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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
BEND RIVERFRONT CONDOMINIUMS**

Dated: 12/14, 2015

Declarant: Bend Riverfront, LLC, an Oregon limited liability company

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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
BEND RIVERFRONT CONDOMINIUMS
MADE PURSUANT TO THE OREGON CONDOMINIUM ACT**

This Declaration, to be effective upon its recording in Deschutes County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed by Bend Riverfront, LLC, an Oregon limited liability company ("Declarant").

Declarant proposes to create a condominium located in the City of Bend, Deschutes County, Oregon, to be known as Bend Riverfront Condominiums, composed of three (3) residential units ("Condominium Units"). The purpose of this Declaration is to submit the Property (as defined below) to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

1. Definitions and Interpretation.

1.1 Definitions.

As used in this Declaration, the Articles of Incorporation of the Bend Riverfront Condominiums Owners Association, its Bylaws, its Rules and Regulations, and any exhibits thereto, unless the context shall otherwise require, the following definitions shall be applied:

1.1.1 Act shall mean the Oregon Condominium Act, currently Oregon Revised Statutes ("ORS") 100.105 et. seq., as amended from time to time.

1.1.2 Association shall mean the nonprofit corporate entity responsible for the administration, management and operation of the Condominium.

1.1.3 Association Property shall mean any real property or interest in real property acquired, held, or possessed by the Association pursuant to ORS Chapter 100.

1.1.4 Board shall mean the Board of Directors of the Association.

1.1.5 Bylaws shall mean the Bylaws of the Association, as amended from time to time.

1.1.6 Common Elements shall mean those portions of the Condominium designated in this Declaration as Common Elements.

1.1.7 Condominium shall mean the Property that is hereby submitted to condominium ownership and all improvements thereon and all easements and rights appurtenant thereto.

1.1.8 Condominium Units shall mean those parts of the Condominium designated as Condominium Units and comprised of the spaces enclosed by each of their respective boundaries as described in this Declaration; Condominium Unit shall mean any one of the Condominium Units.

1.1.9 Declaration shall mean this Declaration of Condominium Ownership for Bend Riverfront Condominiums and any amendments thereto.

1.1.10 Eligible Mortgage Insurer or Guarantor shall mean an insurer or governmental guarantor of a first Mortgage on a Condominium Unit who has requested notice of certain matters from the Association in accordance with the terms of this Declaration.

1.1.11 Eligible Mortgagee shall mean a Mortgagee who has required notice of certain matters from the Association in accordance with the terms of this Declaration.

1.1.12 Legal Requirements shall mean any and all laws, orders, rules, and regulations of any governmental entity.

1.1.13 Limited Common Elements shall mean those Common Elements designated in this Declaration as Limited Common Elements.

1.1.14 Mortgage shall include a mortgage, a deed of trust, and a contract for the sale of real estate affecting or encumbering a Condominium Unit.

1.1.15 Mortgagee has the meaning given to the term by ORS 100.005.

1.1.16 Owner shall mean the owner or owners of a Condominium Unit, but shall not include a Mortgagee unless in possession of a Condominium Unit.

1.1.17 Plat shall mean the plat for the Condominium which is being recorded in the deed records of Deschutes County, Oregon, concurrently with this Declaration and any revisions of such plat subsequently recorded.

1.1.18 Property shall mean the property submitted to the provisions of the Act, as described more particularly in Section 2.

1.1.19 Rules and Regulations shall mean those rules and regulations governing the use and enjoyment of the Condominium, as adopted by the Board pursuant to the Bylaws.

1.1.20 Turnover Meeting shall mean the meeting at which Declarant relinquishes control of the administration of the Association pursuant to Oregon Revised Statutes.

1.2 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium under the provisions of Oregon law. The terms used herein are intended to

have the same meaning as may be given in the Act to such terms unless the context clearly requires otherwise or definition in this manner would have an unlawful consequence.

1.3 Mortgagee Approval. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Condominium Unit, such Mortgagee shall be deemed a separate Mortgagee as to each such Condominium Unit.

1.4 No Fiduciary Standard. In no event shall Declarant be deemed to be a fiduciary of the Owners or be held to a fiduciary standard with respect to activities hereunder. The foregoing language does not apply to fiduciary responsibilities officers or directors of the Association appointed may otherwise have.

1.5 Original Owner of Condominium Units. Declarant is the original Owner of all Condominium Units and will continue to be deemed the Owner of each Condominium Unit until conveyances or other documents changing the ownership of specifically described Condominium Units are filed of record. Declarant will transfer all the Units to the Owners thereof concurrently with transfer of each of the other Units, it being intended that there will be no time at which only a part of the Units have been transferred to Owners other than Declarant; they will all be transferred by Declarant at the same time.

1.6 Captions and Exhibits. The captions given herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

1.7 Miscellaneous. All terms and words used in this Declaration, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. "And/or" when applied to two or more matters or things shall be construed to apply to any one or more or all thereof, as the circumstances then warrant. "Herein," "hereof," "hereunder," and words of similar import shall be construed to refer to this Declaration as a whole, and not to any particular section, unless expressly stated otherwise.

2. Property Submitted.

The Property hereby submitted to the provisions of the Act is the land owned in fee simple by Declarant and described on the attached Exhibit A, together with all easements, rights, and appurtenances belonging thereto and all improvements now existing or hereafter constructed on such land.

3. Name.

The name by which the Property is to be identified is "Bend Riverfront Condominiums."

4. Condominium Units.

4.1 General Description of Condominium Units.

The Condominium consists of three (3) residential units (each a "Unit" or "Condominium Unit" and together the "Units" or "Condominium Units"). The location of each of the Units is shown on the Plat. The Condominium Units are identified on the Plat as Unit 1, Unit 2, and Unit 3. Units 1 and 2 are in a building identified as "Building A" on the Plat) constructed in 2009, except for a portion of the foundation that was constructed in approximately 1940. Unit 3 is an entire building identified as "Building B" on the Plat, constructed in 2009. Both buildings are of wood-frame construction with wood siding and wood trim, wood decks, and a composition shingle roof. Both buildings are built on concrete wall foundations. Building A has a cellar and Building B has a crawlspace beneath the ground (first) floor. Each building has a ground floor and a second floor. Units 1 and 2 in Building A also have partial lofts above the second floor. Unit 3 in Building B has an attic above the second floor. The cellar in Building A is designated as a Limited Common Element and is assigned on an equal basis to Unit 1 and Unit 2. Unit 1 contains 1135 square feet, Unit 2 contains 1135 square feet, and Unit 3 contains 2533 square feet. Between Building A and Building B is a carport. The parking spaces under the carport, identified as "PS-1" and "PS-2" on the Plat, are Limited Common Elements. Parking space PS-1 is assigned to Unit 1 and parking space PS-2 is assigned to Unit 2. The top surface of the roof of the carport is a Limited Common Element, assigned to Unit 2.

The following notice is given as required by ORS 100.105:

NOTICE

THE SQUARE FOOTAGE AREAS STATED IN THIS DECLARATION AND THE PLAT ARE BASED ON THE BOUNDARIES OF THE UNITS AS DESCRIBED IN THIS DECLARATION AND MAY VARY FROM THE AREA OF UNITS CALCULATED FOR OTHER PURPOSES.

4.2 Boundaries of Condominium Units. Each of the Condominium Units shall be bounded by the exterior surfaces of its perimeter, and includes (i) exterior and demising stud walls, (ii) attached lighting fixtures and other fixtures, (iii) roofing, siding, gutters and downspouts, foundations; siding; trim; exterior windows and window frames, exterior doors; (iv) in the case of Unit 3, the crawlspace beneath Building B; (iv) roof; columns; beams; girders; supports; and bearing walls of the Unit; and (v) pipes, ducts, conduits, wires, and other utility installations serving only such Unit, together with any rights or appurtenances related thereto. In Building A, Units 1 and 2 do not include those portions of the walls, floors or ceilings that materially contribute to the structural shear capacity of the Condominium. In addition, each Condominium Unit shall include the outlet of any utility service lines, including water, sewer, electricity, or cable television, and of ventilating or air conditioning ducts, and the portions of those service lines that exclusively serve that Unit.

5. General Common Elements and Limited Common Elements.

5.1 Allocation of Interest in the Common Elements.

The undivided percentage ownership interest in the Common Elements is allocated as follows, based on the approximate relationship that the areas of the Units bear to one another and so that no one Unit controls more than 50% of the voting power of the Condominium:

Unit 1	25%
Unit 2	25%
Unit 3	50%

5.2 General Common Elements of the Units.

The General Common Elements are reserved for the equal and exclusive use of the Owners and occupants of the Units and include the following: (i) the land, (ii) the driveway, to the extent that the driveway extends outside the public right-of-way, (iii) the yard and landscaping; (iv) exterior lighting that is not attached to any Unit, landscaping, irrigation system, and signs; (v) pipes, ducts, conduits, wires, and other utility installations that serve all of the Units; and (vi) exterior walkways. The General Common Elements also include those portions of the buildings that are not designated as Limited Common Elements or as parts of the Units.

5.3 Limited Common Elements of the Units.

The Limited Common Elements include the following: (i) porches, patios, decks, or balconies adjacent to certain Units, as shown on the Plat, each of which is assigned to the Owner of the adjacent Unit; (ii) Parking Space PS-1, which is assigned to Unit 1; (iii) Parking Space PS-2, which is assigned to Unit 2; and (iv) the top surface of the roof of the carport, which is assigned to Unit 2.

6. Allocation of Common Profits and Expenses; Enforcement of Assessments.

6.1 Method of Allocation. Association profits, if any, shall be the property of the Association and shall be contributed to the operating account of the Association. The common expenses of the Property shall be set forth in the budget of the Association. The expenses associated with the Limited Common Elements shall be allocated to the Owners of the Unit(s) to whom those Limited Common Elements are assigned. Maintenance, repair, and replacement of all elements of each Unit will be performed and paid for by the owner of that Unit. The cost of re-roofing and exterior painting of Building A will be allocated in equal shares to the Owners of Unit 1 and Unit 2. The cost of re-roofing and exterior painting of Building B will be allocated to the Owner of Unit 3. All other common expenses set forth in the Association budget (including but not limited to administrative charges and reserve contributions) shall be allocated to the Owners of the Condominium Units in proportion to their interest in the Common Elements as set forth in Section 5.1 of this Declaration.

