promptly by the Association unless the Condominium is terminated, the repair or replacement would be illegal under any state or local health or safety statute or ordinance or a vote not to rebuild by the at least sixty-seven percent (67%) of the Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, or neither the Board, the

Owners or the first mortgagees call for a special meeting of the Association as hereinabove provided. Such a failure shall be deemed a decision not to undertake such repair and restoration work. The costs of repair or replacement shall be a common expense.

In all events and at all times, the Board has authority to proceed immediately with any emergency work it deems appropriate. If the decision is to terminate the Condominium or if the decision is to not repair and restore damage and destruction of the entire Condominium, the Board may nevertheless expend such funds as it deems reasonably necessary for emergency work. In such case, the Condominium shall be owned in common by the Owners and shall no longer be subject to this Declaration or to Condominium ownership. The Owners' interests in the property owned shall be equal to their allocated interest. Any mortgage or lien affecting any of the Units shall be deemed transferred in accordance with the existing priorities to the interest held by the respective Owners. The Condominium shall be subject to an action for partition which can be brought by any Owner. In the event of any such partition, all of the proceeds received by the Association whether from sale, insurance proceeds or other source, shall be considered as one (1) fund. From this fund, the Board shall disburse the funds in the following priority:

16.1. Pay all outstanding obligations of the Condominium for which the Owners may become personally liable;

16.2. Make provisions for any future expenses for which the Owners may become personally liable;

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16.3. Divide the remaining funds into separate shares for each Owner in accordance with their allocated interest. Each Owner's respective share will be used to satisfy any outstanding mortgages and liens on the interest of such Owner. The balance shall be distributed directly to the Owner.

17. **CONDEMNATION.**

17.1. **Consequences of Condemnation.** If at any time or times during the continuance of the condominium ownership pursuant to this declaration, all or any part of the property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article 16 shall apply. The Board shall provide each owner and each mortgagee with a written notice of the commencement of any such condemnation proceeding and of any proposed sale or disposition in lieu or in advance of such proceeding.

17.2. **Proceeds.** All compensation, damages and other proceeds resulting from the condemnation proceeding, sale or disposition in lieu of or in avoidance of such proceedings, the sum of which is hereinafter called the "condemnation award", shall be payable to the Association.

17.3. **Complete Taking.** In the event that the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership of said property shall terminate. The condemnation award shall be apportioned among the owners in the proportion to their respective undivided interests in the common areas; provided, that if a standard different from the value of the property as a whole is employed to measure the

condemnation award in the negotiation, judicial decree, or otherwise, 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 condemnation award to which each owner is entitled. After first paying out of the mortgages and then all other liens and encumbrances on the interest in the property of such owner, the balance remaining in each share shall then be distributed to each owner respectively.

17.4. **Partial Taking.** In the event that less than the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner:

- a. As soon as practicable the Board shall, reasonably and in good faith, allocate the condemnation award between compensation, damages and other proceeds.
- b. The Board shall apportion the amounts so allocated to taking of or injury to the common areas which in turn shall be apportioned among the owners in proportion to their respective undivided interests in the common areas.
- c. The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned.

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d. The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an owner had made within his own Unit shall be apportioned to the particular Unit involved.

e. The amount allocated to consequential damages and other taking or injuries shall be apportioned as the Board determines to be equitable in the circumstances.

f. If an allocation of the condemnation award is already established in negotiation, judicial decree or otherwise, then in allocating the condemnation award the board shall employ such 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 Article 17.3.

17.5. Reduction of Property Upon Partial Taking. In the event that (a) a partial taking occurs which pursuant to Article 17.4 does not result in a termination of all ownership hereunder, and (b) at least one (1) Unit is taken or condemned, and (c) the condemning authority elects not to hold, use or own said Unit as a Unit subject to and in accordance with this Declaration, then the provisions of this Article 17.5 shall take effect immediately upon the condemning authority's taking possession of the Unit(s) so taken or condemned:

a. The Units subject to this Declaration shall be reduced to those Units not taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof.

b. The general common areas subject to this Declaration shall be reduced to those common areas not so taken or condemned, sold or otherwise disposed of in lieu of or in avoidance thereof.

c. The limited common areas, which were not taken or condemned, but which were appurtenant to Unit(s) that were taken or condemned, shall be deemed part of the general common areas remaining subject to this Declaration.

d. Except with respect to the share of proceeds apportioned pursuant to Article 17.4, no owner or mortgagee of a Unit so taken or condemned shall have, nor shall thereby appurtenant to any Unit so taken or condemned, any right, title, interest, privilege, duty or obligation in, to or with respect to the Association, any Unit, common area or limited common area which remains subject to this Declaration and which is not so taken and condemned.

e. Except as otherwise expressly provided in Article 17.5, the rights, title, interest, privileges, duties and obligations of an owner and mortgagee in, to or with respect to the Association and the common areas and limited common areas appurtenant to said Unit shall continue in full force and effect as provided in this Declaration.

f. The provisions of Article 17.5 shall be binding upon and inure to the benefit of all owners and mortgagees of (and other persons having or claiming to have any interest in) all Units which are, as well as all Units which are not so taken or condemned. All such owners, mortgagees and

other persons covenant to execute and deliver all documents, agreements or instruments (including but not limited to appropriate amendments to this Declaration and the Survey Map and Plans) as are reasonably necessary to effectuate the provisions of Article 17.5.

