

92-41294

284 - 2519

DECLARATION SUBMITTING

THE HOMES AT RIVERPOINTE, A CONDOMINIUM

WHEREAS, the undersigned Declarant desires to submit the property described in this Declaration, together with all improvements now existing or hereafter to be constructed thereon, to the provisions, restrictions and limitations of the Oregon Condominium Act, ORS 100.005 through ORS 100.990.

NOW, THEREFORE, it is declared as follows:

SECTION 1. DEFINITIONS.

As used herein, the term

a. "Association of Unit Owners" means all the unit owners acting as a group through an unincorporated association in accordance with this Declaration and the Bylaws of the Association of Unit Owners.

b. "Common Expenses" means expenses of administration, maintenance, repair or replacement of the common elements, including deposits in the working capital fund and reserve fund, together with such expenses agreed upon as common by the Association of Unit Owners in the manner provided in the Bylaws.

c. "Eligible Insurer" is an insurer or guarantor of a first security interest in a unit. An Eligible Insurer must notify the Association in writing of its name and address and inform the Association that it has insured or guaranteed a first security interest in a unit. It must provide the Association with the unit number and address of the unit on which it is the insurer or guarantor of a security interest. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Section 24.

c. "Eligible Mortgagee" is the holder of a first security interest in a unit, when the holder has notified the Association, in writing, of its name and address and that it holds a first security interest in a unit. The notice must include the unit number and address of the unit on which it has a security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Section 24.

d. "Manager" means the person or firm hired by the board of directors of the Association of Unit Owners to be in charge of the administration of and to manage the property.

e. "Plan of Development" means the plan pursuant to which this stage, together with an additional stage encompassing a total of not more than 28 units, is proposed to be constructed and included in the Condominium.

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

SECTION 2. NAME OF THE PROPERTY.

The property subject to this Declaration shall be known by the name of The Homes at Riverpointe, a Condominium.

SECTION 3. DESCRIPTION OF THE PROPERTY.

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, the land owned in fee simple and described on Exhibit "A", attached hereto, together with the units described and all other improvements now existing or to be constructed on such land which together shall constitute the Plan of Development of The Homes at Riverpointe, a Condominium.

SECTION 4. GENERAL DESCRIPTION OF THE UNITS.

The Homes at Riverpointe, a Condominium, Stage A, shall consist of twelve (12) units. The units shall be situated in one structure, which shall be a three-story wood frame structure with no basements. There will be six different floor plans, three of which will be two-bedroom units and three of which will be three-bedroom units. The two-bedroom units will be on ground level and the three-bedroom units will have two stories. Each unit will have a fireplace in the living area and the three-bedroom units will have an optional fireplace in the master suite as an upgrade. Eight of the units will have attached garages. The dividing walls between adjoining outdoor covered decks are not part of the units. The unit designation, description, location and approximate area of the units in The Homes at Riverpointe, a Condominium, is indicated on Exhibit "B" attached hereto. The units shall be bounded by the undecorated surface of the perimeter walls, floors and ceilings, exclusive of any common elements. All doors, door frames, windows, window frames, hot water heaters, furnaces and nonloadbearing walls, which are appurtenant to a unit, are part of the unit.

SECTION 5. COMMON ELEMENTS.

a. The general common elements shall consist of all portions of the property not part of a unit or a limited common element,

including all the above-described land; all foundations, columns, girders, beams and supports; fireplace chimneys except for fireplace chimney flues; all stairs and corridors, except stairs within units having more than one story; all exterior walls of the buildings in which the units are situated and all walls and partitions separating units from corridors, other units or stairs, together with the dividing walls between adjoining outdoor covered decks; parking areas, except garages and carports described in Paragraph 5b, driveways, walkways, landscaping, recreational and other facilities, and utilities and all the appurtenances thereto.

b. The limited common elements shall consist of exterior balconies, decks attached to individual units, including the railings thereof but not the dividing walls between adjoining decks and the fireplace chimney flues, garages and carports and storage units, all of which shall be appurtenant to the units which they are designated to serve as shown on Exhibit "B".

SECTION 6. PERCENTAGE OF INTEREST IN COMMON ELEMENTS.

Each unit in The Homes at Riverpointe, a Condominium, shall have an equal one-twelfth (1/12th) interest in the common elements. Interests in common elements are to be allocated to units on an equal basis. Such undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

The common elements shall remain undivided, and no unit owner may bring any action for partition or division of any part thereof while the property is subject to this Declaration. Any covenant to the contrary is void.

SECTION 7. OWNERSHIP TO BE FEE SIMPLE.

Each individual unit, together with its undivided interest in the common elements shall be owned in fee simple by the unit owner and may be individually conveyed and encumbered and be the subject of ownership, possession, sale or other disposition as though it were solely and entirely independent of the other units, and the individual titles and interest shall be recordable. Each unit owner shall be entitled to the exclusive ownership, possession and enjoyment of the owner's unit.

SECTION 8. TAXATION OF UNITS.

Each unit, with its allocation of undivided interest in the common elements shall be considered a parcel of real property subject to separate assessment and taxation by any taxing unit in like manner as other parcels of real property as required by ORS

100.555. The common elements shall not be considered a parcel for purposes of taxation.

SECTION 9. VOTING RIGHTS.

One vote shall be allocated to each unit.

SECTION 10. ASSOCIATION OF UNIT OWNERS.

a. Organization; Adoption of Bylaws. Upon the execution and recording of this Declaration, the Association shall be organized to serve as a means through which the unit owners may take action with regard to the administration, management, and operation of the condominium. Declarant shall simultaneously adopt and record Bylaws for the Association.

b. Membership; Board of Directors. Each unit owner shall be a member of the Association, and membership therein shall be limited to unit owners only. The affairs of the Association shall be governed by a board of directors as provided in the Bylaws.

c. Powers and Duties of the Association. The Association shall have such powers and duties as may be granted to it by the Oregon Condominium Act, together with such additional powers and duties contained in this Declaration and the Bylaws.

d. Declarant Control of Association; Interim Board of Directors. Declarant will appoint an interim board of directors for the Association. Declarant hereby reserves the right to control the Association until the earlier of (a) the date of conveyance to persons other than Declarant of seventy-five percent (75%) of the units which Declarant may submit to this condominium, or (b) seven years from the date the first unit is conveyed. Accordingly, upon the recording of the Declaration and Bylaws, the interim directors shall serve until the turnover meeting is held as provided in the Bylaws.

e. Management Agreements, Contracts, and Leases. The board of directors, including the interim board of directors, shall have the right to contract with a professional Manager or management firm to manage the affairs of the Association. However, if entered into prior to the turnover meeting of the condominium, no management agreement, service contract or employment contract which is directly made by or on behalf of the Association, the board of directors, or the unit owners as a group shall be in excess of three years and any such agreement may be terminated without penalty by the Association or the board of directors upon not less than thirty (30) days written notice to the other party given not later than sixty (60) days after the turnover meeting.

SECTION 11. MAINTENANCE, IMPROVEMENT AND INTENDED USE OF UNITS.

Subject to ORS 100.535, a unit owner shall make no repair or alteration or perform any other work on the owner's unit which would jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement or hereditament, unless the consent of the board of directors and the consent of all other unit owners affected is first obtained. The units are intended to be used as residential living quarters.

SECTION 12. USE AND MAINTENANCE OF COMMON ELEMENTS

Each unit owner may use the common elements in accordance with the purposes for which they are intended, but may not hinder or encroach upon the lawful rights of the other unit owners.

The necessary work to maintain, repair or replace the common elements and additions or improvements to the common elements shall be the responsibility of the Association of Unit Owners and shall be carried out as provided in the Bylaws. If the mortgagee of any unit owner determines that the Association of Unit Owners is not providing an adequate maintenance, repair and replacement program for the project, such mortgagee, at its option, may deliver a written notice to the Association of Unit Owners by delivering the same to the registered agent, required pursuant to ORS 100.105(j), setting forth the particular defects which it believes exist in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to the receipt of such notice, then, and in that event, the mortgagee upon written notice to the registered agent that it is exercising its proxy rights thereafter shall have the right to attend succeeding annual or special meetings of the Association of Unit Owners. At such meetings it shall have the right to cast a vote, for each unit on which it holds a mortgage lien, on all business coming before such meeting, which said proxy right shall continue until the defects listed on the aforementioned notice are corrected.