Declarant shall pay all common expenses of the Association until the Condominium Units are assessed for common expenses. The amount and date of commencement of the initial annual assessment to Owners other than Declarant shall be determined by Declarant. In the sole and unfettered discretion of Declarant, Declarant may defer payment of reserves for a Condominium Unit owned by Declarant until the Condominium Unit is conveyed to a third party. However, Declarant may not defer payment of accrued reserves beyond the date of the Turnover Meeting.

6.2 No Exception. No Owner may claim exemption from liability for contribution toward the common expenses by waiver by the Owner of the use or enjoyment of any of the Common Elements or by abandonment by the Owner of the Owner's Condominium Unit. No Owner may claim an offset against an assessment for common expenses for failure of the Board of Directors or Association to perform its obligations.

6.3 Default in Payment of Common Expenses. In the event of default by any Owner in paying to the Association the assessed common expenses (including, but not limited to, reserve assessments or any other special assessments) or any other amounts owing to the Association, such Owner shall be obligated to pay interest on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid expenses, or any appeal therefrom. No interest or late charges will be assessed on common expenses paid within 30 days after the due date therefor. Delinquent payments of common expense assessments shall bear interest from the date of the assessment at a rate per annum of three percentage points (3%) above the prime rate of Bank of America, N.A. or its successor (or, if there is no successor, then the prime rate of the bank at which the Association maintains its primary deposit account), but in no event higher than the maximum rate permitted by law. If the assessment is not paid within thirty (30) days of its due date, the Board of Directors may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The Board of Directors shall have the right and duty to recover for the Association such common expenses, together with interest thereon, late charges, if any, and expenses of the proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure of the lien which the Association shall have upon such Owner's Condominium Units with respect to all such obligations. The Association shall have a lien against each Condominium Unit for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof that is delinquent in an amount that exceeds \$5,000 or that is delinquent for a period that exceeds one year, and shall foreclose that lien on the request of any Owner who is not delinquent. Any Owner who is not delinquent may execute and record a claim of lien on behalf of the Association with respect to any other Owner who is delinquent in an amount that exceeds \$5,000 or for a period that exceeds one year. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice of a claim of lien for assessments and other charges in the deed records of Deschutes County, Oregon, before any suit to foreclose may be filed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land

sale contract recorded before the Association's notice of lien, and any mortgage or deed of trust granted to an institutional lender that is recorded before the Association's notice of lien.

7. Voting Rights.

On any matter that is voted on by the Owners, one (1) vote shall be allocated to each of Unit 1 and Unit 2, and two (2) votes shall be allocated to Unit 3.

8. Use.

The Condominium Units are intended for residential use, as described in the Bylaws. An Owner may rent or lease the Owner's Condominium Unit for short- or long-term occupancy. No amendment to this Declaration or the Bylaws that restricts an Owner's right to rent a Condominium Unit for short- or long-term occupancy may be adopted except by the unanimous approval of the Owners.

9. Authority Regarding Easements and Other Property Rights.

The Association has the authority, pursuant to ORS 100.405(5), to execute, acknowledge, deliver, and record on behalf of the Owners leases, easements, rights of way, licenses, and other similar interests affecting the Common Elements and to consent to vacation of roadways within and adjacent to the Condominium, in each case, which are reasonably necessary to the ongoing development and operation of the Condominium. The granting of any interest pursuant to this section shall first be approved by Owners holding 75 percent of the voting power of the Association, unless otherwise allowed to be approved by the Board under the Act.

10. No Restrictions on Alienation.

This Declaration and the Bylaws impose no restrictions on the alienation of any Condominium Unit. No amendment of this Declaration or the Bylaws that restricts alienation of any Condominium Unit will be enforceable against an Owner unless the Owners unanimously approve the amendment.

11. Maintenance and Repairs; Reserve Fund.

11.1 Maintenance of Common Elements. Except as otherwise provided in this Declaration or the Bylaws, the necessary work to inspect, maintain, repair, or replace the Common Elements shall be the responsibility of the Association. The Association is responsible for maintaining warranties in effect for all portions of the Common Elements to the fullest extent possible.

Notwithstanding the general responsibility of the Association to maintain the Common Elements, and as permitted by ORS 100.540(2)(a), each Owner shall maintain the doors which provide the means of ingress and egress to and from his or her Condominium Unit (including the repair of any damage thereto), and the windows opening on to his or her Condominium Unit (including the repair or replacement of cracked or broken windows), notwithstanding that such surfaces may be part of the Common Elements. Each Owner of a

Condominium Unit shall keep the patio or balcony adjacent to such Owner's Condominium Unit, if any, clean, structurally sound, and free of debris notwithstanding that the patios and balconies may be Common Elements.

11.2 Maintenance of Condominium Units. All maintenance of and repairs to any Condominium Unit shall be made by the Owner of such Condominium Unit, who shall keep the same in good order, condition, and repair. In addition, each Owner of a Condominium Unit shall be responsible for the maintenance, repair, or replacement of interior doors and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in his or her Condominium Unit. Each Owner is also responsible for the maintenance, repair, and replacement of all heating, cooling, and ventilating equipment that serves that Owner's Condominium Unit.

11.3 Reserve Fund for Replacing Common Elements. Declarant has prepared a reserve study as required by the Act and shall establish in the name of the Association a reserve fund for replacement of Common Elements which will normally require replacement in more than one and fewer than 30 years and for the painting of exterior painted surfaces of Common Elements, if any, as provided in the Bylaws. Declarant has prepared a maintenance plan in accordance with ORS 100.175(4). The reserve study assumes that the Association conducts normal, routine maintenance for the elements reserved for and that the Association is required to perform pursuant to this Declaration, the Bylaws and the Act. If the Association fails to perform required maintenance, the reserve fund may be inadequate at the time of the required replacement for one or more elements included in the reserve study. The reserve fund shall also be governed by the Bylaws. The books and records of the Association shall reflect the amount owed by Declarant for all reserve fund assessments.

12. Rights of Access and Use.

12.1 In General. Each Owner shall have a perpetual right of reasonable access and use to, through, over, and of each other Condominium Unit and the Common Elements as may be required for ingress and egress to and from such Owner's Condominium Unit or Condominium Units; for the support of such Owner's Condominium Unit or Condominium Units; and for the installation, operation, repair, maintenance, and replacement of utilities and other systems serving such Owner's Condominium Units, including, but not limited to, water, natural gas, air conditioning, cable television, electrical power and wiring, light, or plumbing serving a Condominium Unit. The Owner shall use the foregoing rights only as necessary and shall exercise all due care in the exercise of such right and shall be responsible for and indemnify, defend and hold harmless the other Owners from any harm or damage resulting from the exercise of the Owner's rights under this section. The specific reference to or reservation of any rights of access and use in this Declaration does not limit or negate the general easement for Common Elements created by the Act.

12.2 Right of Entry. In addition to the rights granted to the Association elsewhere in this Declaration, the Bylaws, or by the Act, the Board, acting on behalf of the Association, or a managing agent, manager, or any other person authorized by the Board, shall

have the right to enter any Owner's Condominium Unit or Condominium Units in the case of any emergency or property damage originating in or threatening such Condominium Unit or Condominium Units or other Condominium Units, Common Elements or Association Property or requiring repairs in such Condominium Unit or Condominium Units to protect public safety, whether or not the Owner is present at the time. Each Owner shall also permit such persons to enter the Owner's Condominium Unit or Condominium Units for the purpose of performing installations, alterations, maintenance, cleaning, or repairs to any Common Element, preventing damage to the Common Elements, Association Property or another Condominium Unit, performing the Association's inspection and maintenance obligations, or inspecting the Condominium Unit or Condominium Units to verify that the Owner is complying with the restrictions and requirements described in this Declaration, the Bylaws, and/or the Rules and Regulations, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. For a period of 10 years following recording of this Declaration, Declarant shall have a right to inspect the Common Elements of the Condominium and the Association's records regarding inspections and maintenance of the Condominium.

12.3 Right of Access and Use for Declarant. Declarant and Declarant's agents, successors, and assigns shall have a right of access and use to, through, over, and of the Common Elements for the purpose of planning, designing, renovating, developing, constructing, inspecting, maintaining, repairing or selling all or any part of on the Property, to the extent Declarant is required or authorized to conduct such activities (a) pursuant to this Declaration, the Bylaws, or the Plat, (b) under contracts of sale with purchasers of Condominium Units, (c) satisfying any repair obligation of Declarant, (d) inspecting the Property for defects or to verify appropriate maintenance is being performed, or (e) under applicable law or regulations. The right of entry and inspection provided in this section shall not in any way obligate the Declarant or Declarant's agents, successors and assigns to make such an inspection, and the decision on whether to inspect Condominium Units and the frequency of such inspections, if any, shall be solely within the discretion of the Declarant or its successors and assigns.

13. Encroachments.

13.1 Easements for Encroachments.

Each Condominium Unit and all Common Elements shall have an easement over all adjoining Condominium 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 other movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection as long as the physical boundaries of the Condominium Units are in substantial accord with the description of those boundaries that appears in the Declaration. There shall be a valid easement for the maintenance of the encroaching Condominium Units and Common Elements so long as the encroachment shall exist and, except as otherwise provided in this Declaration, the rights and obligations of Owners shall not be altered in any way by the encroachment.

13.2 Easements No Relief of Liability.

The easement described herein does not relieve an Owner of liability in case of willful misconduct of an Owner or relieve the Declarant or any contractor, subcontractor, or materialman of liability for failure to adhere to the Plat.

13.3 Easements Not Encumbrances.

The encroachments described herein shall not be construed to be encumbrances affecting the marketability of title to any Condominium Unit.