17.6. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 16 above, provided that the Board may retain and apply such portion of each owner's share of the condemnation award as is necessary to discharge said owner's liability for any special assessment arising from the operation of said Article 16.

18. MORTGAGEE PROTECTION.

18.1. Priority of Mortgages. Notwithstanding all other provisions hereof and as provided in the Act, the liens created under this Declaration upon any Unit for assessments shall be subject to tax liens on the Unit in favor of any assessing Unit and/or special district and be subject to the rights of the secured party in the case of any indebtedness secured by mortgages which were made in good faith and for value upon the Unit. Where such mortgagee of the Unit, or other purchaser of a Unit, obtains possession of a Unit as a result of mortgage foreclosure or deed in lieu thereof, such possessor and his successor and assigns shall not be liable for the share of the common expenses or assessments chargeable to such Unit which become due prior to such possession, but shall be

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liable for the common expenses and assessments accruing after such possession. Such unpaid share of common expenses collectible from all the owners including such possessor, his successors and assigns.

18.2. Copies of Notices. Written notice that an owner has for more than thirty (30) days failed to meet any obligation under the association documents shall be given by the Association to any first mortgagee of such Unit to receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

18.3. Effect of Declaration Amendments. No amendment to this is Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon first mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage. Any provision to this Declaration conferring rights upon first mortgagees which is inconsistent with any other provisions of this Declaration or the By-Laws shall control over such other inconsistent provision.

18.4. Inspection of Books. First mortgagees shall be entitled to inspect at all reasonable hours of weekdays all of the books and records of the Association, and, upon request, to receive an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal year of the Association.

18.5. Obtaining Declarant's Powers. In the event the mortgagee of the Declarant-Developer becomes bound by this Declaration by granting one or more partial releases or otherwise, and forecloses its mortgages or acquires a deed in

lieu of foreclosure, and obtains possessory rights, legal title or certificates of sale to the unsold Unit or apartments and appurtenant common areas covered by the respective deeds of trust or mortgage liens, then the mortgagee of the Declarant-Developer may succeed to and assume, to the exclusion of the Declarant, the powers of the Declarant as set forth in this Declaration.

18.6. **Extension of Declarant's Powers.** In the event that the Declarant's obligation to the mortgagee of the Declarant-Developer has not been paid in full at the time the Declarant's management power has expired under Article 13, then said powers conferred upon the Declarant by said Article and to which the mortgagee of the Declarant-Developer may succeed, shall be extended for an additional two (2) years. The mortgagee of the Declarant-Developer shall be entitled to appoint a receiver during the pendency of any foreclosure action and said receiver shall immediately upon appointment succeed to and assume the rights and powers of the Declarant as set forth in this Declaration, and the receiver shall be entitled to sell unsold Units during the pendency of the foreclosure action, and said sales shall be subject of confirmation by court order.

19. **USE AND REGULATION.** The Condominium and Units are only to be used for office purposes. Failure of the Board to enforce this paragraph does not constitute a waiver of this requirement. Notwithstanding the foregoing, a Unit may also be used for operations of the Association in management of the Condominium. Renting or leasing of a Unit or a portion thereof to be used for office purposes is permitted. The renting or leasing must be evidenced by a written lease which provides that the tenancy shall be subject in all respects to the provisions of this Declaration and the By-Laws of

the Association. Any failure by the tenant to comply with the terms of this Declaration or the By-Laws shall be a default under the lease and the Owner grants to the Board the authority to evict the tenant on the Owner's behalf for such default. The Board is not liable to the Owner or tenant for any eviction made in good faith. These provisions shall be binding whether or not included in the lease.

Nothing may be done or kept in any portion of the Condominium which will increase the rate of insurance to the Association, will result in cancellation of any insurance held by the Association, or would be in violation of any law.

The Board may place reasonable limitations upon any signs advertising the professional offices or identifying particular Units or offices within the Condominium.

Common drives, walks, corridors and stairways are exclusively for normal transit and no obstructions may be placed thereon or therein except by express written consent of the Board.

