

CONDOMINIUM DECLARATION
FOR
FAIRWAY VILLAGE CONDOMINIUMS

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| 1. <u>DEFINITIONS</u> | 1 |
| 2. <u>LAND DESCRIPTION</u> | 2 |
| 3. <u>NAME AND UNIT DESCRIPTION</u> | 2 |
| 3.1 Name | 2 |
| 3.2 Boundaries of Units | 2 |
| 3.3 Building Description and Unit Designation | 3 |
| 3.4 Description of Staged Development | 4 |
| 4. <u>GENERAL COMMON ELEMENTS</u> | 5 |
| 4.1 Definition | 5 |
| 4.2 Maintenance, Repair and Replacement; Liability for General Common Expense | 5 |
| 4.3 Income From Common Elements | 6 |
| 4.4 Rules and Regulations Promulgated by the Association | 6 |
| 5. <u>PARKING</u> | 6 |
| 5.1 Garages | 6 |
| 5.2 Limited Common Element Driveway Parking | 6 |
| 5.3 General Common Element Parking | 6 |
| 6. <u>VOTING</u> | 6 |
| 7. <u>LIMITED COMMON ELEMENTS</u> | 7 |
| 7.1 Definitions | 7 |
| (a) Decks/Courtyards | 7 |
| (b) Driveways | 7 |

TABLE OF CONTENTS (continued)

| | Page |
|--|------|
| 7. <u>LIMITED COMMON ELEMENTS (continued)</u> | |
| 7.2 Maintenance, Repair and Replacement of Limited Common Elements | 7 |
| 8. <u>USE OF PROPERTY</u> | 7 |
| 9. <u>CONTRACTS AND LEASES</u> | 7 |
| 10. <u>BYLAWS; ASSOCIATION; MANAGEMENT</u> | 8 |
| 10.1 Adoption of Bylaws | 8 |
| 10.2 Association of Unit Owners; Membership | 8 |
| 10.3 Management; Board of Directors | 8 |
| 10.4 Interim Board and Officers | 8 |
| 10.5 Powers and Duties of the Association | 9 |
| 11. <u>SERVICE OF PROCESS</u> | 9 |
| 12. <u>MORTGAGEES</u> | 9 |
| 12.1 Notice of Action | 9 |
| 12.2 Mortgagee Exempt from Certain Restrictions | 9 |
| 12.3 Subordination of Association Lien to Mortgage/Discharge of Lien Upon Foreclosure | 9 |
| 12.4 Professional Management | 10 |
| 12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements | 10 |
| 12.6 Consent of Mortgagee Required to Terminate Project | 10 |
| 12.7 Limited Right of Amendment | 10 |
| 12.8 Request for Approval of Mortgagees | 12 |
| 12.9 Proxy Held by Mortgagee in Certain Cases | 12 |
| 12.10 Right to Examine Documents | 12 |
| 12.11 Right to Annual Reports | 12 |
| 12.12 Right to Receive Written Notice of Meetings | 12 |
| 13. <u>AMENDMENTS TO DECLARATION</u> | 12 |
| 13.1 Declarant's Approval Required | 12 |
| 13.2 Recordation | 13 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|--|-------------|
| 14. <u>SUBDIVISION</u> | 13 |
| 15. <u>AUTHORITY TO GRANT EASEMENTS, RIGHTS-OF-WAY, LICENSES AND OTHER SIMILAR INTERESTS</u> | 13 |
| 16. <u>DECLARANT'S SPECIAL RIGHTS</u> | 13 |
| 16.1 Sales Office and Model | 13 |
| 16.2 "For Sale" Signs | 13 |
| 16.3 No Capital Assessments Without Consent | 14 |
| 16.4 Common Element Maintenance By the Association | 14 |
| 16.5 Declarant's Easements | 14 |
| 16.6 Other Declarant Rights | 14 |
| 16.7 Assignment of Declarant's Rights | 14 |
| 16.8 Expiration of Declarant's Special Rights | 14 |
| 17. <u>COVENANTS FOR MAINTENANCE, REPAIR AND REPLACEMENT OF PRIVATE SEWER LINES</u> | 14 |
| 18. <u>EASEMENTS DECEIVED TO THE DECLARANT</u> | 15 |
| 19. <u>GENERAL PROVISIONS</u> | 15 |
| 19.1 Interpretation | 15 |
| 19.2 Severability | 15 |
| 19.3 Waiver of Rights | 15 |
| 19.4 Legal Proceedings | 15 |
| 19.5 Costs and Attorneys' Fees | 16 |
| 19.6 Compliances | 16 |
| 19.7 Conflicting Provisions | 16 |
| 19.8 Section and Paragraph Captions | 16 |

CONDOMINIUM DECLARATION

Vol. 120-4099

FOR

FAIRWAY VILLAGE CONDOMINIUMS

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, land hereinafter described and all improvements now existing or to be constructed on such property, to be known as FAIRWAY VILLAGE CONDOMINIUMS.