14. Notices to Mortgagees. The Association shall provide timely written notice of the following matters to any Eligible Mortgagee, or any Eligible Mortgage Insurer or Guarantor, who makes a written request therefor to the Association: any condemnation or casualty loss that affects either a material portion of the Condominium or a Condominium Unit in which it holds an interest; any delinquency of 60 days in the payment of common expenses assessed to a Condominium Unit in which it holds an interest; a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and any proposed action that requires the consent of a specified percentage of Mortgagees under this Declaration or the Bylaws.

15. Operating Entity. Bend Riverfront Condominiums Owners Association, an Oregon nonprofit corporation, has been organized to administer the operation and management of the Condominium and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and the Bylaws. The Owner of each Condominium Unit shall automatically become a member of the Association upon such Owner's acquisition of an ownership interest in any Condominium Unit and the membership of an Owner shall terminate automatically upon such Owner's being divested of all of such Owner's ownership interest in the Condominium Unit, regardless of the means by which such ownership interest is divested. Each Owner shall be entitled to vote in the manner prescribed in the Articles of Incorporation of the Association and the Bylaws. Until the Turnover Meeting, the members of the Board need not be Owners. No person or entity holding any Mortgage, lien, or other encumbrance on any Condominium Unit shall be entitled, by virtue of such Mortgage, lien, or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership, except as specifically described in this Declaration. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments, and to adopt, promulgate, and enforce Rules and Regulations in the manner provided herein and in the Bylaws. Acquisition of an ownership interest in a Condominium Unit by an Owner shall constitute appointment of the Association as that Owner's attorney-in-fact in connection with proceedings, negotiations, settlements, and agreements arising from condemnation, destruction, liquidation, or termination of the Condominium, subject to the rights of the Owners described in the Bylaws and the Act.

The Association has adopted as its initial Bylaws the Bylaws set forth as Exhibit B to this Declaration.

16. Taxation of Condominium Units.

Each Condominium Unit, together with the undivided percentage interest in the Common Elements allocated to such Condominium Unit, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing authority in a manner comparable to the taxation of other parcels of real property. The Common Elements shall not be considered a separate parcel for purposes of taxation.

17. Administrative Control.

Except as otherwise provided in this Declaration or in the Bylaws, Declarant reserves control until the earlier to occur of the date that is thirty (30) days after the date on which the first Condominium Unit is conveyed or the date at which 75 percent of all Condominium Units have been conveyed to persons other than the Declarant, during which time Declarant may appoint and remove officers and members of the Board.

18. Casualty.

18.1 Responsibility of Association. The Association shall be responsible for repairing, reconstructing, or rebuilding all damage or destruction of the Common Elements by casualty. Each Owner shall be responsible for the repairing, reconstructing, or rebuilding of his or her Condominium Unit to the extent not covered by the Association's insurance and to the extent of any deductible under the Association's insurance. The Association shall rebuild and restore the damaged or destroyed portions of the Common Elements so that the Property is rebuilt and restored to substantially the same condition in which it existed prior to such damage or destruction, unless Owners of at least 75 percent of the Condominium Units and 75 percent of all first Mortgagees of Condominium Units agree that the Property shall not be rebuilt or restored. The Association shall represent the Owners in any proceeding, negotiation, settlement, or agreement relating to the payment of proceeds under any insurance policies held by the Association. Any such proceeds shall be payable to the Association to the extent of its interest therein. If the Property is to be rebuilt and restored and the proceeds of the insurance policies held by the Association are insufficient to fund the full cost of rebuilding and restoration, the difference between the amount of such proceeds and such cost may be charged to all Owners as a common expense. If the required number of Owners of Condominium Units and first Mortgagees agree that the Property shall not be rebuilt and restored, the Property shall be considered removed from the provisions of the Act in accordance with the Act, and any proceeds resulting from such removal shall be distributed in accordance with the Act.

18.2 Responsibility of Owner. If, due to the act or neglect of an Owner, or of a member of his or her family or his or her household pet or of a guest, servant, invitee, employee or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Condominium Unit owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a common expense, then such Owner shall pay for

such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance, including specifically the Association's deductible.

19. Condemnation.

19.1 Total Condemnation. In the event of condemnation of the whole of the Condominium, the compensation to be paid to Owners of Condominium Units shall be negotiated and finalized, including, if required, by representation in any proceeding, by the Association, subject to ratification of such compensation by the Owners of at least 75 percent of the Condominium Units at a special meeting called for that purpose, whether or not proceedings are necessary, and compensation, less expenses involved, if any, in obtaining the compensation shall be paid to the Association and then distributed among the Owners of Condominium Units in equitable proportions and payable to any Mortgagee to the extent required to obtain a discharge of Mortgage. Notwithstanding the award for the condemnation of the whole Condominium, the rights of each Owner of a Condominium Unit shall be separate to negotiate and finalize his or her personal compensation for improvements made to the Condominium Unit or Condominium Units, cost of moving, and other similar items personal to each Owner.

19.2 Partial Condemnation. In the event of a partial condemnation of the Condominium which includes some Condominium Units and/or Limited Common Elements, each Owner whose Condominium Unit or Condominium Units or associated Limited Common Elements are condemned shall deal with the condemning authority with regard to compensation therefor, and the compensation for such Condominium Unit or Condominium Units or Limited Common Elements shall be paid to such Owner (or the Mortgagee of that Owner's Condominium Unit). The cost, if any, of restoring the balance of the Condominium so that it may be used shall be determined by the Association and the Association shall negotiate with the condemning authority with regard to compensation for this expenditure and shall, unless the Condominium is terminated within 30 days after the receipt of such compensation in accordance with the Act, reconstruct the Condominium, using the funds received for such reconstruction. Any moneys received by the Association for any such reconstruction shall be held in trust by the Association for the purpose of such reconstruction.

20. Fidelity Bond.

The Board of Directors may require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds, whether or not such person or entity receives compensation for services, shall furnish a fidelity bond as the Board of Directors deems adequate under this section. In no event, however, may the aggregate amount of such insurance be less than the sum equal to three months' aggregate assessments on all Condominium Units plus reserve funds. Such bonds shall name the Association as the obligee and shall cover the maximum funds that may be in the custody of the Association or any manager at any time while such bonds are in force but, in any event, not less than the sum of three months of common expense assessments on all Condominium Units. Any such bond shall include a provision requiring not less than ten days' written notice to the Association and any Mortgagee of a Condominium Unit requesting a copy thereof and each

servicer on behalf of the Federal National Mortgage Association ("Fannie Mae") before cancellation or substantial modification of the bond for any reason. The premiums on such bonds shall be paid by the professional manager.

21. Amendment.

21.1 Approval by Owners. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by Owners holding 25 percent or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment. Except as may otherwise be provided in this Declaration or by the Act, this Declaration may be amended if such amendment is approved by Owners holding at least 75 percent of the voting power of the Association. Except as otherwise provided in the Act, no amendment may change the size, location, allocation of undivided interest in the Common Elements, method for determining liability for common expenses, the method of determining the right to common profits, or the method of determining the voting rights of or with respect to any Condominium Unit unless such amendment has been approved by the Owners of the affected Condominium Units. Also, no amendment may be adopted that restricts the right of Owners to rent their Units for transient or long-term occupancy, or that limits the number of occupants of a Unit, without the approval of 100% of the Owners.

21.2 Recordation. Amendments to this Declaration shall be effective upon recordation of the Declaration as amended, or of the amendment thereto, certified by the chairman and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Oregon Condominium Act and approved by the county assessor and the Oregon Real Estate Commissioner, if required by law, in the deed records of Deschutes County, Oregon.

22. Termination.

Termination of the Condominium shall be effected in accordance with the Act. The common profits and expenses of the Property following termination of the Condominium shall be allocated in accordance with the Act.

23. Dispute Resolution.

23.1 Required Procedure. Except as provided in this Declaration, to the fullest extent allowed by law, if a dispute arises, all claims, controversies, or disputes, whether they are statutory, contractual, tort claims, and/or counterclaims between or among Declarant, Declarant's successors and assigns, the Association, and/or Owner(s) (collectively, the "Parties" and individually, a "Party") which arise out of or are related to the Condominium, the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations, or which relate to the interpretation or breach of the Act, this Declaration or the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations (collectively referred to as "Claims") shall be resolved in accordance with the procedures specified herein. Except as otherwise required by the Act, the following matters are excluded

from this dispute resolution clause and do not constitute Claims: (i) judicial or non-judicial foreclosure or any other action or proceeding to enforce assessments, fines, interest or a trust deed, mortgage, Association lien, or land sale contract; (ii) a forcible entry and detainer action; or (iii) actions for the appointment of a receiver pursuant to the Bylaws; (iv) provisional remedies such as injunctions or the filing of a lis pendens, or (v) the filing or enforcement of a mechanic's lien. The filing of a notice of pending action (lis pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in Rules 79 through 85 of the Oregon Rules of Civil Procedure (or corresponding federal statutory remedies), including a restraining order, attachment, or appointment of receiver, shall not constitute a waiver of the right to mediate or arbitrate under this Section, nor shall it constitute a breach of the duty to mediate or arbitrate. The proceeds resulting from the exercise of any such remedy shall be held by the Party obtaining such proceeds for disposition as may be determined by an agreement of the Parties pursuant to a mediation or by the arbitration award.

23.2 Negotiated Resolution. The Parties will seek a fair and prompt negotiated resolution of Claims and shall meet at least once to discuss and to seek to resolve such claims, but if this is not successful, all disputes shall be resolved in small claims court, by mediation or by binding arbitration as set forth below, as applicable.

23.3 Mediation. Prior to mediation of any Claim, the Parties shall have endeavored to resolve disputes through the negotiated resolution process set forth above. All Claims that are not resolved by such process shall be subject to mediation as a condition precedent to arbitration. The request for mediation may be made concurrently with the filing of a demand for arbitration as set forth below, but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the Parties. All mediation shall be in accordance with the rules of procedure of any dispute resolution program available in Deschutes County, Oregon that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended.