The Association of Unit Owners shall have the right, to be exercised by the board of directors, or the manager employed by the board of directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, to make emergency repairs therein necessary for the public safety, to prevent damage to the common elements or to another unit, or to abate any nuisance existing in any unit.

An initial operating fund shall be established for the initial months of the Property operation equal to at least a two months' estimated common area charge for each unit. Each unit's share of the initial operating fund shall be collected and transferred to the Association of Unit Owners at the time of closing of the sale of each unit and maintained in a segregated

account for the use and benefit of the Association of Unit Owners. The contribution to the initial operating fund for each unsold unit shall be paid to the Association of Unit Owners by Declarant within 60 days after the date of the conveyance of the first unit in each stage. The purpose of the fund is to ensure that the Association of Unit Owners will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the board of directors. Amounts paid into the initial operating fund shall not be considered as advance payments of regular assessments.

SECTION 13. MANAGEMENT OF AFFAIRS OF ASSOCIATION OF UNIT OWNERS.

Subsequent to the turnover meeting to be held in accordance with the Bylaws, the affairs of the Association of Unit Owners shall be managed by a board of directors and by officers consisting of a Chairman, a Secretary and a Treasurer. Prior to the turnover meeting, the affairs of the Association of Unit Owners shall be managed by Declarant as provided in Section 28. The board of directors shall adopt administrative rules and regulations governing the details of the operation, maintenance and use of the Property and to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners. The board of directors may retain an individual or firm to act as manager of the Property. Any such agreement shall provide for a term of three years and may be terminated, with or without cause, upon 90 days' notice to all parties affected.

SECTION 14. ADOPTION OF BYLAWS.

The undersigned owner of the Property, subject to this Declaration, has adopted, pursuant to the requirements of the Oregon Condominium Act, the Bylaws attached hereto, marked Exhibit "C", to govern the administration of the Property.

The Bylaws may be amended from time to time as provided therein.

SECTION 15. COMPLIANCE WITH BYLAWS AND OTHER RESTRICTIONS.

Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration or in the deed to the owner's unit. Failure to comply therewith shall be grounds for an action maintainable by the Association of Unit Owners or by an aggrieved unit owner, in addition to other sanctions which may be provided by the Bylaws or by the administrative rules and regulations. Unit owners shall have similar rights of action against the Association of Unit Owners.

SECTION 16. PERSON TO RECEIVE SERVICE OF PROCESS IN CERTAIN CASES.

Service of process in any action relating to the common elements or to more than one unit in cases provided in subsection (1) of ORS 100.550 shall be made upon:

RIVERPOINTE CONDOMINIUM PARTNERS
by RIVERPOINTE ASSOCIATES, GENERAL PARTNER
ATTN: JOHN G. BACON, JR.
745 NW WALL STREET, SUITE 201
BEND, OR 97701

or the designated agent named in the Condominium Information Report which will be filed with the Secretary of State in accordance with ORS 100.250(1).

SECTION 17. EASEMENTS AND OTHER INTERESTS.

The Association of Unit Owners, pursuant to ORS 100.405(5), has the authority to execute, acknowledge, deliver and record on behalf of the unit owners, permits, easements, rights-of-way, licenses and other similar interests affecting the general common elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the property. The granting of any interest pursuant to this Section 17 shall be first approved by at least 75 percent of the unit owners. The instrument granting an interest pursuant to this Section 17 shall be executed and acknowledged by the Chairman and Secretary and shall state that such granting was approved by at least 75 percent of the unit owners.

SECTION 18. APPORTIONMENT OF RECEIPTS AND EXPENSES.

The receipts of the property shall be attributed to and the common expenses shall be charged to the unit owners, including the Declarant, according to their respective interests in the common elements. However, no receipts or profits shall be distributed among the unit owners, but shall be used solely for purposes of maintaining, repairing and replacing the common elements or other expenses of the association. Monthly assessments shall be used for common expenses as described in the Bylaws. A portion of the assessments shall be segregated in a reserve account for replacement of those common elements, all or part of which will normally require replacement in more than three and less than 30 years. Assessments shall be used solely for the purposes of maintaining, repairing and replacing the common elements or other expenses of the Association. Assessments shall first commence upon the conveyance of the first unit. Unsold units which are unoccupied may defer that portion of the monthly assessments to be used for reserves until such time as the unit is sold, at which time the accrued assessments

shall be due. Receipts by unit owners for rental of their unit shall not constitute common receipts. No unit owner may be exempted from liability for the owner's contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of the owner's unit.

SECTION 19. LIEN OF ASSOCIATION AGAINST UNIT.

The board of directors shall have the authority and the duty to levy and enforce the collection of general and special assessments for Common Expenses. Whenever the Association of Unit Owners levies any assessment for common expenses against a unit, the Association of Unit Owners, upon complying with this section, shall have a lien upon the individual unit and the undivided interest in the common elements appertaining to such unit for the reasonable value of such common expenses allocable to such unit and for any unpaid assessments and interest as provided in ORS 100.450(2)(b), plus costs and reasonable attorneys' fees, and the lien shall be prior to all other liens or encumbrances upon the unit, except:

- a. Tax and public improvement assessment liens, and
- b. A first mortgage or trust deed of record.

Each assessment shall be a separate and personal debt and obligation of the unit owner against whom the same is assessed at the time the assessment fell due and shall be collectible as such. Such personal obligation shall not pass to successors in title unless assumed by them or required by law. The board of directors shall cause to be filed a notice of lien claim pursuant to ORS 100.450 with respect to any assessment which has not been paid within 30 days from the mailing of the notice of assessment. The notice of lien claim shall be filed within 10 days following the expiration of such 30 day period. The Association of Unit Owners shall be entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid common expenses, interest on the delinquent assessment at the rate of ten percent per annum and costs, including reasonable attorneys' fees in such suit or action, or any appeal therefrom.

A lien for common expense assessments shall not be affected by any sale or transfer of a unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage or trust deed shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any such delinquent assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all units as a common expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a

unit from liability for, nor the unit from the lien of, an assessment made thereafter.

In case of foreclosure, the unit owner shall be required to pay a reasonable rental for the unit; and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard to the value of the security. An action to recover a money judgment, together with reasonable attorneys' fees for unpaid common expenses, may be maintained without foreclosing or waiving the lien securing the claim for common proceeds.

SECTION 20. POWER OF PROPERTY MANAGER TO BID AT FORECLOSURE SALE.

In any suit to foreclose a lien of the Association of Unit Owners against a unit, the board of directors or the manager, acting on behalf of the unit owners, shall have power to bid on the unit at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. The board of directors or the manager, acting on behalf of the unit owners, is prohibited from bidding on or otherwise acquiring a unit in any other foreclosure suit.

SECTION 21. INSURANCE.

The Association of Unit Owners, by and through the board of directors, shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws.

The board of directors shall not be responsible for procuring fire and extended coverage insurance covering the furniture, equipment or contents located in the individual units.

The insurance obtained by the Association of Unit Owners, by and through the board of directors, as required by this section shall be a common expense.

SECTION 22. DAMAGE OR DESTRUCTION.