Recitals, Intent and Purpose

FAIRWAY VILLAGE DEVELOPMENT COMPANY, an Oregon corporation ("Declarant"), is owner in fee simple of the property described hereinbelow, and desires to submit said property to the condominium form of ownership, to be converted, handled and used in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE,

Declaration

Declarant hereby declares on behalf of itself, its successors, grantees and assigns, as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the property as follows:

1. DEFINITIONS. Except as otherwise provided or modified by this Section, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 94.004 et seq., and said statute and definitions are incorporated herein. As used in this Declaration and in the Bylaws, the following terms shall have the following meanings:

"Condominium" means the land, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are herewith submitted to the provisions of the Oregon Condominium Act.

"Mortgage" and "Mortgagee" mean, respectively, a recorded mortgage, trust deed or contract of sale which creates a lien

against a unit, and the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale.

"Eligible Mortgagee" means any first mortgagee who requests notice of certain matters from the Association as set forth in Section 12.1 of this Declaration.

"Eligible Mortgage Insurer or Guarantor" means the insurer or government guarantor of any first mortgage who requests notice of certain matters from the Association, as set forth in Section 12.1 of this Declaration.

"Unit" means the airspace encompassed by the perimeter walls, floors and ceilings which is owned in fee simple by each unit owner and which is more specifically described in Section 3.2 of this Declaration.

2. LAND DESCRIPTION. The land hereby being submitted to the Oregon Condominium Act is located in the County of Deschutes, State of Oregon and is more particularly described on Exhibit "A."

3. NAME AND UNIT DESCRIPTION.

3.1 Name. The name by which the property submitted hereunder and subsequently annexed shall be known is FAIRWAY VILLAGE CONDOMINIUMS.

3.2 Boundaries of Units. Each unit shall be bounded by its perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim as shown on the plat. A portion of the building in which Unit 1 is located has been designated a general common element as shown on the plat. The units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings shall be a part of the common elements. In addition, each unit shall include the following:

(a) All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the unit; and

(b) All outlets of utility service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the unit, but shall not include any part of such lines or ducts themselves.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter,

the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.

3.3 Building Description and Unit Designation. The land submitted by this Declaration has four (4) buildings thereon in which condominium units are located. The condominium buildings, which are two-story wood frame construction on concrete foundations with cedar siding and cedar shake roofs, contain seven (7) units. The vertical and horizontal boundaries, number designation, location and dimension of each unit are shown on the plat. The plat is being recorded simultaneously with this Declaration.

The allocation to each unit in Stage I of an undivided interest in the common elements was determined by dividing the sum of the approximate floor space of all units into the approximate floor space of each respective unit.

The unit designation, approximate area and percentage ownership in common elements in Stage I is as follows:

| <u>Unit No.</u> | <u>Approximate Area</u> | <u>Percentage Ownership in Common Elements as of Stage I</u> |
|-----------------|-------------------------|--|
| 1 | 1,038 Sq. Ft. | 11.0309 |
| 2 | 1,394 Sq. Ft. | 14.8140 |
| 3 | 1,394 Sq. Ft. | 14.8140 |
| 4 | 1,394 Sq. Ft. | 14.8140 |
| 5 | 1,394 Sq. Ft. | 14.8140 |
| 6 | 1,402 Sq. Ft. | 14.8991 |
| 7 | 1,394 Sq. Ft. | 14.8140 |
| TOTAL: | | 100.0000 |

NOTE: The approximate area of the units as shown above includes only the square footage of the units, and does not include the square footage of the garages, which are approximately 290 square feet each.

3.4 Description of Staged Development. The Declarant proposes to develop the condominium in several stages with the maximum number of units, maximum number of stages, the additional common elements, minimum allocation of undivided interest in the common elements and election dates as follows:

(a) The maximum number of units to be included in the condominium development is seventy-five (75).

(b) The maximum number of stages in the development, including the initial stage, is twenty (20).

(c) The additional general common elements to be annexed at each stage of development shall include the portion of the condominium buildings not included within a unit or a limited common element, the land and landscaping. The Declarant may, at its option, annex bare land in subsequent stages for any purpose, including, without limitation, increasing the open space of the condominium or meeting applicable land use, zoning or other laws, codes or regulations. At the option of the Declarant, the Declarant may annex to the condominium as general common elements in subsequent stages a tennis court. Upon the annexation of such facility, the owners of units will be required to pay assessments sufficient for the operation, maintenance and repair of the facilities.