23.4 Small Claims. All Claims that have not been resolved by mediation and which are within the jurisdiction of the Small Claims Department of the Circuit Court of the State of Oregon shall be brought and determined there, and all Parties waive their right to a jury trial with respect to such claims.

23.5 Arbitration. Prior to arbitration of any Claim, the Parties shall have endeavored to resolve disputes through the processes set forth above, as applicable. All Claims that have not been resolved by such processes shall be resolved by binding arbitration. Such arbitration shall be conducted by and pursuant to the then effective arbitration rules of the Arbitration Service of Portland, Inc. Any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

23.6 Confidentiality. The Parties shall take reasonable steps to keep all discussions of disputes, all settlements and arbitration awards and decisions confidential and to not disclose any such information, whether directly or indirectly, to any third parties unless reasonably necessary in connection with conduct of the Party's business, required by law, or

compelled to do so by an order of a court of competent jurisdiction. The Parties agree in the event a Party breaches its confidentiality obligation that the other Party or Parties to the dispute shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance and each Party hereby waives any claim or defense that the other Party has an adequate remedy at law for any such breach and the Parties agree that the aggrieved Party shall not be required to post any bond or other security in connection with any such equitable relief.

23.7 Attorney Fees. If any party initiates litigation, arbitration, or other alternative proceeding to enforce or interpret any rights or obligations in connection with this Declaration, the prevailing Party in such proceeding shall be entitled to recover from each non-prevailing party the prevailing party's attorney fees incurred therein, including such fees on appeal and in any proceeding before the U.S. Bankruptcy Court.

24. Limitation of Warranty; Service of Process.

24.1 Limitation of Warranty. EXCEPT FOR THOSE WARRANTIES REQUIRED OF A DEVELOPER OF CONDOMINIUM UNITS BY FEDERAL OR OREGON LAW, THE DECLARANT MAKES NO REPRESENTATION OR WARRANTY ABOUT THE CONDOMINIUM.

24.2 Service of Process.

The designated agent to receive service of process in cases provided in ORS 100.550(1) is named in the Condominium Information Report which will be filed with the Real Estate Agency in accordance with ORS 100.250(1).

25. Special Declarant Rights. As more particularly provided in this Section, Declarant, for itself and any successor Declarant, has reserved the following special Declarant rights:

25.1 Completion of Improvements. Declarant and its agents, employees, and contractors shall have the right to complete improvements and otherwise perform work that is: (i) authorized by this Declaration; (ii) indicated on the Plat; (iii) authorized by building permits; (iv) provided for under any unit sales agreement between Declarant and a Condominium Unit purchaser; (v) necessary to satisfy any express or implied warranty obligation of Declarant; or (vi) otherwise authorized or required by law.

25.2 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the special Declarant rights set forth in this section shall continue for so long as (i) Declarant is completing improvements which are within or may be added to this Condominium or (ii) Declarant owns any Condominium Units.

25.3 Declarant's Easements. Declarant has a non-exclusive easement to, through, and over the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising special Declarant rights, whether arising under the Act or reserved in this Declaration.

26. Miscellaneous.

26.1 Severability. Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

26.2 No Impairment. The creation of this Condominium shall not be impaired and title to the Condominium Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of any insignificant failure of this Declaration or the Plat or any amendment thereto to comply with the Act.

26.3 No Partition. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of interest in the Common Elements made without the Condominium Unit to which that interest is allocated is void.

26.4 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

26.5 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to this Declaration and the Bylaws, neither the Association nor the Board nor Declarant shall be liable for: (i) any failure of any utility or other service to be obtained and paid for by the Board; (ii) injury or damage to person or property caused by the elements, or (iii) 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.

26.6 Rule Against Perpetuities. The rule against perpetuities may not be applied to defeat any provisions of this Declaration or the Bylaws or Rules and Regulations.


26.7 Sound Transmission Disclosure. Where units are built either above or below each other, or side by side, it is normal to experience some transmissions of sound between those units from music, heels on noncarpeted floors, water traveling in drains, cupboard doors, elevators, and similar causes. On occasion these sounds are heard in normal conditions with typical noise levels. Owners should expect some transmission of sound between units, common elements or from outside of the Condominium. Declarant makes no warranty regarding

soundproofing of units and transmission of sounds between units, common elements or from outside of the Condominium shall not be considered a construction defect.

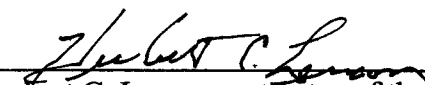
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this ____ day of June, 2014.

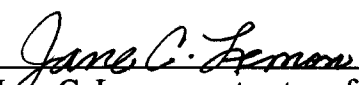
DECLARANT:

Bend Riverfront, LLC, an Oregon limited liability company:

By: 
Steven S. Pinnell, Manager and Member

And: 
Terry Antonia Pinnell, Member

And: 
Herbert C. Lemon, as trustee of the Lemon Family Trust u/d/t December 3, 2004, Member

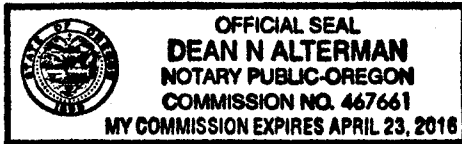
And: 
Jane C. Lemon, as trustee of the Lemon Family Trust u/d/t December 3, 2004, Member

Exhibits: Exhibit A (legal description)
 Exhibit B (initial by-laws of the Association)

[Acknowledgments on next page]

State of Oregon)
County of Multnomah)

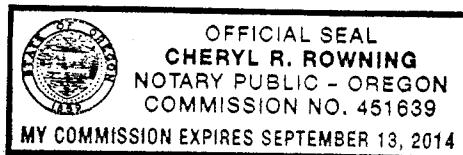
This Declaration was acknowledged before me on June 18, 2014 by Steven S. Pinnell, as the manager and a member of Bend Riverfront, LLC, an Oregon limited liability company.



Dean N. Alterman
Notary Public for Oregon
My commission expires 23 APRIL 2016

State of Oregon)
County of Multnomah)

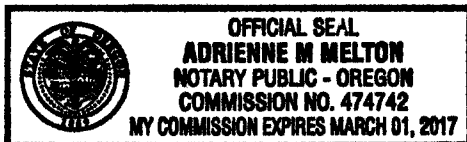
This Declaration was acknowledged before me on June 19, 2014 by Terry Antonia Pinnell as a member of Bend Riverfront, LLC, an Oregon limited liability company.



Cheryl R. Rowning
Notary Public for Oregon
My commission expires 9/13/14

State of Oregon)
County of ~~Lane~~ Multnomah

This Declaration was acknowledged before me on ^{July} ~~June~~ 9, 2014 by Herbert C. Lemon and Jane C. Lemon as trustees of the Lemon Family Trust u/d/t December 3, 2004, as members in that capacity of Bend Riverfront, LLC, an Oregon limited liability company.



Adrienne M. Melton
Notary Public for Oregon
My commission expires 3-1-17

APPROVAL OF REAL ESTATE COMMISSIONER

The foregoing Declaration is approved pursuant to ORS 100.110(4) this 19th day of October, 2015, and in accordance with ORS 100.110(8), this approval shall automatically expire if this Declaration is not recorded within one (1) year from this date.

GENE BENTLEY
Oregon Real Estate Commissioner

By: 

APPROVAL OF DESCHUTES COUNTY ASSESSOR

The foregoing Declaration is approved pursuant to ORS 100.110(3) this 4 day of December, 2015.

SCOT LANGTON
Deschutes County Assessor

By: 

APPROVAL OF DESCHUTES COUNTY TAX COLLECTOR

The foregoing Declaration is approved pursuant to ORS 100.110(2) this 4th day of DECEMBER, 2015. The Finance Director and Treasurer of Deschutes County is the "tax collector" of Deschutes County within the meaning of ORS 100.110(2).

~~MARTY WYNNE~~ WYNNE LOWERY
Deschutes County Finance Director and Treasurer

By: 

Exhibit A

Property Description

LOT 14, BLOCK 8, MILL ADDITION TO THE CITY OF BEND, LOCATED IN THE
SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 31,
TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND,
DESCHUTES COUNTY, OREGON.

EXHIBIT B TO DECLARATION

INITIAL BYLAWS OF BEND RIVERFRONT CONDOMINIUMS OWNERS ASSOCIATION GOVERNING BEND RIVERFRONT CONDOMINIUMS

1. GENERAL PROVISIONS

1.1. **UNIT OWNERSHIP.** The Bend Riverfront Condominiums ("Condominium"), located in the City of Bend, Deschutes County, Oregon, is submitted to the provisions of Oregon Revised Statutes ("ORS") 100.005 et. seq., the Oregon Condominium Act, by the Declaration, recorded in the real property records of Deschutes County, Oregon, and these Bylaws.

1.2. **NAME AND LOCATION.** The name of the corporation is Bend Riverfront Condominiums Owners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 2813 Sarah Lane, Eugene, Oregon 97408, or at any other convenient location within the State of Oregon as the board of directors may designate, but meetings of the members and directors may be held at such places as may, from time to time, be designated by the board of directors.

1.3. **APPLICABILITY.** These Bylaws are adopted by the Declarant on behalf of the Association as the Association's initial Bylaws and shall govern the administration of the Association and the Condominium. The Association has been organized for the purpose of providing maintenance, preservation and architectural control of the Units and common areas within the Condominium. All present or future owners, or their employees, or any other person who might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, mere occupancy, or rental of any of the Units of the Condominium constitutes acceptance and ratification of these Bylaws and agreement to comply with all the provisions of these Bylaws.

1.4. **DEFINITIONS.** Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.105 et. seq., as supplemented by the Declaration, and those statutes and definitions are incorporated herein by this reference. As used in these Bylaws and in the Declaration, the following terms have the following meanings: "Association" shall mean and refer to the Bend Riverfront Condominiums Owners Association, an Oregon mutual benefit nonprofit corporation.