If one or more of the buildings within the property are damaged, destroyed or partially condemned, the board of directors shall immediately proceed to rebuild and restore the building or buildings so damaged, destroyed or partially condemned so that the same will be returned to substantially the same condition in which the building or buildings existed prior to such damage, destruction or partial condemnation. Each unit and the general and limited common elements shall have substantially the same vertical and horizontal boundaries as before, unless at least 90 percent of all the unit owners, plus any Eligible Mortgagees holding mortgages on at least 51 percent of the units which are subject to Eligible Mortgagee mortgages, agree that the property

shall not be rebuilt and restored. If the property is to be rebuilt and restored and the insurance proceeds are insufficient to rebuild and restore, the unit owners shall be liable for assessment for any deficiency as a common expense. If 90 percent of all the unit owners agree that the property shall not be rebuilt or restored, the property shall be considered removed from the provisions of the Oregon Condominium Act in accordance with ORS 100.605. Any election to terminate the legal status of the Property after substantial destruction or a substantial taking in condemnation of the Property shall require the approval of Eligible Mortgagees holding mortgages on at least 51 percent of units subject to Eligible Mortgagee mortgages.

The Association of Unit Owners, through a trustee appointed for such purpose, shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas or part thereof. In the event of a taking or acquisition of part or all of the common areas by a condemning authority, the award or proceeds of settlement shall be payable to the Association of Unit Owners, or any trustee, for the use and benefit of the unit owners and their mortgagees as their interests may appear.

SECTION 23. EASEMENTS FOR ENCROACHMENT.

If any part of the common elements now or hereafter encroaches upon any unit or if any unit now or hereafter encroaches upon any other unit or upon any portion of the common elements, an easement for such encroachment and the maintenance thereof, as long as it continues, shall exist. In the event a unit or a building containing units shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any unit, any unit upon any other unit, or upon any portion of the common elements due to the construction shall be permitted as set forth in ORS 100.520 and easements for such encroachments and the maintenance thereof shall exist.

SECTION 24. MORTGAGEE PROTECTION.

This Section establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Section is supplemental to, not a substitution for, any other provisions of the Declaration but in the case of conflict, this Section shall control.

a. RIGHTS OF MORTGAGEES.

1. PRIOR APPROVAL REQUIRED. Notwithstanding anything in this Declaration to the contrary, the prior written approval of all Institutional Mortgagees must be obtained for the voluntary

termination of the Condominium. In addition, except as specifically provided to the contrary in this Declaration, the prior written approval of an Institutional Mortgagee must be obtained as to the partition or subdivision of any unit on which it holds the mortgage, and also as to any change in the undivided share in the common elements appurtenant to any unit on which it holds the mortgage.

2. LIEN SUBORDINATE. The liens created hereunder upon any unit shall be subject to and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage or deed of trust (meaning a mortgage with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 19 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as unit owner after the date of such foreclosure sale, which said lien, if any is claimed, shall have the same effect and be enforced in the same manner as provided herein.

3. RIGHTS TO NOTICES. If an Institutional Mortgagee shall furnish the Association in writing with notice stating that it holds a mortgage on a unit in the Condominium, describing the mortgage by reference to its recording information, and giving an address to where any notice should be sent, the Association shall furnish notice to such Institutional Mortgagee of:

i. Delinquent Assessments. Any default in the payment of assessments by the unit owner not cured within 30 days.

ii. Losses. Any condemnation loss or casualty loss which affects a material portion of the Condominium.

iii. Insurance. Any lapse, cancellation or material alteration, other than an even substitution, in any insurance or fidelity bond required to be carried by the Association.

iv. Proposed Action. Any proposed action which would require the consent of a percentage of mortgage holders.

Until notice is given to the Association, however, the Institutional Mortgagee shall not be entitled to notice of default, nor to any right, distribution or notice pursuant to this Declaration.

4. RIGHT TO INSPECT. Each Institutional Mortgagee shall have the right to inspect the books and records of the Association and to require reports necessary to ascertain the financial status of the Condominium and any unit upon which it holds a mortgage.

5. AMENDMENT OF SECTION. The terms and provisions of this Section shall not be amended unless there is an affirmative approval of the amendment by all of the following:

i. Voting Members. 75 percent of the voting members of the Association.

ii. Institutional Mortgagees. 51 percent of all institutional mortgagees holding a first mortgage on units in the Condominium.

6. ASSESSMENTS. If any Institutional Mortgagee takes title of a unit in the Condominium by foreclosure or deed in lieu of foreclosure, they shall not be liable for assessments against the unit that accrue before title is so obtained, except as the assessments may be reallocated to all units as a common expense.

7. INSURANCE/BOND COVERAGE. The Association shall purchase and maintain policies of insurance and fidelity bond coverage in accordance with requirements under the FNMA Lending Guide, Chapter Three, Part 5, Insurance Requirements.

b. SPECIAL PROVISIONS TO SATISFY THE REQUIREMENTS OF FEDERAL NATIONAL MORTGAGE ASSOCIATION.

1. The Association shall allow all unit owners, their lenders, insurers and guarantors of first mortgages to inspect, during normal business hours, all of the records of the Association.

2. Upon written request, the Association shall furnish its most recent annual statement to any holder of a first mortgage of a unit in the Condominium.

3. The Association may cancel, without penalty or cause, any contract or lease made by it before any Unit Owner other than the Developer assumes control of the Association, upon 90 days' written notice to the other party.

4. Developer shall surrender control of the Association at the earlier of the time required by The Oregon Condominium Act, or 120 days after 75 percent of the units in the Condominium, or its first phase, if no other phases are built, have been conveyed by the Developer, or three years after the conveyance of the first unit in the Condominium, if only one phase or five years after the conveyance of the first unit in the Condominium, if more than one phase is developed.

5. The Association shall maintain an adequate reserves for the maintenance and repair of the common elements, which shall be funded from regularly monthly assessments for common expenses.

- 12 - DECLARATION (SRS:RIVE01)

Holmes Hurky Bryant Lowen & Lynch
ATTORNEYS AT LAW

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6. Upon written request, the Association shall furnish the following notices to the holder, insurer or guarantor of any mortgage on any unit in the Condominium:

i. Notice of any condemnation or casualty loss that affects a material portion of the Condominium Property or the applicable unit.

ii. Notice of any delinquency in the payment of assessments more than 60 days past due as to the applicable unit.

iii. Notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

iv. Notice of any proposed action which would require the consent of a percentage of mortgage holders.

7. The Association shall purchase and maintain policies of insurance and fidelity bond coverage in accordance with requirements under FNMA Lending Guide, Chapter Three, Part 5, Insurance Requirements or the applicable provisions of any successor publication.

8. As used herein, the terms "institutional mortgage" or "lender" shall be deemed to include the Federal National Mortgage Association, the Federal Housing Authority and the Veterans Administration, as applicable.

c. PERCENTAGE OF ELIGIBLE MORTGAGEES.

Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean that the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

d. NOTICE OF ACTIONS.

The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

1. Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit in which there is a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;

2. Any delinquency in the payment of Common Expenses owed by a Unit Owner which remains uncured for a period of sixty (60)

days and whose Unit is subject to a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;

3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 24e of the Declaration; and,

5. Any judgment rendered against the Association.

e. CONSENT AND NOTICE REQUIRED.

1. Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Section may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 24d above, without the vote of at least 67 percent of the Unit Owners (or any greater Unit Owner vote required in this Declaration or the Act) and without approval by at least 51 percent of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. A change to any of the following would be considered material:

i. Voting rights;

ii. Assessments, assessment liens or priority of assessment liens;

iii. Reserves for maintenance, repair and replacement of Common Elements;

iv. Responsibility for maintenance and repairs;

v. Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding Security Interests in those Units need approve the action;

vi. Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding Security Interests in the Unit or Units need approve the action;

vii. Convertability of Units into Common Elements or Common Elements into Units;

viii. Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

ix. Insurance or fidelity bonds

x. Leasing of Units;

xi. Imposition of any restrictions on Unit Owners' right to sell or transfer their Units;

xii. A decision by the Association to establish self-management when professional management had been required previously by the Documents or any Eligible Mortgagee;

xiii. Restoration or repair of the project after hazard damage or partial condemnation in a manner other than that specified in the Documents;

xiv. Termination of the Condominium after occurrence of substantial destruction or condemnation; and,

xv. Any provision that expressly benefits mortgage holders, insurers or guarantors.