(d) The quality of construction and the exterior style of the buildings annexed in subsequent stages will be compatible with those of Stage I. In all events, the minimum allocation of undivided interest in the common elements of each unit in Stage I upon completion of the development will not be less than as follows:

| | |
|--------|-------|
| Unit 1 | .7114 |
| Unit 2 | .9554 |
| Unit 3 | .9554 |
| Unit 4 | .9554 |
| Unit 5 | .9554 |
| Unit 6 | .9602 |
| Unit 7 | .9554 |

The method used to establish allocation of undivided interest in the common elements will be based upon the square footage of each unit expressed as a percentage of the sum of the square footage in all units in the condominium at each such respective stage of development.

(e) The Declarant shall have until December 31, 1991 to annex the units in subsequent stages. Provided, however, pursuant to ORS 94.029(3)(a), the Declarant may seek an amendment to the Declaration providing for an extension of time to annex additional units not to exceed two (2) years after December 31, 1991. Such annexation shall be accomplished by the recordation of one or more Supplemental Condominium Declarations, which shall set forth the number and type of units, if any, and a description of the common elements and the units' undivided interests therein. Each Supplemental Condominium Declaration shall be

accompanied by a plat certifying the annexed units to be complete and depicting the units and common elements being annexed to the condominium. All improvements being annexed in subsequent stages shall be substantially complete at the time of their annexation.

The land which is annexed with units in subsequent stages will be contiguous to the land of Stage I. The approximate description of all land that may be annexed to the condominium in subsequent stages is attached hereto as Exhibit "B."

4. GENERAL COMMON ELEMENTS.

4.1 Definition. The general common elements consist of all portions of the condominium not part of a unit or a limited common element, including, but not limited to the following:

- (a) The land;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, fire escapes, entrances and exits of the buildings;
- (c) The yards, gardens, swimming pool, any outside storage areas, roads, undesignated parking areas, that portion of the building in which Unit 1 is located containing restrooms, storage and mechanical rooms, as designated on the plat;
- (d) Installations of central services, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal and incinerators, up to the outlets within any units;
- (e) The tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; and
- (f) All other elements of any building necessary or convenient to its existence, maintenance and safety, or normally in common use.

4.2 Maintenance, Repair and Replacement; Liability for General Common Expense. The performance and expense of the maintenance, repair and replacement of all common elements shall be the responsibility of the Association. Nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed by the Association. Each unit will be liable for the general common expense in equal proportion, excepting for fire and casualty insurance (which shall be shared in proportion to the amount of coverage placed on each unit), and the funding of the replacement reserves which shall be apportioned among the units

based upon the approximate square footage of each unit. The allocation among the units need not be exact.

4.3 Income From Common Elements. All income derived from any coin-operated vending machines and/or any other income derived from the common elements shall be income of the Association. The Board of Directors may, in its discretion, use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and the Unit Owners in a substantially equal manner.

4.4 Rules and Regulations Promulgated by the Association. No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by the Association. Without, in any manner, intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things, the payment by the unit owner of such assessments as may be established by the Association for the purpose of defraying the cost thereof.

5. PARKING.

5.1 Garages. Each unit contains a single-car garage which contains approximately 290 square feet.

5.2 Limited Common Element Driveway Parking. Each unit has one driveway appertaining to it as a limited common element which may be used by the owner of such unit for parking. The location of each limited common element driveway, together with the designation of the unit to which it pertains, is shown on the plat.

5.3 General Common Element Parking. Any unnumbered or undesignated parking spaces are general common elements and shall be available for the use of the owners and their guests. The general common element parking shall be used in accordance with rules and regulations promulgated by the Board of Directors.

6. VOTING. The owner or co-owners of each unit shall be entitled to one vote per unit. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the units by the Declaration. The calling and conducting of meetings of the Association of Unit Owners and the exercise of voting rights shall be controlled by Articles II and III of the Bylaws.

7. LIMITED COMMON ELEMENTS.

Vol. 120-1105

7.1 Definitions. The following shall constitute the limited common elements, the use of which shall be restricted to the units for which they appertain:

(a) Decks/Courtyards. Each of the decks and courtyards is a limited common element appertaining to the unit which it adjoins as shown on the plat. The expense of maintenance and repair of the decks and courtyards shall be an equal expense of all unit owners, excepting for any damages caused by the negligence or intentional action of a specific unit owner, in which event such owner shall be liable to repair such damage to the limited common element. The expense of replacement of the decks and courtyards shall be a common expense, and shall be apportioned among the units based upon the square footage of each unit. The larger units shall pay a larger monthly amount toward the reserves. However, the allocation among the units may be approximate and need not be based precisely upon the amount of square footage.