1.4.1. "Declaration" shall mean and refer to that certain Declaration Of Condominium Ownership for Bend Riverfront Condominiums recorded in the Deed Records of Deschutes County, Oregon.

1.4.2. "Declarant" shall mean and refer to Bend Riverfront, LLC, an Oregon limited liability company, the declarant of the Declaration.

1.4.3. "Member" shall mean and refer to each of those Owners of Units in Bend Riverfront Condominiums who are entitled to membership in the Association as provided in these Bylaws.

1.4.4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit or the purchaser of the fee simple interest in a Unit under a contract of sale, but, notwithstanding any applicable theory of a lien, mortgage or trust deed, shall not mean or refer to a lienholder, mortgagee, vendor under a contract of sale, or a beneficiary or trustee under a trust deed unless and until such lienholder, mortgagee, vendor, beneficiary or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. For all purposes of the Declaration and the administration of the Condominium, Unit ownership is determined on the basis of the records maintained by the Association. The record must be established by the Owner filing with the Association a copy of the deed to or contract of sale for his or her Unit, to which must be affixed the certificate of the recording officer of the Deschutes County, Oregon, showing the date and place of recording of the deed or contract. No person may be recognized as an Owner unless a copy of the deed or contract showing him or her to be the current owner or contract purchaser of a Unit has been filed with the Association as provided above. Notwithstanding the foregoing, Declarant is the owner of all previously unsold Units, although no deed or contract of sale, with respect to such Units, has been filed with the Association.

1.4.5. "Units" shall mean those parts of the Condominium designated as Units and comprising the spaces enclosed by each of their respective boundaries as described in the Declaration. "Unit" shall mean any one of the Units.

2. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

2.1. **ASSOCIATION RESPONSIBILITIES.** The Owners of the Units constitute the members of the Association, which has the responsibility of management and operation of the Condominium property, approving the annual budget, establishing and collecting assessments, and arranging for the operation, management, and maintenance of the Condominium property, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters.

2.2. **MEMBERSHIP.** Every person or entity who is an Owner of any Unit shall be a Member of the Association.

2.3. VOTING RIGHTS. Voting rights of the Members are allocated as follows:

Unit 1	1 vote
Unit 2	1 vote
Unit 3	2 votes

If a Unit is owned by more than one person or entity, then all of the owners will be Members of the Association, and they may allocate the vote or votes attributable to their Unit among themselves as they may wish, but the Owners of no Unit will have more votes than as stated in this Section 2.3, regardless of how many distinct persons or entities may share in the ownership of a Unit.

2.4. ASSIGNMENT. Voting rights held by any Owner in his or her capacity as a Member of the Association shall not be assigned to another person without the permission of the Association. Any such assignment of voting rights shall be in writing and shall be filed with the secretary of the Association.

2.5. AUTHORITY TO VOTE. All Owners are entitled to vote, unless a valid court order establishes the authority of a co-owner to vote. An Owner's right to vote may not be revoked. A purchaser under a land sale contract who is entitled to immediate possession of the Unit is deemed to be the Owner, unless otherwise provided in the contract.

2.6. ACTIONS BY ASSOCIATION; LEGAL MEETING. Except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act, or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association require the approval by a majority of Owners present at any legal meeting. For purposes of these Bylaws, a legal meeting is a formal meeting duly called pursuant to these Bylaws at which a quorum is present in person or by proxy, or a ballot meeting where the number of Owners casting written ballots constitutes a quorum.

3. TRANSITION FROM DEVELOPER CONTROL

3.1. DECLARANT CONTROL. Until the earlier of (a) one year after the Declaration is recorded, and (b) one month after the date of conveyance to persons other than the Declarant of seventy-five percent (75%) of the Units, the Declarant shall control the Association. During the period of Declarant control, any act which the Association is permitted to perform may be performed by the board of directors without any vote of the membership.

3.2. TURNOVER. Within thirty (30) days after the expiration of the period of Declarant control reserved in Section 3.1 above, the Declarant shall call a meeting (the Turnover Meeting) for the purpose of turning over control of the Association to the

Members, in accordance with ORS 100.210. If the Declarant fails to call for the Turnover Meeting, any Owner may call the meeting. The Turnover Meeting shall be the initial meeting of the Association.

3.3. ELECTION OF DIRECTORS. The Members shall elect a board of directors at the Turnover Meeting in accordance with these bylaws. If the Members fail to elect a board of directors, the Declarant shall call such subsequent meeting or meetings as are necessary to enable the Members to elect a board of directors. The date of turnover shall be the date of the Turnover Meeting or such subsequent meeting when the Members are able to elect a board of directors.

3.4. CONTROL AFTER TURNOVER. After the date of turnover, control of the Association shall be vested in the Members, operating through the elected board of directors.

4. MEETING OF MEMBERS

4.1. ANNUAL MEETINGS. The annual meeting of the Members shall be held on the anniversary date of the Turnover Meeting in each year if that anniversary is a Saturday, or on the first Saturday after the anniversary date if the anniversary date is not a Saturday, or at such other time as may be unanimously agreed by the Members. Beginning with the first meeting after the date of turnover, at each annual meeting, the Members shall elect members of the board of directors, shall consider the annual assessments as described in the Declaration, and shall transact such other business as may legally come before the meeting. The annual meeting of the Members shall be held at the Condominium, if a Member is willing to hold the meeting at the Unit owned by the Member, or at a convenient location within Deschutes County, Oregon if no Member is willing to hold the meeting at the Unit owned by the Member. The Members may by unanimous consent agree to hold an annual meeting at any other location.

4.2. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the president, by a majority of the board of directors, or by Members who are entitled to vote 50 percent of all of the votes of the membership.

4.3. NOTICE OF MEETINGS; E-MAIL NOTICE PERMITTED. Written notice of each meeting of the Members, including the Turnover Meeting, the Annual Meeting, and any Special Meetings, shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 7 but not more than 50 days before such meeting to each Member entitled to vote. The notice shall be addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. In lieu of sending written notice, the Association may give notice of meetings by e-mail to any Member who provides the

Association with an e-mail address and requests the Association to send notices of meetings to that e-mail address.

4.4. **QUORUM.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in Oregon statutes, the articles of incorporation, the Declaration, or these bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

4.5. **PROXIES.** At all meetings of Members after turnover, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of the Owner's Unit.

4.6 **WRITTEN BALLOTS.** Except as otherwise provided under Oregon law, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Board of Directors delivers a written ballot to every Member entitle to vote on the matter. Action by written ballot may not substitute for the Turnover Meeting or the Annual Meeting unless otherwise allowed under Oregon Revised Statutes ("ORS"). The Board of Directors shall follow the procedures for written ballots set forth in ORS 100.425 as such statute may be amended in the future.

4.7 **RULES OF ORDER.** Meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association and in accordance with the provisions of ORS Chapter 100. The Members may by unanimous agreement at a meeting of the Association dispense with formal rules of procedure for that meeting. A Member's failure to object to procedure, although present at such meeting, will constitute a waiver of any objection based on failure to follow Robert's Rules of Order.

5. **BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

5.1. **NUMBER; QUALIFICATION; VOTING RIGHTS.** The business and affairs of the corporation shall be managed and controlled by a board of directors. The number of directors of the corporation shall be two during the period of Declarant control. After the date of turnover the number of directors of the corporation shall be three. Each director shall hold office until the next annual meeting of the directors, and until that director's successor has been elected, or until that director's death or until that director resigns or is removed in accordance with the provisions of these Bylaws. One director shall be elected by vote of the Members who are Owners of Unit 1; one director shall be elected by vote of the Members who are Owners of Unit 2, and one director shall be elected by vote of the Members who are Owners of Unit 3. The director elected by the

Owners of Unit 3 will have two votes on any matter coming before the Board of Directors. The other directors will have one vote each.

5.2. REMOVAL. Any director may be removed from the board, with or without cause, by a majority vote of the Members with the power to elect such director (that is, the Members/Unit Owners who elected such director).

5.3. COMPENSATION. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for that director's reasonable expenses incurred in performance of the director's duties, upon approval by the Board of Directors.

5.4. VACANCIES. Vacancies on the Board of Directors caused by any reason must be filled for the balance of the term of each directorship by a majority vote of the Members with the power to elect such director, even though they may constitute less than a quorum; and each person so elected must be a Director until his or her successor is elected or upon expiration of the term for which the person was elected by the other Directors to serve.

6. NOMINATION AND ELECTION OF DIRECTORS

6.1. NOMINATION. After the date of turnover, nomination for election of the board of directors may be made from the floor at the annual meeting, or by written nomination from any Member. A Member may nominate a candidate only for the position or positions for which the Member is entitled to vote.

6.2. ELECTIONS. Election to the board of directors shall be by written ballot, or if the Members entitled to elect a particular director unanimously agree, by oral vote for that director.

7. MEETINGS OF DIRECTORS

7.1. OPEN MEETINGS. Except as specifically permitted by law and these Bylaws, all meetings of the board of directors shall be open to all Owners. The Board of Directors shall vote in an open meeting whether to meet in executive session to consider the following matters:

7.1.1. Consultation with legal counsel concerning the rights and duties of the association regarding existing or potential litigation or criminal matters;

7.1.2. Personnel matters, including salary negotiations and employee discipline;

7.1.3. The negotiation of contracts with third parties.

If the Board of Directors votes to meet in executive session, the presiding officer of the Board of Directors shall state the general nature of the action to be considered, and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The meeting and notice requirements of this section may not be circumvented by chance or social meetings or by any other means.

7.2. **REGULAR MEETINGS.** Regular meetings of the board of directors shall be held at least annually, or more frequently as the board shall, in its sole discretion, determine, at such place and hour as may be fixed from time to time by resolution of the board. Notice of such meetings shall be posted at a place or places in the Condominium as designated from time to time by the board of directors at least three days prior to the meeting or by such other method as the directors shall, from time to time, designate. If no director uses a Unit as his or her primary residence, then the Board of Directors will give notice by some other method reasonably calculated to provide each director with actual notice. Any or all directors may participate by telephone in a meeting of the directors if all participants may simultaneously hear each other. A director participating in a meeting by this method is deemed to be present at the meeting and to have waived any objection as to the adequacy of notice.