2. The failure of an Eligible Mortgagee or Insurer to respond within 30 days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Insurer approval is required, when such request is delivered by certified or registered mail, return receipt requested, shall constitute an implied approval of the addition or amendment.

f. ENFORCEMENT.

The provisions of this Section are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law or in equity.

SECTION 25. LIMITS ON USE OF UNITS AND COMMON ELEMENTS.

Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the project without the prior written consent of the board of directors. No owner shall permit anything to be done or kept in the owner's unit which will result in the cancellation of the insurance on any part of the project. The board of directors shall have the

power to adopt rules and regulations for use of the common elements and there shall be no violation of such rules.

SECTION 26. PLAN OF DEVELOPMENT.

a. The Plan of Development for the property includes a maximum of 28 units to be developed in not more than two stages. Each stage will include additional land. Upon annexation, a supplemental declaration for the stage and a legal map thereof shall be recorded. The right to annex additional property will expire ten years from the date of recording this Declaration.

b. The minimum allocation of undivided interests in the common elements to each unit in The Homes at Riverpointe, a Condominium, upon completion of development, if Declarant elects to proceed with all stages of development, will be 1/28th. The allocation of undivided interests in the common elements to each unit at each stage of development will be a fraction, the numerator of which shall be one and the denominator of which shall be the total number of units submitted to the provisions of the Oregon Condominium Act. All intended improvements in future stages shall be consistent with initial improvements in terms of quality of construction and shall be substantially completed prior to annexation. Assessments and votes appurtenant to each annexed unit shall become effective on the filing of a supplemental declaration covering such unit, which shall not occur until the substantial completion of such unit. All taxes and other assessments relating to property in later stages, covering any period prior to the addition of such property, shall be paid or otherwise satisfactorily provided for by the Declarant.

SECTION 27. APPORTIONING COMMON EXPENSES FOR ADDITIONAL STAGES.

As the additional stages are substantially completed pursuant to the Plan of Development, the Common Expenses for such additional stage or stages as defined in Section 14 of the Bylaws shall be added to the Common Expenses then existing for unit owners of the Property. The owners of each unit, including those units contained in the additional stage or stages, shall be liable for and pay a share of the total Common Expenses in proportion to their interest in the common elements, including the common elements added by the additional stage or stages. Each existing unit owner shall, by power of attorney, authorize the Declarant to make adjustments in the undivided interest of the unit owners in the common elements. In the event that a stage or stages are submitted to the provisions hereof during the Association of Unit Owners' fiscal year, the Common Expenses shall be adjusted on the basis of the period of time that the owners of units in such additional stage or stages shall be members of the Association of Unit Owners. The voting rights appurtenant to each unit added according to the Plan of

Development shall become effective on the filing of a supplemental declaration covering such unit, which shall not occur until the substantial completion of such unit.

SECTION 28. ADMINISTRATIVE CONTROL.

Until the earlier of the date of conveyance to persons other than Declarant, of 75 percent of the units in the last stage which Declarant may submit to the provisions of the Oregon Condominium Act in accordance with the provisions thereof, or until seven (7) years following conveyance of the first unit:

- a. Declarant may appoint and remove officers and members of the board of directors of the Association of Unit Owners;
- b. Declarant shall have three votes with respect to each unit owned by it, notwithstanding the provisions of Section 9;
- c. Declarant shall have the right to exercise all the powers of the board of directors under this Declaration and the Oregon Condominium Act, except that Declarant may not bind the Association of Unit Owners, prior to passage of control, either directly or indirectly to contracts or leases, including a management contract, unless the Association of Unit Owners is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than 90 days' notice to the other party thereto;
- d. This Declaration and the Bylaws shall not be amended without Declarant's consent; and
- e. Declarant shall have the right to occupy the common elements in connection with its construction activities so long as such activities do not unreasonably interfere with use of the common elements by other unit owners.

SECTION 29. AMENDMENT.

Except as otherwise provided in the Oregon Condominium Act, no amendment may change the allocation of undivided interests in the common elements, method of determining liability for common expenses, right to common profits or voting rights of any unit as expressed in this Declaration unless such amendment has been approved by the owners of the affected units, and such unit owners shall record an amendment to this Declaration setting forth the altered percentage of each unit owner having an interest and the amendment is approved by the Real Estate Commissioner if required by law.

This Declaration may not be amended to diminish any special declarant right without the prior written consent of Declarant.

Except as hereinabove provided, this Declaration may be amended consistent with the provisions of the Oregon Condominium Act by the affirmative vote of 75 percent of the voting rights at the annual meeting of the Association of Unit Owners, or at any special meeting called for such purpose, or by written proxy or written consent of 75 percent of the voting rights. Such amendment shall be effective upon the recordation of an instrument executed and acknowledged by the Chairman and Secretary of the Association of Unit Owners with the Deschutes County Recording Officer, setting forth such amendment in full and the amendment is approved by the Real Estate Commissioner if required by law.

SECTION 30. RESTRICTIONS.

No unit owner, guest of a unit owner, tenant or other person using any unit shall be allowed to keep a pet in any unit at any time.

IN WITNESS WHEREOF the undersigned has executed this Declaration this 18th day of September 1992.

RIVERPOINTE CONDOMINIUM PARTNERS
by RIVERPOINTE ASSOCIATES, General Partner

By PENNBROOK DEVELOPMENT CO.

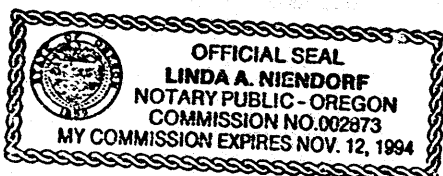
By: [Signature]
John G. Bacon, Jr.

By BEND RIVERFRONT DEVELOPMENT CO.

By: [Signature]
Don Bauhofer

STATE OF OREGON, County of Deschutes, ss:

Personally appeared the within-named John G. Bacon, Jr. who acknowledged ~~that he is the Vice President of Pennbrook Development Co.~~ and that he is authorized to execute the foregoing instrument on behalf of the corporation. Before me this 18th day of September, 1992. *Law*



[Signature]
Notary Public for Oregon
My Commission Expires 11-12-94

284 - 2537

STATE OF OREGON, County of Deschutes, ss:

Personally appeared the within-named Don Bauhofer, who acknowledged that he is the President of Bend Riverfront Development Co. and that he is authorized to execute the foregoing instrument on behalf of the corporation. Before me this 10th day of September, 1992.



Linda A. Niendorf
Notary Public for Oregon
My Commission Expires 11-12-94

COUNTY ASSESSOR

COUNTY TAX COLLECTOR

The foregoing Declaration is approved pursuant to ORS 100.110 this 23rd day of November, 1992.



MORELLA LARSEN
REAL ESTATE COMMISSIONER

By: *Stan F. Mayhew*

EXHIBIT "A"