(b) Driveways. Each of the driveways is a limited common element appertaining to the unit to which it gives access as shown on the plat.

7.2 Maintenance, Repair and Replacement of Limited Common Elements. Because the limited common elements appertaining to each unit are nearly the same, for purposes of reducing the administrative burdens of the Association, the expense of maintenance and repair of the limited common elements shall be an equal expense of all unit owners, excepting for any damages caused by the negligence or intentional action of a specific unit owner, in which event such owner shall be liable to repair such damage to the limited common element.

8. USE OF PROPERTY. Except for Unit No. 1, each unit is to be used for residential, recreational and vacation purposes only. Unit No. 1 may be used as the residence and office for the resident manager. Additional uses of Unit No. 1 or portions thereof which are reasonably necessary or convenient to serve the Association or individual owners shall be permitted. The common elements shall be used for the furnishing of services and facilities for the enjoyment of the unit owners. Additional restrictions and regulations are set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws.

9. CONTRACTS AND LEASES. All contracts or leases (including any management contract) which are entered into prior to the turnover meeting shall be terminable without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other.

party by the Association given not later than sixty (60) days after the turnover meeting. Provided, however, any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section.

10. BYLAWS; ASSOCIATION; MANAGEMENT.

10.1 Adoption of Bylaws. In behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "C" to govern the administration of the condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association of Unit Owners; Membership. Each owner of a unit in the condominium shall be a member of the Association, and membership therein shall be limited to unit owners only. The Association of Unit Owners, which shall be organized upon the recording of the Declaration and Bylaws, shall serve as a means through which the unit owners may take action with regard to the administration, management and operation of the condominium. The Association of Unit Owners shall be an unincorporated association. Provided, however, nothing herein contained shall preclude the Association, upon majority vote, from electing to incorporate under the nonprofit corporation laws of the State of Oregon. The Association shall operate under the name FAIRWAY VILLAGE CONDOMINIUMS ASSOCIATION OF UNIT OWNERS. If the Association is subsequently incorporated, the name of the Association shall include the complete name of the condominium and shall be as close to the present name as is possible.

10.3 Management; Board of Directors. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws. The Board of Directors shall elect officers consisting of a chairman, secretary and treasurer. Pursuant to the provisions of the Bylaws and the Oregon Condominium Act, the Board of Directors may adopt administrative rules and regulations governing details of the operation, maintenance and use of the condominium property. The Board of Directors may contract with a professional manager or management firm to manage the affairs of the Association.

10.4 Interim Board and Officers. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors to manage the condominium until the turnover meeting. The turnover meeting shall be held within ninety days after conveyance to persons other than the Declarant of 75% of the units in the last stage of the condominium or five (5) years from the date of conveyance of the first unit in the condominium, whichever is earlier. The three (3) members of the interim board shall also serve as the interim chairman, secretary and treasurer.

10.5 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, any applicable Supplemental Condominium Declaration, the Bylaws, and ORS 94.146(4) together with other provisions of the Oregon Condominium Act.

11. SERVICE OF PROCESS. The name of the person to receive service of process in cases provided in Subsection 1 of ORS 94.90 is Jerry Goodman, whose address is 1552 S. Canyon Drive, Redmond, Oregon 97756.

12. MORTGAGEES. In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental Condominium Declaration, the provisions of this Section 12 will prevail.

12.1 Notice of Action. Upon written request to the Association identifying the name and address of the mortgage holder, and the unit number or address, any mortgagee, including, without limitation, any eligible mortgagee and any eligible mortgage insurer or guarantor, will be entitled to timely notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the condominium or any unit on which there is a first mortgage held, insured, or guaranteed by such mortgagee;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such mortgagee, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified portion of mortgagees as set forth in this Section 12.

12.2 Mortgagee Exempt from Certain Restrictions. Any mortgagee which comes into possession of the unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged unit, including but not limited to, restrictions on the age of unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the unit.

12.3 Subordination of Association Lien to Mortgage/Discharge of Lien Upon Foreclosure. Subject to ORS 94.195 the lien of the Association shall be subordinate to a first mortgage of record. Any eligible mortgagee

which comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such eligible mortgagee comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged unit).