7.3. **SPECIAL MEETINGS.** Special meetings of the board of directors shall be held when called by the president of the Association, or by any two directors after not less than seven days' notice to each director. Notice of such special meeting shall also be posted or otherwise provided in the same manner as notice of the regular meetings. It shall be the responsibility of the person or persons calling a special meeting to comply with the notice requirements.

7.4. **EMERGENCY MEETINGS.** Whenever the president of the Association or any two directors, in their sole discretion, determine that an emergency meeting of the directors is necessary, such persons may call an emergency meeting with only such notice as is reasonable under the circumstances. The minutes of any emergency meeting shall state the reason for the emergency.

7.5. **QUORUM.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

8. **POWERS AND DUTIES OF DIRECTORS**

8.1. **POWERS.** The board of directors shall have power to:

8.1.1. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of law, the Declaration, the articles of incorporation or these Bylaws;

8.1.2. Declare the office of a member of the board of directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the board of directors;

8.1.3. Employ an independent contractor, or other employees as the directors deem necessary, and to prescribe the duties of the contractor or employees;

8.1.4 Adopt any rules and regulations necessary or convenient for the benefit and enjoyment of the Members of the Condominium in the operation thereof and the use of the Common Elements, and governing the conduct of Members or their guests consistent with the purposes of the Declaration, and the establishing of penalties for the infraction of such rules and regulations;

8.1.5. Impose charges for late payments of assessments, attorney fees for collection of assessments and, after giving notice and opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and rules and regulations of the Association pursuant to ORS 100.405(1)(k);

8.1.6. Suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for infractions of published rules and regulations;

8.1.7. Purchase, lease or otherwise acquire, in the name of the Association or its designee, corporate or otherwise, on behalf of the Owners, Units offered for sale or surrendered by their Owners to the Association.

8.1.8. Purchase Units at foreclosure sales (judicial or nonjudicial) or other juridical or execution sales, in the name of the Association or its designee, corporate or otherwise, on behalf of all Owners upon the consent or approval of the Owners.

8.1.9. Bid for and purchase any Unit at a sale pursuant to a foreclosure of the lien for common expenses under the Act, or at a sale pursuant to an order or direction of a court, or other involuntary sale, upon the consent or approval of the Owners.

8.1.10. Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Units of the Condominium acquired by the Association or its designee on behalf of all the Owners.

8.2. DUTIES. It shall be the duty of the board of directors to:

8.2.1. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth of the Members who are entitled to vote;

8.2.2. Maintain bank accounts on behalf of the Association and designating the signatories required therefor. Keep financial records sufficient for proper accounting purposes. Deposit all assessments in a separate bank account, located in the state of Oregon, in the name of the Association;

8.2.3. Hire and supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

8.2.4. As more fully provided in the Declaration, to:

8.2.4.1 Operate and manage the Condominium property as provided in these Bylaws.

8.2.4.2. Fix the amount of the annual and special assessment against each Unit at least 30 days in advance of each annual meeting;

8.2.4.3 Send written notice of each assessment to every Owner subject thereto in advance of the annual meeting; and

8.2.4.4. Take any and all appropriate action against any property for which assessments are not paid within 30 days after the due date, including, but not limited to, foreclosing the lien on said property, or take other appropriate action against the Owner personally obligated to pay the same.

8.2.4.5. Issue, or cause an appropriate officer to issue, upon demand by any Owner, or other person with a recorded interest in any Unit, a certificate setting forth whether or not any assessment has been paid by that Owner or with respect to that Unit. A reasonable charge may be made by the board for the issuance of such a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

8.2.4.6. Audit, on an annual basis, the condition of all Units, and require reasonable repairs and replacements to Units, including, but not limited to, roof, gutters, exterior paint and decks, to ensure that the Units are kept in good condition. The cost of a particular repair will be allocated to the Association or to the Unit Owner, depending on the nature and location of the repair, as provided in the Declaration. If the Association determines that an emergency repair is necessary and must be made to a Unit, it shall undertake such repair following reasonable attempts to notify the Unit Owner of the necessity of the repair and the Unit Owner's responsibility to so repair, and shall specially assess the Unit Owner and collect the cost of said emergency repair from the Unit Owner as provided below.

8.2.4.7. Procure and maintain adequate hazard and liability insurance and review this coverage for adequacy at least once every two years;

8.2.4.8. Cause all officers or employees having fiscal responsibilities to be bonded, if it deems bonding appropriate;

8.2.4.9. Cause all Common Elements to be maintained and employ personnel necessary for repair and maintenance of the Common Elements;

8.2.4.10. File any necessary state and federal income tax returns for the Association as provided in ORS 100.417(4), and file an Annual Report with the Oregon Real Estate Agency, as provided in ORS 100.250 and ORS 100.260;

8.2.4.11. Approve and pay, from the association bank account, any expenses of the Association as they become due;

8.2.4.12. Cause the Association to comply with ORS 100.480 relating to maintenance of documents delivered to the Association by Declarant and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association; and

8.2.4.13. Adopt and amend administrative rules and regulations governing the details of operation and use of the common elements and Units, including a fine structure for violations of these Bylaws, the Declaration, or any rules or regulations promulgated thereunder. However, any such rules or regulations always must be subject to rescission or amendment by the Association on a majority vote of owners present at any properly called meeting at which a quorum is present.

9. OFFICERS AND THEIR DUTIES

9.1. ENUMERATION OF OFFICERS. The officers of this Association shall be a president, a vice-president, a secretary, a treasurer, and such other officers as the board may, from time to time, by resolution, create. The president and at least one other officer must be Unit Owners. Other officers need not be Unit Owners.

9.2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of the Members.

9.3. TERM. The officers shall be elected annually by the board for a term of one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

9.4. SPECIAL APPOINTMENTS. The board may elect other officers if the affairs of the Association so require, each of whom shall hold office for the period, have the authority, and perform the duties as the board may, from time to time, determine.

9.5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the president or the secretary. A resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified, the acceptance of a resignation shall not be necessary to make it effective.

9.6. VACANCIES. A vacancy in any office may be filled by appointment by the board. The officer so appointed shall serve for the remainder of the term of the vacating officer.

9.7. MULTIPLE OFFICES. No person shall simultaneously hold more than two offices except in the case of special officers created above.

9.8. DUTIES. The duties of the officers are as follows:

9.8.1. PRESIDENT. The president shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the Association and may co-sign all checks and promissory notes.

9.8.2. VICE-PRESIDENT. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, may co-sign all checks and promissory notes, and shall exercise and discharge other duties as may, from time to time, be required by the board.

9.8.3. SECRETARY. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the Members; serve notice of meetings of the board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, may co-sign all checks and promissory notes, and shall perform other duties as required by the board.

9.8.4. TREASURER. The treasurer shall receive and deposit in the appropriate bank accounts all monies of the Association and shall disburse funds as directed by resolution of the board of directors; may sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause a financial statement to be prepared and distributed to each Member at the completion of each fiscal year in accordance with ORS 100.480; shall act in the place and stead of the secretary in the event of the secretary's absence, inability or refusal to act; and shall assist the board of directors in preparing an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to each of the Members.

9.8.5. COMMITTEES. The board of directors shall appoint committees as required by statute, the Declaration or these bylaws, or other committees as are deemed appropriate in carrying out its purpose.

10. COVENANTS

10.1. OWNERS' OBLIGATION. As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at a rate of nine percent per annum, or the highest rate permitted by law, whichever is lower, and the Association may bring an action at law against the owner personally obligated to pay the same, and the interest, costs and reasonable attorney fees of any action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common elements or abandonment of the Owner's Unit. The Association shall provide, within 10 business days of receipt of a written request from an owner, a written statement providing detailed information regarding the assessment as provided by ORS 100.480(4).

10.2. ASSOCIATION LIEN. The Association is entitled to a lien upon individual Units and the undivided interest in the common elements appertaining to such unit for any unpaid assessments and interest that may be enforced on compliance with the provisions of ORS 100.450; however, the Association will not file a lien upon an individual Unit and its undivided interest in the common elements unless either (a) the unpaid assessments on the unit, including accrued interest, exceed \$5,000, or (b) an assessment has been unpaid for one year or more.

10.3. PERSONAL OBLIGATION. Liability for all assessments, fines, charges, interest, fees (including attorney fees, whether or not a suit or an action is commenced), and other sums owing by the Owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act, and rules and regulations of the Association are the personal obligation of the Owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the Owner in any provisions of these Bylaws or of the Oregon Condominium Act is deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Unit is subject.

10.4. ITEMS INCLUDED IN ASSESSMENTS. The annual assessment of Units must include the following items, which must be common expenses, the payment of which shall be the responsibility of the Association pursuant to payment vouchers approved, in writing, by two members of the Board of Directors:

10.4.1. Expenses of administration, management and operation of the Condominium property.

10.4.2. Expenses of maintenance, repair, replacement and landscaping of the Common Elements.

10.4.3. Any deficit in common expenses for any prior period.

10.4.4. The costs of utilities for the Common Elements, if any, and other utilities that have a common meter or that are commonly billed.

10.4.5. The cost of insurance or bonds obtained in accordance with these Bylaws.

10.4.6. The cost of any professional management, if required by mortgage holders or desired by the Board of Directors.

10.4.7. Legal, accounting, and other professional fees.

10.4.8. Any other items that are properly chargeable as an expense of the Association.

10.5. ANNUAL ASSESSMENT. The annual assessment shall be in an amount based on the reasonable annual Association operating expenses of managing and maintaining the Condominium property, including insurance for the Association and the Common Elements, and a reasonable amount to be set aside as a reserve account. The amount of the annual assessment is subject to review and modification by the Board of Directors. Except as otherwise provided below, the assessment for all Units must be payable from the date on which the Declaration is recorded.