In order to preserve a uniform exterior appearance to that portion of the Condominium visible to the public, the Board may require and provide for the painting and other decorative finish of the building or Common or Limited Common Elements, prescribe the type and color of such decorative finishes, prohibit, require or regulate any modification or decoration of the building or other Common or Limited Common Elements undertaken or proposed by any order and require the use of a uniform color of any Unit window coverings visible from the exterior. This power of the Board extends to screens, doors, awnings, rails or other visible portions of the Condominium. Nothing may be altered or constructed in, or removed from the Common Elements, except upon the

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written consent of the Board, which consent may be withheld at the sole discretion of the Board.

Each Owner, at the Owners' sole expense, has the right and the duty to keep the interior of the Owners' Unit and its equipment, appliances and appurtenances in good order, condition and repair, and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of the Owners' Unit. Each Owner is responsible for the maintenance, repair or replacement of any plumbing fixtures, waterheaters, fans, heating or other equipment, electrical fixtures or appliances which may be in or connected to such Owner's Unit.

An Owner may make any improvement or alteration to the Owner's Unit that does not affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. The Unit Owner may not change the appearance of the Common Elements or the exterior appearances of a Unit without permission of the Association. If a Unit Owner acquires an adjoining Unit or an adjoining part of an adjoining Unit, the Unit Owner may, with the approval of the Association, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not adversely affect the structural integrity or mechanical or electrical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this paragraph is not a relocation of boundaries.

20. **EASEMENTS.** It is intended that in addition to rights under the Condominium Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Elements for all support elements and utility, wiring,

plumbing, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of this Condominium plan. Without limiting the generality of the foregoing, each Unit and all Common and Limited Common Elements are specifically subject to an easement for the benefit of each of the other Units in the Condominium for all duct work for the several Units, and for heating, ventilation, and air conditioning. In addition, each Unit and all the Common and Limited Common Elements are specifically subject to easements as required for the intercom, security and electrical entry system, if any, for the electrical wiring and plumbing, and for the air conditioning lines and equipment, if any, for each Unit, together with reasonable access thereto for the purpose of installing the services and systems. The specific mention of reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements reserved by law.

The Board of Directors, on behalf of the Association and all members thereof, shall have authority to grant utility, road and similar easements and permits under, through or over Common Elements, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Property. There is hereby reserved to Declarants and the Association, or their duly authorized agents and representatives, such easements as are necessary, for emergency repairs and/or to perform the duties and obligations of the Association as are set forth in this Declaration or in the By-Laws.

Each Unit and Limited Common Element has an easement over all adjoining Units and Common and Limited Common Elements for the purpose of accommodating any encroachment due to engineering errors, errors in original

construction, settlement or shifting of the Building, or any other similar cause, and any encroachment due to Building overhang or projection. There are valid easements for the maintenance of said encroachments while they exist. The rights and obligations of Owners will not be altered in any way by said encroachment, settling or shifting. In no event will a valid easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful act or acts with full knowledge of said Owner. If a Unit, Common Element or Limited Common Element is partially or totally destroyed, and then repaired or rebuilt, any minor encroachment over adjoining Units and Common and Limited Common Elements are permitted, and they will be a valid easement for the maintenance of said encroachments while they exist. The foregoing encroachments are not encumbrances affecting the marketability of title to any Unit.

21. SUBDIVISION AND RELOCATION OF BOUNDARIES.

21.1. Any Owner may propose the subdivision of a Unit or the relocation of boundaries between adjoining Units in accordance with the terms of this paragraph 18. The proposal must be in writing, together with complete plans and specifications for accomplishing the proposal. The proposal must include proposed amendment(s) to the Declaration and Survey Map and Plans. The proposal shall be made to the Board of Directors of the Association of Condominium Owners.

21.2. The Owner making the proposal may proceed according to such plans and specifications upon the following conditions:

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a. All Owners and first Mortgagees of the Units to be subdivided or have their boundaries relocated have given their written approval;

b. The relocation of boundaries between Units is deemed approved unless the Board determines within thirty (30) days that the reallocations are unreasonable; and

c. A majority of the Board must approve and submit a subdivision of Units to the Owners. Thereafter, sixty-seven percent (67%) of Owners and sixty-seven percent (67%) of the first Mortgagees must give their prior written approval.

21.3. When such subdivision or relocation of boundaries is approved, the Association shall prepare, execute and record an amendment to the Declaration, including Survey Map and Plans affecting the Unit(s). The amendment must be executed by those Owners affected thereby, and in the case of relocation of boundaries, contain words of conveyance between the Owners showing the altered boundaries between adjoining Units and their dimensions and Identifying Numbers, or in the case of subdivision, assign and Identifying Number to each Unit created, reallocate the allocated interest formally allocated to the subdivided Unit to the new Units in any reasonable and equitable manner prescribed by the Owner of the subdivided Unit.