12.4 Professional Management. Upon written request of the eligible mortgagees of at least fifty-one percent (51%) of the first mortgages of units in the condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice. Without the prior written approval of the eligible mortgagees of fifty-one percent (51%) of the first mortgages on units in the condominium, the Association of Unit Owners may not effect any decision to terminate professional management and assume self-management of the condominium. Additionally, if professional management has previously been required by any eligible mortgagee, any such decision to establish self-management shall require prior consent of the owners of units to which sixty-seven percent (67%) of the votes in the Association are allocated.

12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The unit owners may not reallocate the percentage interest in the common elements attributable to any unit without prior approval of eligible mortgagees holding fifty-one percent (51%) of the votes attributable to the units in respect to which the percentage ownership is proposed to be altered. Nothing in this Section 12.5 is or shall be construed to give the owners, the Association, or the Board of Directors, any specific authority to alter such percentage ownership, and if any attempt is made to do so, full compliance shall be made with the Declaration, any applicable Supplemental Condominium Declaration, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagee Required to Terminate Project. Except with respect to termination of the condominium as a result of destruction, damage or condemnation, any termination of the condominium shall require the approval of eligible mortgagees holding mortgages on units which have at least sixty-seven percent (67%) of the votes in the condominium. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the Declaration, any applicable Supplemental Condominium Declaration, Bylaws and the Oregon Condominium Act, and only after vote of the owners as provided therein.

12.7 Limited Right of Amendment. Except upon the approval of eligible mortgagees who hold mortgages on units in the condominium which, in the aggregate, have allocated to such units at least fifty-one percent (51%) of the votes, no amendments may be made to the Declaration or Bylaws.

which add to or amend any material provision of the Declaration or Bylaws which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of liens;
- (c) Reserves for maintenance, repair and replacement of the common elements (or units, if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the common elements;
- (f) Responsibility for maintenance and repair of the several portions of the condominium;
- (g) Expansion or contraction of the condominium, or the addition, annexation or withdrawal of property to or from the condominium;
- (h) Boundaries of any unit;
- (i) The interests in the general or limited common elements;
- (j) Convertibility of units into common elements, or of common elements into units;
- (k) Leasing of units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer or otherwise convey his or her unit; and
- (m) Any provisions which are for the express benefit of eligible mortgagees.

The provisions of this paragraph are intended only to be a limitation on the right of the unit owner, Board of Directors and Association to amend the Declaration and Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any such amendments to the Declaration or Bylaws shall be made only upon full compliance with the provisions of the Declaration and Bylaws of the condominium and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or Bylaws shall not be considered material as to requiring consent or approval of eligible mortgagees, if it is for the purpose of correcting technical errors or for clarification only.

12.8 Request for Approval of Mortgagees. Any eligible mortgagee and any eligible mortgage insurer or guarantor who receives a written request to approve additions or amendments to the Declaration or Bylaws, or to any other action to be taken by the Board of Directors, Association or unit owners, shall be considered to have given such approval unless a negative response is delivered or posted by such mortgagee or such eligible mortgage insurer or guarantor within thirty (30) days after such request is received.

12.9 Proxy Held by Mortgagee in Certain Cases. An eligible mortgagee may attend a meeting of the Association of Unit Owners with the proxy of the mortgagor of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such right shall arise only in the event the eligible mortgagee reasonably believes that the Association of Unit Owners has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.10 Right to Examine Documents. The Association shall make available to unit owners and lenders and to eligible mortgagees current copies of the Declaration, Bylaws, other rules concerning the condominium, and the books, records and financial statements of the Association.

12.11 Right to Annual Reports. Mortgagees of fifty-one percent (51%) or more of the units shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association, its officers and directors and manager (if any), shall cooperate with such eligible mortgagees and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable length of time following request.

12.12 Right to Receive Written Notice of Meetings. The Association of Unit Owners shall give all eligible mortgagees and eligible mortgage insurers or guarantors, upon request, written notice of all meetings of the Association, and such eligible mortgagees and eligible mortgage insurers or guarantors shall be permitted to designate a representative to attend all such meetings.

13. AMENDMENTS TO DECLARATION. Except where a larger vote is required by law, this Declaration may be amended from time to time by consent or approval of the unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, no amendment of this Declaration reducing or eliminating the right of any eligible mortgagee shall be made without the prior written consent of all such eligible mortgagees.