THE HOMES AT RIVERPOINTE, A CONDOMINIUM
Stage A Boundary Description

Commencing at a 3/8" brass rod in concrete at the northeast corner of the northwest quarter of the northeast quarter of Section 32 in Township 17 South and Range 12 East of the Willamette Meridian in Deschutes County, Oregon; thence South 02°16'55" West 682.16 feet to the northeast corner of Block 1 Wall Street addition to Bend; thence West along said north line 144.09 feet to a 5/8" iron rod; thence leaving said north line South 10.00 feet to a 5/8" iron rod and the point of beginning, said point also being the initial point for this plat; thence South 54.62 feet to a 5/8" iron rod which is 135.00 feet, measured at right angles, from the westerly right-of-way of Wall Street; thence South 38°33'05" West 231.14 feet, parallel with said westerly right-of-way, to a 5/8" iron rod; thence North 51°26'55" West 21.59 feet to a 5/8" iron rod; thence North 77°49'50" West 33.78 feet to a 5/8" iron rod; thence North 51°14'44" West 16.76 feet to a 5/8" iron rod; thence North 38°39'20" East 23.49 feet to a 5/8" iron rod; thence North 51°07'36" West 27.40 feet to a 5/8" iron rod; thence South 46°09'49" West 23.37 feet to a 5/8" iron rod; thence North 51°49'11" West 4.03 feet to a 5/8" iron rod; thence North 16°17'34" West 21.90 feet to a 5/8" iron rod; thence North 15°05'46" East 5.72 feet to a 5/8" iron rod; thence North 30°19'29" West 5.18 feet to a 5/8" iron rod; thence North 75°34'00" West 29.24 feet to a 5/8" iron rod; thence North 47°21'13" West 29.84 feet to a 5/8" iron rod; thence South 48°44'30" West 20.00 feet to a 5/8" iron rod; thence North 41°15'30" West 7.72 feet to a 5/8" iron rod; thence South 48°14'32" West 134.77 feet to a 5/8" iron rod on the easterly boundary of that tract conveyed to the Bend Metropolitan Park and Recreation District in Volume 255, Page 995 of the Deschutes County Deed Records; thence North 23°26'30" West 28.00 feet to a 5/8" iron rod at the Southeast corner of that tract described in Volume 99, Page 821 of the Deschutes County Official Records; thence leaving said easterly boundary North 48°44'30" East 296.30 feet along the east line of Volume 99, Page 821 to a 5/8" iron rod and the southerly right-of-way of Portland Avenue; thence leaving said east line East along said southerly right-of-way 200.30 feet to the point of beginning. Contains 1.11 Acres.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

David K. Bateman

OREGON
JULY 22, 1974
DAVID K. BATEMAN
1068

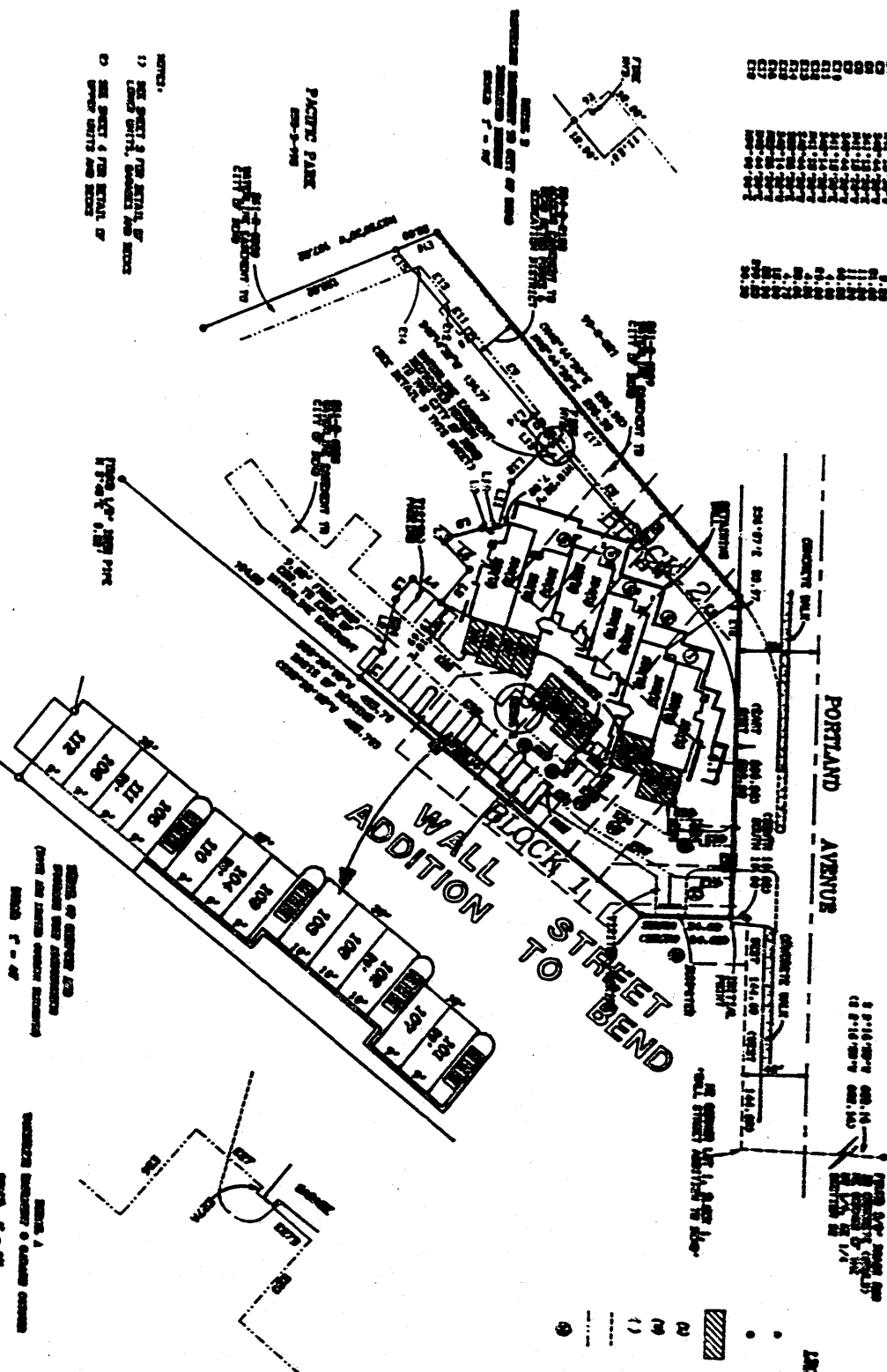
September 11, 1992

PLAT NO.

THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A REPEAT OF PORTIONS OF 10TS 13 14 AND 15

A REPLAT OF PORTIONS OF LOTS 13, 14, AND 16 THROUGH 19, BLOCK 1, ALL OF LOT 15, BLOCK 1, AND A PORTION OF LOTS 1 THROUGH 5, BLOCK 2, WALL STREET ADDITION TO BEND, AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 32, T17S, R12E, W. M., DESCHUTES COUNTY, OREGON

CONFIDENTIAL - NOT TO BE RELEASED TO THE PUBLIC

[illegible]

DEED

SEPTEMBER 24, 1964

U.S. DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

1. **THEY** **WAS** **WITH** **DAVID** **EWING** **&** **ASAC.**
PLASTIC **CUP** **WAS** **WITH** **DAVID** **EWING** **&** **ASAC.**
PLASTIC **CUP**