21.4. All costs reasonably associated with a subdivision of a Unit or the relocation of boundaries must be paid by the Owner requesting such action. The

Board may condition their approval of such approval upon the prepayment of these costs.

22. **PARTITION.** The Common Elements shall remain undivided and no Unit Owner(s) shall bring any action of partition or division thereof. In addition, the undivided fractional interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

23. **COMPLIANCE BY OWNERS.** Each Unit Owner or occupant shall comply with the provisions of this Declaration and the By-Laws and rules and regulations of the Unit Owners association, and any amendments thereto, as the same may be lawfully amended from time to time. Failure to comply with any such provisions, rules, or regulations shall be grounds for injunctive relief by the association and any other Unit Owner.

24. **ACCEPTANCE OF TERMS.** The title of the Declarant, which shall be hereafter conveyed or acquired in any manner is hereby expressly declared and made subject to the terms and provisions of this Declaration and the acquisition of title to a Unit, by any person shall be conclusively deemed to mean that the acquirer approves, adopts, and ratifies the provisions of this Declaration and the By-Laws and rules and regulations of the Condominium Association. The covenants, agreements and restrictions set forth herein shall run with the land and shall be binding upon the Declarant and their grantees and assigns.

25. **SEVERABILITY AND RETROSPECTIVE APPLICATION.** It is the intention of the Declarants that the provisions of this Declaration are severable so that if any

provision, condition, covenant or restriction thereof shall be invalid or void under any applicable federal, state or local law, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant or restriction thereof, is, at the time of recording of this Declaration, void, voidable or unenforceable as being contrary to any applicable federal, state or local law, the Declarants, covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability, or unenforceability, shall be deemed to apply retrospectively to this Declaration, thereby operating to validate the provisions of this Declaration which otherwise might be invalid, and it is covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein declared as fully as if they had been in effect at the time of the execution of this instrument.

26. **AMENDMENTS.** This Declaration and exhibits attached thereto, the survey maps and plans, may be amended or supplemented by the Declarants or the Condominium Association or certain Unit Owners as provided in RCW 64.34.264.

IN WITNESS WHEREOF, the parties have executed this Declaration the day year first above written.

Charles W. Bond
CHARLES W. BOND

Betty M. Bond
BETTY M. BOND

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me CHARLES W. BOND and BETTY M. BOND, husband and wife, to me known to be the individuals described in and who

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executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 29 day of May, 1996.

Signature *Charles T. Mertsching*
Printed Name Charles T. Mertsching
Notary Public for the State of Washington
My appointment expires: 4/29/97



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LEGAL DESCRIPTION

THE FOLLOWING DESCRIBED PROPERTY SITUATED IN COWLITZ COUNTY, WASHINGTON:

A PORTION OF TRACTS 38 AND 39, ASSESSOR'S PLAT NO. 2, AS RECORDED IN VOLUME 8 OF PLATS, PAGE 24, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF FIRST AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO THE STATE OF WASHINGTON, DEPARTMENT OF GENERAL ADMINISTRATION, ACTING FOR DEPARTMENT OF CORRECTIONS BY WARRANTY DEED RECORDED OCTOBER 17, 1991, UNDER AUDITOR'S FILE NO. 911017066 IN VOLUME 1107 AT PAGE 153, RECORDS OF SAID COUNTY;

THENCE SOUTHERLY ALONG THE WEST LINE OF FIRST AVENUE 138.00 FEET; THENCE NORTH 84°53'54" WEST 241.52 FEET TO THE WEST LINE OF SAID TRACT 38;

THENCE NORTH 10°31' EAST ALONG THE WEST LINE OF SAID TRACT 38, 55.75 FEET TO THE SOUTH LINE OF SAID STATE OF WASHINGTON TRACT;

THENCE NORTHEASTERLY ALONG THE SOUTH LINE OF SAID STATE OF WASHINGTON TRACT TO THE POINT OF BEGINNING.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR PARKING ON THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE SOUTHEAST CORNER OF THE ABOVE DESCRIBED TRACT; THENCE NORTH 84°53'54" WEST 241.52 FEET TO THE WEST LINE OF SAID TRACT 38;

THENCE SOUTH 10°31' WEST 5.00 FEET;

THENCE SOUTH 78°14'18" EAST 120.00 FEET;

THENCE SOUTH 10°10'35" WEST 69.00 FEET;

THENCE SOUTH 66°36'08" EAST 100.59 FEET TO THE WEST LINE OF FIRST AVENUE;

THENCE NORTHERLY ALONG THE WEST LINE OF FIRST AVENUE TO THE POINT OF BEGINNING.

EXHIBIT A