13.1 Declarant's Approval Required. Declarant's prior written consent shall also be required so long as Declarant owns any unit in the condominium. Provided, however, no such consent shall be required after

conveyance to owners, other than the Declarant, of seventy-five percent (75%) or more of the units in the last stage in the condominium, or five (5) years after conveyance of the first unit in the condominium, whichever is earlier. Provided, however, even after such time, no amendment may limit or reduce any of the Declarant's special rights reserved herein or otherwise provided by law. Except with respect to permitted Supplemental Condominium Declarations annexing additional property to the condominium, no amendment may change the size, location, percentage interest in the common elements, method of determining liability for common expenses, right to common profits or voting power of any unit unless such amendment has been approved by the owners of the affected unit and the mortgagees of any such unit.

13.2 Recordation. The amendment shall be effective upon recordation in the Deed Records of Deschutes County, certified to by the chairman and secretary of the Association and approved by the County Assessor and the Real Estate Commissioner.

14. SUBDIVISION. No unit may be subdivided into divisions of any nature.

15. AUTHORITY TO GRANT EASEMENTS, RIGHTS-OF-WAY, LICENSES AND OTHER SIMILAR INTERESTS. Pursuant to ORS 94.146(5) the Association shall have the authority to execute, acknowledge, deliver and record on behalf of the unit owners, easements, rights-of-way, licenses and other similar interests affecting the general common elements. The granting of any such interest shall first be approved by at least seventy-five percent (75%) of the unit owners as required by ORS 94.146(6). The instrument granting any such interest shall be executed by the chairman and secretary of the Association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant was approved by at least seventy-five percent (75%) of the unit owners.

16. DECLARANT'S SPECIAL RIGHTS. The Declarant shall have the following special rights:

16.1 Sales Office and Model. The Declarant shall have the right to maintain a sales office and model in one or more of the units which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales office and models during reasonable hours any day of the week.

16.2 "For Sale" Signs. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the condominium property.

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition or otherwise without the prior written consent of the Declarant as long as the Declarant owns more than two units or five percent (5%) of the total number of units in the condominium, whichever is greater. Provided, however, that no such consent shall be required pursuant to this Section 16.3 after the earlier of (1) five (5) years from the date of conveyance of the first unit in the condominium, or ninety (90) days after conveyance to persons other than the Declarant of seventy-five percent (75%) of the units in the last stage of the condominium. Provided, further, nothing contained in this Section 16.3 is intended nor shall be construed as a limitation on the Declarant's obligation to pay common monthly assessments on units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

16.4 Common Element Maintenance By The Association. The Association shall maintain all common elements in a clean and attractive manner. Should the Association fail to do so, the Declarant may perform such maintenance at the expense of the Association.

16.5 Declarant's Easements. The Declarant, its agents and employees, shall have a blanket easement on and over the common elements for the completion of any portion of the condominium, including the furnishing and decoration of any unit, sales office or model.

16.6 Other Declarant Rights. The rights reserved to the Declarant, as set forth in this Section 16, are not intended to be in limitation of any other special Declarant rights which may be granted or afforded the Declarant pursuant to the provisions of the Oregon Condominium Act or as otherwise may exist. Upon the expiration of any or all special Declarant rights, the Declarant will have the same rights as any other owner in the condominium in respect to such ownership.

16.7 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights reserved pursuant to provisions in this Declaration, including Declarant's special rights as set forth in Section 16 hereof.

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights reserved in this Section 16 shall expire upon the conveyance by the Declarant of seventy-five percent (75%) of the units in the last stage of the condominium or five (5) years after conveyance of the first unit in the condominium, whichever is earlier.

17. COVENANTS FOR MAINTENANCE, REPAIR AND REPLACEMENT OF PRIVATE SEWER LINES. The sewer lines serving the condominium are private and shall be maintained, repaired and replaced under the direction of the Association of Unit Owners. Each unit owner shall be responsible for his proportionate share of the expense of maintenance, repair and replacement of the private sewer lines, which amount shall be a part of the monthly assessment.

18. EASEMENTS RESERVED TO THE DECLARANT. This Declaration may be recorded prior to completion of all aspects of the interiors of units and the roadway over the common elements. This Declaration will be recorded prior to construction of units, buildings, roadways and other improvements on land that may be annexed to the Condominium in subsequent stages. In order to facilitate the completion and decoration of all of the units and to facilitate completion of the roadway, landscaping and common elements of the condominium, the Declarant hereby reserves unto itself, its successors and assigns an easement over all aspects of the common elements for the purpose of carrying out the Declarant's development scheme, including, without limitation, the right to store materials on the common elements at reasonable places and for reasonable lengths of time, and the use of the common elements for the completion and decoration of all of the units in the condominium and for the completion of the roadway, landscaping and common elements with respect to all land that has been or may be annexed to the condominium. Provided, however, the Declarant, its assignees, licensees and invitees shall take reasonable steps to insure that the use and enjoyment by unit owners of the condominium is interfered with as little as possible. This easement shall lapse and determine upon the expiration of the time during which the Declarant may annex property to the condominium in subsequent stages.