LIMITED OVERSEAS EXPANSION

UPPER LEVEL UNIT

RECEIVED MAY 19 6 3. PM. 1970

WATERLINE CLASSROOM

LIST NO., FULL STREET ADDRESS

LINE TABLE - STAGE A SUMMARY

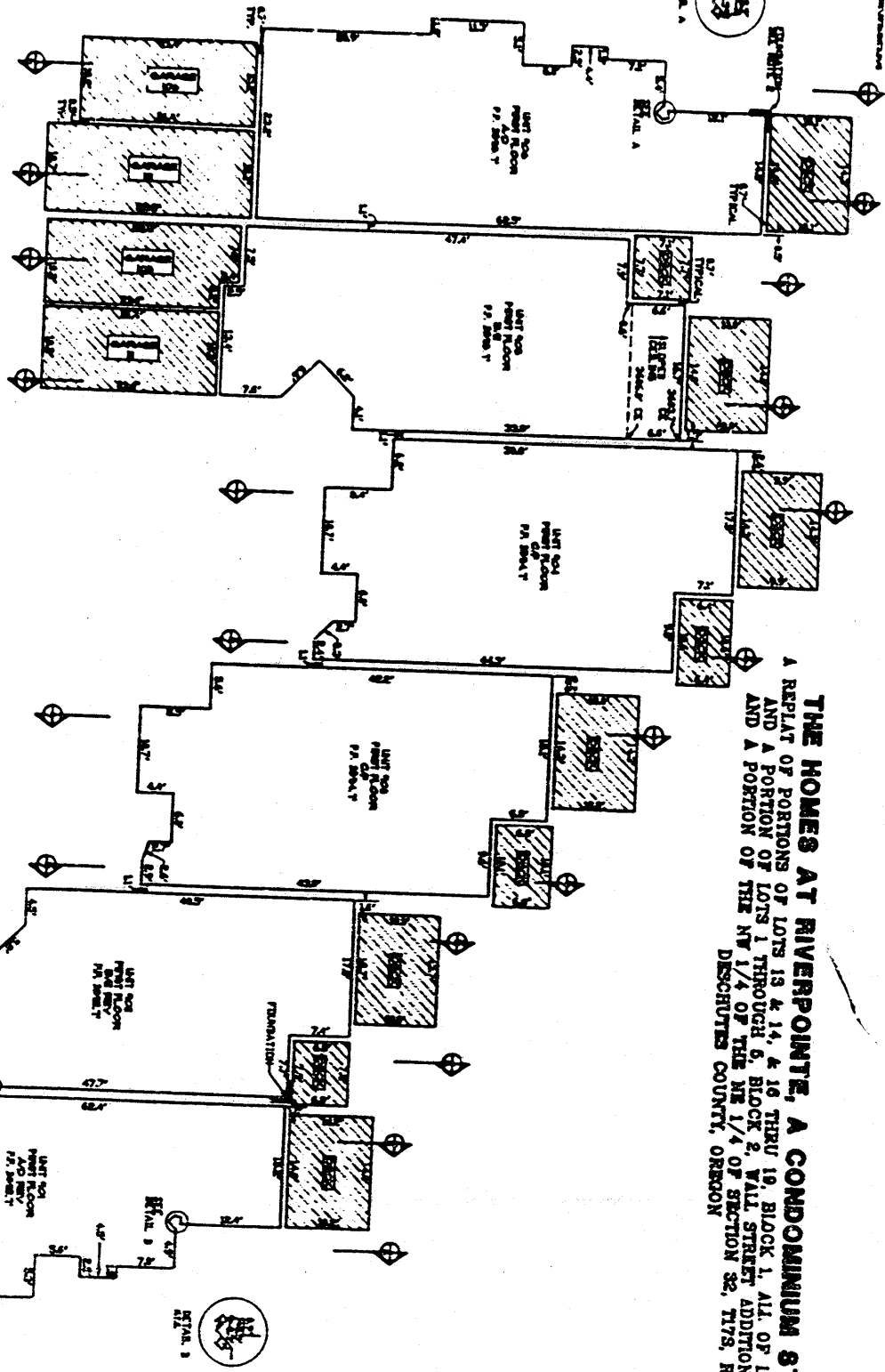
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11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

LIVE TABLE - COUNTRY INTO THE PAST

Line	Station	Length
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2	100	100
3	100	100
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98	100	100
99	100	100
100	100	100

David Evans and Associates, Inc. 709 NW Wall St. No. 102, Bend Oregon 97701

284 - 2540



THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A
 A REPEAT OF PORTIONS OF LOTS 13 & 14, & 16 THRU 19, BLOCK 1, ALL OF LOT 16, BLOCK 1,
 AND A PORTION OF LOTS 1 THROUGH 6, BLOCK 2, WALL STREET ADDITION TO BEND,
 AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 32, T13S, R12E, W. 1/4, N.
 DISCHUTES COUNTY, OREGON

FIRST FLOOR PLAN
 SCALE 1" = 20'

- LEGEND:**
- LIMITED COMMON ELEMENT
 - SLOPED CEILING BOUNDARY
 - CEILING ELEVATION

- GENERAL NOTES**
1. HEIGHT OF INTERIOR CEILINGS ARE 8.0 FEET (MINIMUM) ABOVE SHOWN FINISHED FLOOR ELEVATION UNLESS NOTED.
 2. SEE SHEET 2 FOR BUILDING FOUNDATION LOCATION REFERENCES. INTERIOR WALLS ARE 8.5" (MINIMUM).
 3. SLOPED CEILINGS SLOPE AT UNIFORM RATE WHICH CAN BE CALCULATED FROM THE PUBLISHED CEILING ELEVATIONS.

1. DAVIS & KATZMAN ARCHITECTS, INC. HAS PREPARED THIS PLAN FOR THE FIRST FLOOR OF THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A, AND HAS NOTED THE CEILING ELEVATIONS AND THE CEILING BOUNDARY OF THE UNITS AND THE COMMON AREAS. THE CEILING ELEVATIONS ARE BASED ON THE FINISHED FLOOR ELEVATIONS AND THE CEILING BOUNDARY IS BASED ON THE FINISHED FLOOR ELEVATIONS AND THE CEILING BOUNDARY IS BASED ON THE FINISHED FLOOR ELEVATIONS.

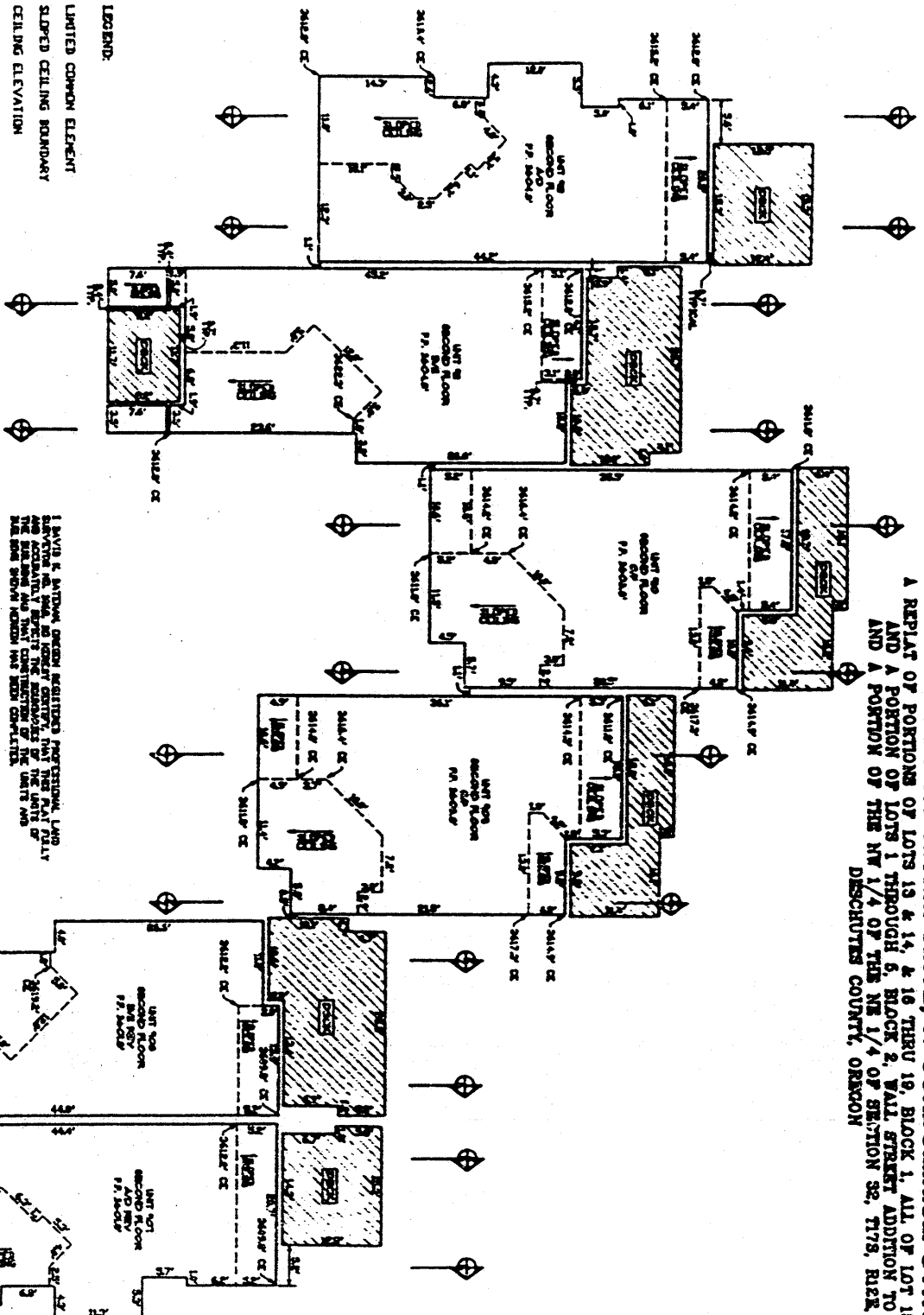
ELEVATIONS ARE BASED ON 1982 USGS DATA AND THE 1982 STREET ELEVATION IN THE DISCHUTES RIVER, OREGON.