10.6. COLLECTION OF ASSESSMENTS. The annual assessments provided for herein shall be due and payable in twelve equal monthly installments payable on the first day of each month, or as the Members unanimously agree.

10.6.1. The due date of any special assessment under this Paragraph shall be fixed in the resolution authorizing the assessment; or if not so fixed, it shall be due 60 days after the date the assessment is approved.

10.6.2. Owners of each Unit shall maintain said Unit in good condition. Any repair of a Unit required by the Association pursuant to these Bylaws, shall be completed within 2 months of the Unit Owner's receipt of written notice thereof. If said Association-required repairs are not completed by the Unit Owner within said 2 months, the Association shall cause the same to be completed and the costs of said repairs shall become a special assessment against the Unit.

10.7. SPECIAL ASSESSMENTS. The Board of Directors has the power to levy special assessments against an owner or all owners for the following purposes and in the following manner:

10.7.1. To correct a deficit in the operating budget by vote of a majority of the Board;

10.7.2. To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the Board;

10.7.3. To make repairs or renovations to the Common Elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board;

10.7.4. To make capital acquisitions, additions, or improvements by vote of at least 75 percent of all votes allocated to Units in the Condominium; or

10.7.5. To make reasonable and necessary repair of a Unit as provided in these Bylaws.

10.8. PAYMENT OF ASSESSMENTS. Subject to the provisions of this Paragraph from the date of conveyance of the first Unit of the condominium, Declarant must:

10.8.1. Pay assessments due for operating expenses on all unsold Units;
and

10.8.2 Pay assessments due for reserves on all unsold Units.

10.8.3. Declarant may defer payment of reserves for a Unit until the Unit is conveyed to a third party. However, Declarant may not defer payment of accrued reserves beyond the date of the Turnover Meeting.

10.9. ASSESSMENT AND COLLECTION COSTS; SUITS AND ACTIONS. Whether or not suit or action is commenced, delinquent Owners are obliged to pay reasonable fees and costs, including, but not limited to, attorney fees (whether or not suit or action is commenced) incurred in connection with efforts to collect delinquent and unpaid assessments, fines, and enforcement of the Declaration, Bylaws, or rules and regulations of the Association.

10.9.1. Any suits or actions shall be commenced and conducted according to the terms set forth in the Declaration.

10.10. RESERVE ITEMS; MAINTENANCE PLAN.

10.10.1 RESERVE ACCOUNT. A reserve account must be established for the purpose of effecting any and all necessary repairs and replacements of Common

Elements of the Condominium that will normally require replacement in more than one year and less than 30 years. Payment into this account is deemed a contribution to capital improvement as and when made. Pursuant to provisions of the Oregon Condominium Act, Declarant has established a reserve account. The reserve accounts for replacement must be funded by assessment against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those Common Elements, the maintenance of which is provided by assessment against all Owners, must be created by assessment against all Owners in a reasonable amount.

The Board of Directors annually shall conduct a reserve study or review and update an existing study as well as the maintenance plan to determine the reserve account requirements. The amount of the periodic payments to the reserve account must be adjusted at regular intervals to recognize changes in remaining useful lives and replacement costs over time. Except as otherwise provided in the Oregon Condominium Act, the reserve account must be used only for replacement of Common Elements and must be kept separate from accounts for maintenance.

10.10.2 MAINTENANCE PLAN. The Board of Directors will prepare a maintenance plan for the maintenance, repair, and replacement of all property for which the association has maintenance, repair or replacement responsibility, in conformance with ORS 100.175(4)(a), and review and update the maintenance plan from time to time as required by ORS 100.175(4)(b).

11. ADOPTION OF BUDGET; DETERMINATION OF FISCAL YEAR; FILING OF INCOME TAX RETURNS.

11.1. ADOPTION OF BUDGET. At least 60 days before the beginning of each fiscal year, the Board of Directors must adopt a budget for the Association containing an estimate of the total amount reasonably considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the Common Elements and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be general common expenses pursuant to the Oregon Condominium Act, the Condominium instruments, or a resolution of the Association and that will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the Condominium and the rendering to the Owners of all related services.

The budget also must include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the Board determines. The amount designated for replacement reserves must be adjusted annually to reflect current replacement cost and remaining useful life. At least 30 days before the beginning of each fiscal year, the Board of Directors must send to each Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the common expenses and any

annual and special assessment payable by each Owner. The budget must constitute the basis for determining each Owner's annual assessment for the common expenses of the Condominium.

11.2. **FAILURE TO PREPARE BUDGET.** The failure of the Board of Directors to timely prepare and/or to present a budget to the Owners is not cause for any Owner to fail or refuse to pay assessments. Assessments must continue, based on the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

11.3. **FAILURE TO ADOPT BUDGET.** If the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, Owners holding a majority of the votes of the entire Association, at any general or specially called meeting, may adopt such a budget, announce it to the Owners, and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, Owners holding a majority of the votes of the entire Association may amend any budget adopted by the Board of Directors. Thereafter, the amount of assessments due from Owners must be based on the budget as so amended until a new budget is adopted in accordance with this Paragraph.

11.4. **FILING OF INCOME TAX RETURNS.** The Board of Directors, in its sole discretion, must determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

12. INDEMNIFICATION

12.1. **DEFINITIONS.** As used in this article:

12.1.1. "Corporation" means this corporation and any domestic or foreign predecessor entity of this corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

12.1.2. "Director" means an individual who is or was a director of this corporation or an individual who, while a director of this corporation, is or was serving at this corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A director is considered to be serving an employee benefit plan at this corporation's request if the director's duties to this corporation also impose duties on or otherwise involve services by the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

12.1.3. "Expenses" include attorney fees.

12.1.4. "Liability" means the obligation to pay a judgment, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred in connection with a proceeding. "Liability" includes the obligation to pay a settlement amount actually and reasonably incurred in connection with a proceeding.

12.1.5. "Officer" means an individual who is or was an officer of this corporation or an individual who, while an officer of this corporation, is or was serving at this corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. An officer is considered to be serving an employee benefit plan at this corporation's request if the officer's duties to this corporation also impose duties on or otherwise involve services by the officer to the plan or to participants in or beneficiaries of the plan. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

12.1.6. "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

12.1.7. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal.

12.2. INDEMNIFICATION. Upon a determination that indemnification is permissible in the circumstances, this corporation shall indemnify all directors and officers against any liability incurred in a proceeding; however, indemnification in connection with a proceeding by or in the right of this corporation shall be limited to reasonable expenses in connection with the proceeding. Indemnification of reasonable expenses in connection with any proceeding shall be deemed permissible in any proceeding in which a director or officer is wholly successful, on the merits or otherwise, in the defense of any proceeding.

12.3. DETERMINATION.

12.3.1 For the purposes of Paragraph 12.2. above, indemnification is permissible in the circumstances if:

12.3.1.1 The conduct of the director or officer was in good faith;

12.3.1.2. The director or officer reasonably believed that the conduct of the director or officer was in the best interests of this corporation, or at least not opposed to its best interests;

12.3.1.3. In the case of any criminal proceeding, the director or officer had no reasonable cause to believe the director's or officer's conduct was unlawful; and

12.3.2. Determination that indemnification is permissible shall be made as follows:

12.3.2.1. By the board of directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;

12.3.2.2. If a quorum cannot be obtained under this Paragraph 12., by a majority vote of a committee duly designated by the board of directors consisting solely of two or more directors not at the time parties to the proceeding. Directors who are parties to the proceeding may participate in the designation of the committee;

12.3.2.3. By special legal counsel selected by the board of directors or its committee in the manner described above or, if a quorum of the board of directors cannot be obtained and a committee cannot be designated, the special legal counsel shall be selected by a majority vote of the full board of directors, including directors who are parties to the proceeding.

12.3.3. Evaluation that expenses are reasonable or that a settlement obligation is reasonable shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, evaluation that expenses are reasonable or that a settlement obligation is reasonable shall be made by those entitled above to select counsel.

12.3.4. Notwithstanding any other provision of this Paragraph, this corporation shall not indemnify a director or officer under this article:

12.3.4.1. In connection with a proceeding by or in the right of this corporation in which the director or officer was adjudged liable to this corporation; or

12.3.4.2. In connection with any other proceeding charging improper personal benefit to the director or officer in which the director or officer was adjudged liable on the basis that personal benefit was improperly received by the director or officer.

12.4. INSURANCE. The corporation may purchase and maintain insurance on behalf of each director and officer against liability asserted against or incurred by the director or officer.

13. MAINTENANCE AND REPAIR.

13.1. OWNER'S DUTY TO MAINTAIN. Every Owner must perform promptly all maintenance and repair work that is needed within his or her own Unit and must keep the limited common elements appurtenant to that Unit clean and free from debris, to prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other Owners, and every Owner must be responsible for the damages and liabilities that his or her failure to maintain and repair may cause.

13.2. REIMBURSEMENT OF ASSOCIATION. An Owner must reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility that was damaged through the Owner's fault and that is not otherwise covered by insurance policies carried by the Owner or the Association for the Owner's and the Association's benefit. In such circumstances, the insurance obtained by the Owner is deemed to be the primary coverage.

14. INSURANCE. The Board of Directors must obtain and maintain at all times insurance of the type and kind and in the amounts here provided, including insurance for such other risks of a similar or dissimilar nature as are or hereafter customarily must be covered with respect to other condominiums similar in construction and design; the insurance must be governed by the provisions in this Paragraph. The Board of Directors is responsible for payment of the amount of the deductible in the Association policy.

14.1. TYPES OF INSURANCE POLICIES. For the benefit of the Association and the Owners, the Board of Directors must obtain and maintain at all times, and must pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

14.1.1. A policy or policies insuring the Association, its Board of Directors, the Owners individually, and the manager against any liability to the public or the Owners of Units and their invitees or tenants, incident to the ownership, supervision, control, or use of the project. Limits of liability under such insurance must be not less than \$1 million per occurrence for bodily injuries and property damage. Such limit and coverage must be reviewed at least annually by the Board of Directors, which, in its discretion, may increase either. The policy or policies must be issued on a comprehensive or general liability basis and provide cross-liability endorsements wherein the rights of a named insured under the policy or policies must not be prejudiced with respect to his or her action against another named insured.