19. GENERAL PROVISIONS.

19.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members in respect to matters pertaining to the Declaration, any Supplemental Condominium Declaration and Bylaws shall be interpreted and governed by the laws of the State of Oregon.

19.2 Severability. Each provision of the Declaration, any Supplemental Condominium Declaration and Bylaws is independent and severable. The invalidity or partial invalidity of any provision thereof shall not affect any of the remaining portions of that or any other provision of this Declaration, any Supplemental Condominium Declaration or the Bylaws.

19.3 Waiver of Rights. The failure of the Association, Board of Directors, an officer or a unit owner to enforce any right, provision, covenant or condition of the Declaration and Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

19.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, any Supplemental Condominium Declaration, Bylaws and any rules or regulations adopted thereunder shall be grounds for relief which may include, without intending to limit the same, an action to recover money due, damages or a suit for injunctive relief to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved unit owner.

19.5 Costs and Attorneys' Fees. In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof.

19.6 Compliance. Each unit owner shall comply with the Declaration, any Supplemental Condominium Declaration and Bylaws and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action maintainable by the Association or any unit owner in addition to other sanctions which may be provided by the Bylaws or by any existing administrative rules and regulations.

19.7 Conflicting Provisions. In the event of a conflict between or among the Declaration, Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to the Bylaws and the rules and regulations, and the Bylaws shall be paramount to the rules and regulations. For purposes of this section, the term "Declaration" shall include all amendments and Supplemental Declarations, and the term "Bylaws" shall include all amendments.

19.8 Section and Paragraph Captions. Section and paragraph captions are not a part hereof unless the context otherwise requires. In construing this Declaration, it is understood that if the context so requires, the singular pronouns shall be taken to mean and include the plural, the masculine, feminine and neuter, and that generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees and corporations.

IN WITNESS WHEREOF, the undersigned fee owner of the subject property has caused this Declaration to be executed this 19 day of June, 1986.

RIVER VILLAGE DEVELOPMENT COMPANY

By Jerry Carter
Jerry Carter, President

By Jerry Goodman
Jerry Goodman, Secretary

STATE OF OREGON

County of Multnomah

ss.

June 17, 1986

Personally appeared the above-named Jerry Carter and Jerry Goodman, being duly sworn, did say that they are the President and Secretary, respectively, of RIVER VILLAGE DEVELOPMENT COMPANY and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.



BEFORE ME:

Patricia A. Lyman
 NOTARY PUBLIC FOR OREGON
 My Commission Expires: 7-26-89

The foregoing Declaration is approved pursuant to ORS 94.036 this 31st day of July, 1986.



MORELLA LARSEN
 Real Estate Commissioner

By Alberta Rantala

EXHIBIT "A"

FAIRWAY VILLAGE CONDOMINIUMS

Stage I

A portion of Tract A, Fairway Point Village I, a subdivision of record in the North one-half of Section 29, Township 19 South, Range 11 East of the Willamette Meridian, Deschutes County, Oregon, more particularly described as follows:

Beginning at the "Initial Point" of this plat, said point being South 66° 00' 56" West 200.16 feet of the northeast corner of said "Tract A;" thence along the arc of a 160.00 foot radius curve to the left 33.36 feet the chord of which bears North 67° 55' 55" West 33.92 feet; thence North 74° 00' 58" West 140.00 feet; thence along the arc of a 70.00 foot radius curve to the left 155.33 feet the chord of which bears South 42° 24' 57" West 125.37 feet; thence South 21° 05' 25" East 69.67 feet; thence along the arc of a 50.00 foot radius curve to the right 32.67 feet the chord of which bears South 02° 26' 26" East 32.09 feet; thence South 16° 16' 37" West 26.12 feet to the northerly right of way of West Core Road; thence along said right of way along the arc of a 492.22 foot radius curve to the right 145.60 feet the chord of which bears South 66° 23' 27" East 145.07 feet; thence leaving said right of way line North 32° 05' 00" East 112.97 feet; thence North 17° 00' 00" East 131.51 feet to the Point of Beginning, containing 1.08 acres, more or less.