David Evans and Associates, Inc. 709 NW Wall St. No. 102, Bend Oregon 97701

284 - 2541

THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A
A REPEAT OF PORTIONS OF LOTS 13 & 14, & 16 THRU 19, BLOCK 1, ALL OF LOT 16, BLOCK 1, AND A PORTION OF LOTS 1 THROUGH 6, BLOCK 2, WALL STREET ADDITION TO BEND, AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 32, T17S, R12E, W. 11N, DESCHUTES COUNTY, OREGON

SECOND FLOOR PLAN



LEGEND:

LIMITED COMMON ELEMENT
SLOPED CEILING BOUNDARY
CEILING ELEVATION

GENERAL NOTES

1. HEIGHT OF INTERIOR CEILING IS 8.0 FEET (2.44 M) UNLESS NOTED.
2. SEE SHEET 2 FOR BUILDING FOUNDATION LOCATION REFERENCES, DISTANCE FROM THE FOUNDATION EXTERIOR TO THE BUILDING INTERIOR WALLS AND AS REQUIRED.
3. SLOPED CEILING SLOPE AT UNIFORM RATE WHICH CAN BE CALCULATED FROM THE PUBLISHED CEILING ELEVATIONS.

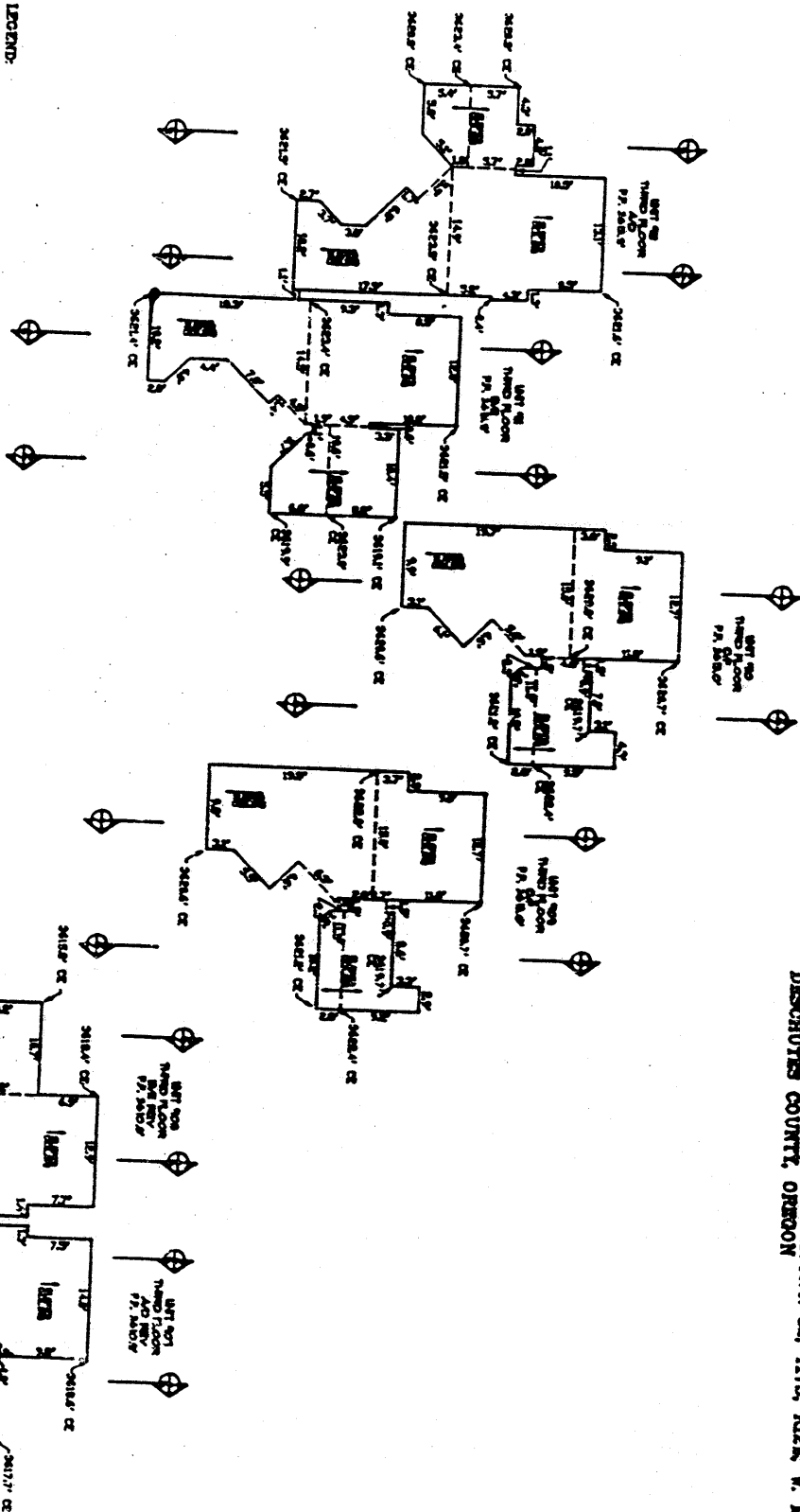
I SAVID K. BATHMAN, DIRECTOR REGISTERS PROFESSIONAL LAND SURVEYOR NO. 1044, IS HOBBY GENTRY, THAT THEY PLAY FULLY AND ACCURATELY REPORTS THE NEARABOUTS OF THE UNITS OF THE BUILDING AND THAT CONSTRUCTION OF THE UNITS AND BUILDING SEVEN MONTHS HAS BEEN COMPLETED.

ELEVATIONS ARE BASED ON 1947 URBAN DATUM AND THE SW CORNER IS CALLED 'KEY'. A LOST PLANS BOOK BY DR. GEORGE HOFFMANN STREET BRIDGE BY THE ELEVATOR. CTRY. 2004-99

284 - 2542

THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A
A REPEAT OF PORTIONS OF LOTS 13 & 14, & 16 THRU 19, BLOCK 1, ALL OF LOT 16, BLOCK 1,
AND A PORTION OF LOTS 1 THROUGH 6, BLOCK 2, FALL STREET ADDITION TO BENTON
AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 32, T17S, R28W, W. 1/4,
DISCHUTES COUNTY, OREGON

**THIRD FLOOR PLAN
SCALE 1" = 20'**



LEGEND:

LIMITED COMMON ELEMENT
SLOPED CEILING BOUNDARY
CEILING ELEVATION

GENERAL NOTES

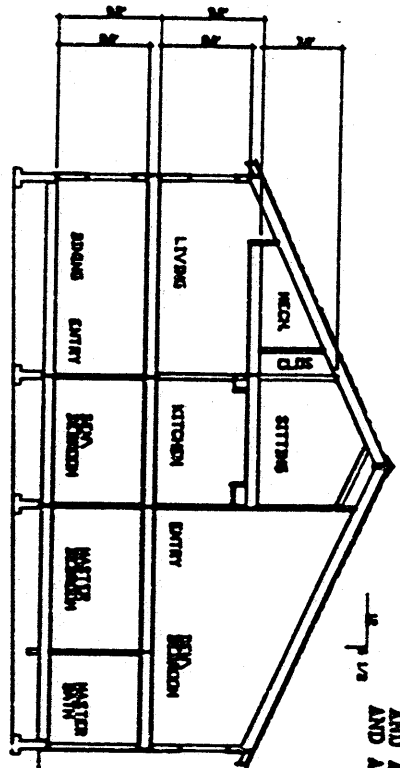
1. ABOVE GRADE INTERIOR CEILING ARE 8.0 FEET NOMINAL.
2. 3/4" SHEET & FLOOR BUILDING STRAP/STATION LOCATION REFERENCES FROM THE FOUNDATION EXTERIOR TO THE BUILDING INTERIOR WALLS ARE AS SHOWN.
3. SLOPED CEILING SLOPE AT WARDING RATE WHICH CAN BE CALCULATED FROM THE PUBLISHED CEILING ELEVATIONS.