14.1.2. Any insurance required by Oregon Revised Statutes or by the Declaration.

14.1.3. The Association will not be responsible for any loss or damage to personal property of any Owner, whether stored on the common elements, limited common elements, or in the Owner's Unit; nor will the Association maintain any insurance coverage for such loss.

14.2. **INSURANCE COMPANIES AUTHORIZED.** All policies must be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgage holders and directors.

14.3. **AUTHORITY TO ADJUST LOSSES.** All losses under policies in force must be settled exclusively with the Board of Directors or its authorized representative.

14.4. **REVIEW OF INSURANCE POLICIES.** At least annually, the Board of Directors must review all insurance carried by the Association, which review must include a consultation with a representative of the insurance carrier writing the master policy.

14.5. **DUPLICATE COVERAGE.** In the event of duplicate insurance coverage, the insurance policies obtained by the Owners are deemed to be the primary coverage.

15. **USE.**

15.1. **ALTERATIONS.** Except as otherwise set forth in these Bylaws or the Declaration, no Owner shall make any structural alterations in or to any of the Common Elements without the prior written consent of the Board of Directors. The Board of Directors shall consider the granting of such consent only after the Owner shall submit a complete set of architectural, mechanical, electrical or other relevant plans and specifications, which submission shall be reviewed by such architects and engineers as the Board of Directors shall deem appropriate. Whether or not such consent is granted, the Owner shall pay, upon demand and in advance, if so required by the Board of Directors, the cost of such professional review. During the course of construction and after completion of construction, the Board of Directors may cause its professional advisors to inspect the work to ensure that it is performed in accordance with the approved plans. The costs of such inspections shall be paid by the Owner to the Board of Directors upon demand. Prior to commencement of construction, the Owner shall provide the Board of Directors with copies of all relevant permits and evidence of compliance with any other requirements of government bodies having jurisdiction regarding such work.

15.2. **NUISANCES.** No nuisances or noxious or offensive activities shall be allowed in the Condominium nor shall any use or practice be allowed that is improper or offensive in the opinion of the Board of Directors or that unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the Condominium by other Owners or occupants. Owners shall not discard or throw, or allow to be discarded or thrown, any items from the windows or balconies or decks adjacent to their Units, including without limitation, cigarettes or ashes. Owners shall not allow the storage or use of hazardous substances in their Units other than normal cleaning materials stored and used in accordance with applicable laws.

15.3. ANIMALS. No animals or fowl shall be raised, kept or permitted within the Condominium except domestic dogs, cats, or other household pets kept within a Unit. No household pets other than dogs and cats shall be permitted to run at large. No animals may be kept, bred or raised for commercial purposes or in excess of four (4) per Unit (other than fish). Any damage caused by pets shall be the responsibility of the Owner thereof.

15.4. TRASH. No part of any Unit or Common Element shall be used or maintained as a dumping area for rubbish, trash, garbage or other waste, other than designated common trash disposal areas.

15.5. OVERLOADING. No Owner shall do anything to overload any part of the Common Elements.

15.6. ASSOCIATION RULES AND REGULATIONS. In addition to the foregoing requirements, the Board of Directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the Units and the Common Elements as it may reasonably deem necessary or appropriate for the peaceful and orderly use and enjoyment of the Condominium. Any such rules and regulations may be amended, modified or revoked by the Owners in the same manner as these Bylaws. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board of Directors promptly to each Owner and shall be binding upon all Owners and occupants of all Units from the date of delivery.

15.7. ACTIVITIES OF DECLARANT. Nothing in this Article 15 or in the other provisions of these Bylaws shall be construed to limit, modify or otherwise restrict the rights of Declarant pursuant to the Declaration with respect to the planning, designing, developing, constructing, and sale of improvements on the Property.

16. MISCELLANEOUS

16.1. BOOKS AND RECORDS. All documents, information and records required to be maintained by the Association, pursuant to Oregon Revised Statutes, shall be located within the State of Oregon and shall be reasonably available for examination by a Unit Owner and any mortgagee of a Unit. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Unit Owner. The Declaration, the articles of incorporation and the bylaws of the Association shall be available for inspection by any Unit Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

16.2. AMENDMENTS. These bylaws may be amended at a regular or special meeting of the Members, by a vote of the majority of a quorum of Members present in person or by proxy. During the first five (5) years after the initial bylaws are recorded,

amendments to the bylaws shall be approved by the Real Estate Commissioner (if required under the Oregon Condominium Act) prior to recording.

16.3. **PRIORITY OF DOCUMENTS.** In the case of any conflict between the articles of incorporation and these bylaws, the articles shall control; and in the case of any conflict between the Declaration and these bylaws or the articles of incorporation, the Declaration shall control.

16.4. **INSURANCE.** It is the responsibility of each Owner to adequately insure the Owner's property, including hazard and liability coverage on the Unit, the limited common elements appurtenant to that Unit, as well as any and all additional insurance which the Owner deems necessary or advisable. The Association will not provide any insurance coverage for the Unit, the limited common elements appurtenant to that Unit and any other property of any Owner.

17. **ANNUAL REPORT.** The Board of Directors must cause an Annual Report, including any amendments, to be filed with the Oregon Real Estate Agency, pursuant to the provisions of ORS 100.250 and ORS 100.260.

18. **COMPLIANCE.** These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provisions of the Condominium Declaration. If any of the provisions here conflict with the provisions of the statutes, the statutory provisions apply. If any of the provisions here conflict with the provisions of the Declaration, the provisions of the Declaration apply.

19. **PARTIAL INVALIDITY.** If any provision of these Bylaws is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

20. **NOTICES.** All notices to the Association or to the Board of Directors must be sent in care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may designate from time to time. All notices to any Owner must be sent to the address designated by the Owner from time to time, in writing, to the Board of Directors or, if no address has been designated, then to the Owner's Unit.

21. **DISPUTE RESOLUTION.** Pursuant to ORS 100.405, before initiating litigation or an administrative proceeding in which the association and an owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use a dispute resolution program. Arbitration Service of Portland, Inc., will be the dispute resolution program used for any dispute resolution arising from these Bylaws or any other Condominium document (excluding the Unit Sales Agreement.) The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the association, for the other party. If the party receiving the offer does not accept the offer within 10 days after receipt by written notice hand-delivered or mailed by certified mail, return receipt

requested, to the address, contained in the records of the association, for the other party, the initiating party may commence the litigation or the administrative proceeding.

22. CHOICE OF LAW. In all suits, actions, and proceedings under these Bylaws, the rights of the Association and the Owners will be construed and decided in accordance with and under and pursuant to the laws of the State of Oregon (without regard to the law of conflict of laws). In any suit, action, or proceeding that may be brought arising out of, in connection with, or by reason of these Bylaws, Oregon law shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any suit, action, or proceeding may be instituted. Any proceeding brought to enforce or interpret these Bylaws shall be brought in the State of Oregon. Venue shall be in Deschutes County, Oregon unless the parties agree on venue in a county in which at least one party resides or maintains a place of business.

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These bylaws are adopted by the Declarant and will be recorded in the Deed Records of Deschutes County, together with the Condominium Declaration for the Condominium.

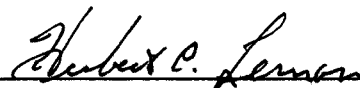
IN WITNESS WHEREOF, Declarant has caused these Bylaws to be executed this ____ day of June, 2014.

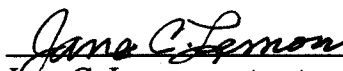
Bend Riverfront, LLC, an Oregon limited liability company:

Bend Riverfront, LLC, an Oregon limited liability company:

By: 
Steven S. Pinnell, Manager and Member

And: 
Terry Antonia Pinnell, Member

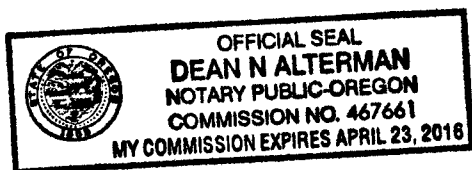
And: 
Herbert C. Lemon, as trustee of the Lemon Family Trust u/d/t December 3, 2004, Member

And: 
Jane C. Lemon, as trustee of the Lemon Family Trust u/d/t December 3, 2004, Member

[Acknowledgments on next page]

State of Oregon)
County of Multnomah)

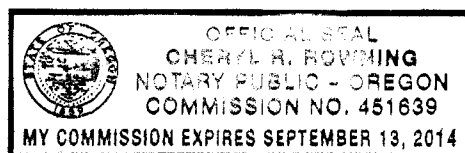
These Bylaws were acknowledged before me on June 18, 2014 by Steven S. Pinnell, as the manager and a member of Bend Riverfront, LLC, an Oregon limited liability company.



Dean N. Alterman
Notary Public for Oregon
My commission expires 23 APRIL 2016

State of Oregon)
County of Multnomah)

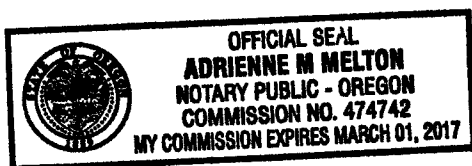
These Bylaws were acknowledged before me on June 13, 2014 by Terry Antonia Pinnell as a member of Bend Riverfront, LLC, an Oregon limited liability company.



Cheryl R. Rovning
Notary Public for Oregon
My commission expires 9/13/14

State of Oregon)
County of Lane)

These Bylaws were acknowledged before me on ~~June~~ ^{July} 9, 2014 by Herbert C. Lemon and Jane C. Lemon as trustees of the Lemon Family Trust u/d/t December 3, 2004, as members in that capacity of Bend Riverfront, LLC, an Oregon limited liability company.



Adrienne M. Melton
Notary Public for Oregon
My commission expires 3-1-17