EXHIBIT "B"
FAIRWAY VILLAGE CONDOMINIUMS

120-417

TRACT A:

A portion of Tract A of FAIRWAY POINT VILLAGE I, Seaside, Clatsop County, Oregon, being more particularly described as follows:

Beginning at the Northeast corner of said Tract A, said point being the point of beginning; thence South $01^{\circ}44'00''$ East, 419.30 feet along the East line of said Tract A; thence leaving said East line South $16^{\circ}00'$ West, 30.00 feet; thence South $01^{\circ}44'00''$ East, 30.00 feet; thence North $88^{\circ}16'00''$ East, 30.00 feet to the said East line of Tract A; thence along said East line South $01^{\circ}44'00''$ East, 33.00 feet to the Northerly right of way of West Cove Road; thence along said right of way along the arc of a 326.69 foot radius curve to the right, 182.75 feet, the chord of which bears North $59^{\circ}03'02''$ West, 180.37 feet; thence North $43^{\circ}01'31''$ West, 64.64 feet; thence along the arc of a 492.22 foot radius curve to the left, 327.43 feet, the chord of which bears North $62^{\circ}04'57''$ West, 321.43 feet; thence North $81^{\circ}08'23''$ West, 57.96 feet; thence along the arc of a 40.00 foot radius curve to the right, 47.74 feet, the chord of which bears North $45^{\circ}36'52''$ West, 44.96 feet to the right of way of Cascade Circle No. 6; thence along said right of way along the arc of a 130.00 foot radius curve to the left, 102.99 feet, the chord of which bears North $32^{\circ}25'38''$ West, 100.98 feet; thence leaving said right of way along the arc of a 104.00 foot radius curve to the right, 65.29 feet, the chord of which bears North $05^{\circ}59'27''$ West, 64.22 feet; thence North $11^{\circ}59'15''$ East, 34.00 feet to the Easterly right of way of West Cascade Road; thence along said right of way along the arc of a 320.11 foot radius curve to the right, 43.01 feet, the chord of which bears North $31^{\circ}43'59''$ East, 42.97 feet; thence North $35^{\circ}34'57''$ East, 49.83 feet; thence along the arc of a 468.76 foot radius curve to the left, 73.74 feet, the chord of which bears North $31^{\circ}04'04''$ East, 73.67 feet to the Northwest corner of said Tract A; thence along the Northerly line of said Tract A South $74^{\circ}00'38''$ East, 537.91 feet to the point of beginning.

TRACT B:

A parcel of land located in Section 29, Township 19 South, Range 11, East of the Willamette Meridian, Clatsop County, Oregon, and being further described as follows:

Commencing at the Northeast corner of said Section 29; thence South $63^{\circ}24'10''$ West, a distance of 2687.93 feet to the true point of beginning for this description; said point lying on the Southerly right of way line of a road known as West Cove Road; thence South $50^{\circ}27'50''$ West, a distance of 375.00 feet; thence North $63^{\circ}03'12''$ West, a distance of 825.04 feet to a point on the Easterly right of way line of a road known as West Cascade Road; thence along said right of way line the following courses:

Along the arc of a 280.36 foot radius curve to the right, 123.93 feet, the chord of which bears North $35^{\circ}52'18''$ East, a distance of 122.93 feet; thence along the arc of a 40.00 foot radius curve to the right, 49.60 feet, the chord of which bears North $84^{\circ}03'34''$ East, a distance of 46.48 feet to a point on the Southerly right of way line of a road known as Cascade Circle No. 6; thence along said right of way line, the following courses:

Along the arc of a 150.00 foot radius curve to the left, 233.28 feet, the chord of which bears North 75°01'32" East, a distance of 210.47 feet; thence along the arc of 40.00 foot radius curve to the right, 47.74 feet, the chord of which bears North 64°40'10" East, a distance of 44.96 feet to a point on the Southerly right of way line of a road known as West Oak Road; thence along said right of way line, the following courses:

South 81°08'23" East, a distance of 57.96 feet; thence along the arc of a 432.22 foot radius curve to the right, 287.52 feet, the chord of which bears South 62°04'57" East, a distance of 282.25 feet; thence South 45°01'31" East, a distance of 64.64 feet; thence along the arc of a 386.69 foot radius curve to the left, 317.03 feet, the chord of which bears South 66°30'45" East, a distance of 308.23 feet; thence along the arc of a 210.22 foot radius curve to the right, 29.08 feet, the chord of which bears South 86°02'14" East, a distance of 29.06 feet. the point of beginning and terminus of this description.

STATE OF OREGON)
COUNTY OF DESCHUTES)

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CERTIFICATES, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY.

1986 AUG -8 PM 3:11

MARY SUE PENHOLLOW
COUNTY CLERK

BY P. L. L. DEPUTY
NO. 86-15296 REC 95
DESCHUTES COUNTY OFFICIAL RECORDS