1 DAVIS E. SANDER, SENIOR ASSISTANT PROFESSIONAL LAWYER, HAS BEEN IN NEW YORK CITY, THAT THE PLAN FULLY AND ACCURATELY REFLECT THE REALITIES OF THE UNITED STATES AND THAT CONSULTATION BY THE UNITED STATES AND BUILDING SCOW HOBSON HAS BEEN COMPLETED.

ELEVATORS ARE SAID BY 1947 UNDER ACTION AND THE IN LIGHT BE CALLED "EVP". A USED BOATS MEN IN 32 GEORGE NEWPORT STREET BOULEVARD IN THE SUBURBS. ELEV. 3044.50

David Evans and Associates, Inc. 709 NW Wall St. No. 102, Bend Oregon 97701

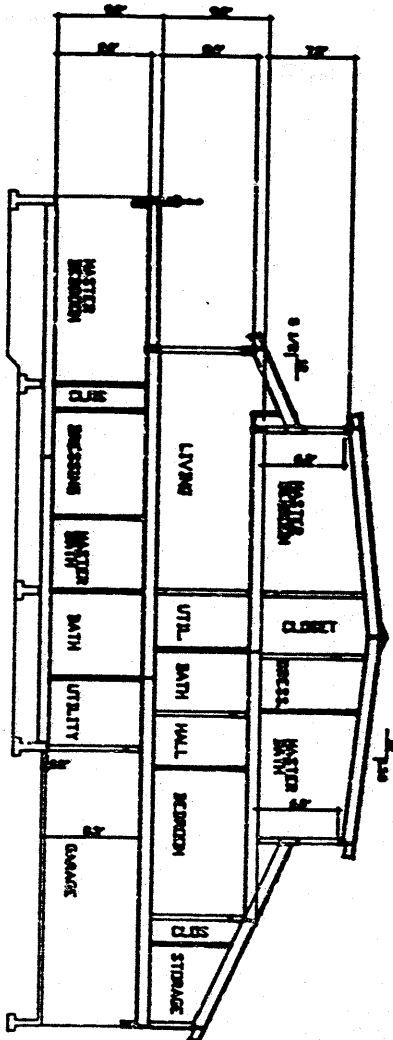
284 - 2543



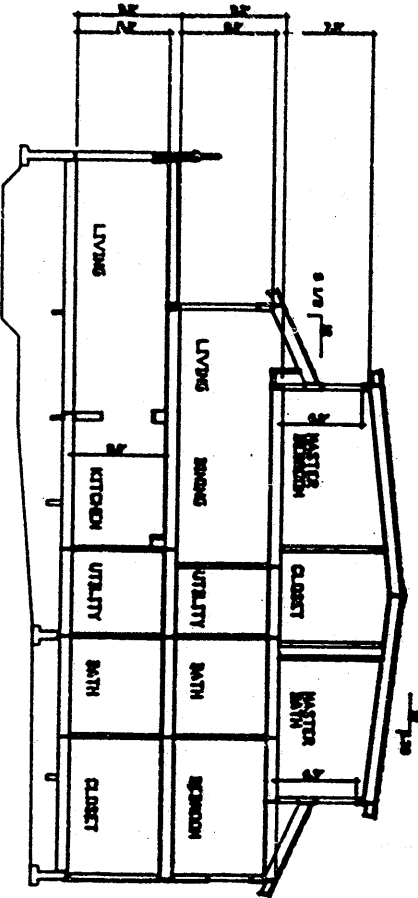
THE HOMES AT RIVERPOINTE, A CONDOMINIUM STAGE A
 A REPLAT OF PORTIONS OF LOTS 13 & 14, & 16 THRU 19, BLOCK 1, ALL OF LOT 16, BLOCK 1,
 AND A PORTION OF LOTS 1 THROUGH 6, BLOCK 2, WALL STREET ADDITION TO BEND,
 AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 32, T17S, R12E, W. 11,
 DESCHUTES COUNTY, OREGON

SECTIONS
 BUILDING PLAN
 A/D & B/E-1
 SCALE 1" = 16'

SECTION A/D - 1



SECTION B/E - 1



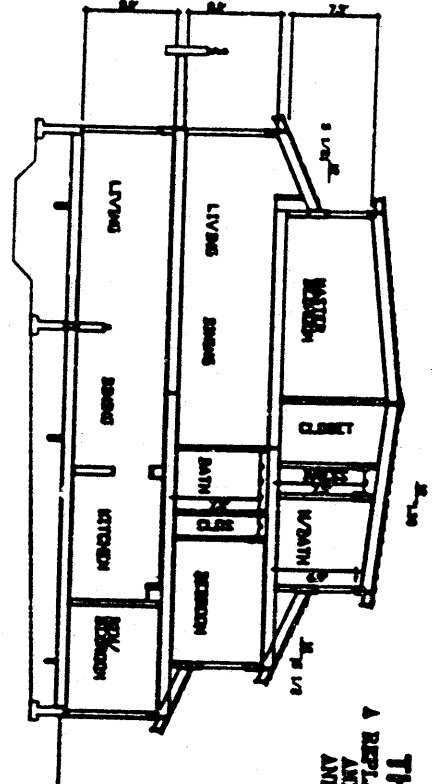
SECTION A/D - 2

BUILDING ELEVATIONS	
UNIT	
101 & 102	103 & 104
107 & 108	109 & 110
111 & 112	113 & 114
115 & 116	117 & 118
119 & 120	121 & 122
123 & 124	125 & 126
127 & 128	129 & 130
131 & 132	133 & 134
137 & 138	139 & 140
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707 & 708	709 & 710
711 & 712	713 & 714
715 & 716	717 & 718
719 & 720	721 & 722
723 & 724	725 & 726
727 & 728	729 & 730
731 & 732	733 & 734
737 & 738	739 & 740
741 & 742	743 & 744
747 & 748	749 & 750
751 & 752	753 & 754
757 & 758	759 & 760
761 & 762	763 & 764
767 & 768	769 & 770
771 & 772	773 & 774
775 & 776	777 & 778
779 & 780	781 & 782
783 & 784	785 & 786
787 & 788	789 & 790
791 & 792	793 & 794
797 & 798	799 & 800
801 & 802	803 & 804
807 & 808	809 & 810
811 & 812	813 & 814
815 & 816	817 & 818
819 & 820	821 & 822
823 & 824	825 & 826
827 & 828	829 & 830
831 & 832	833 & 834
837 & 838	839 & 840
841 & 842	843 & 844
847 & 848	849 & 850
851 & 852	853 & 854
857 & 858	859 & 860
861 & 862	863 & 864
867 & 868	869 & 870
871 & 872	873 & 874
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897 & 898	899 & 900
901 & 902	903 & 904
907 & 908	909 & 910
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923 & 924	925 & 926
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937 & 938	939 & 940
941 & 942	943 & 944
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951 & 952	953 & 954
957 & 958	959 & 960
961 & 962	963 & 964
967 & 968	969 & 970
971 & 972	973 & 974
975 & 976	977 & 978
979 & 980	981 & 982
983 & 984	985 & 986
987 & 988	989 & 990
991 & 992	993 & 994
997 & 998	999 & 1000

ELEVATIONS ARE BASED ON 1947 USGS DATUM AND THE 2ND USED
 IS CALLED "NEVP" A URCE BRASS BEAK IN SE CORNER NEVP
 STREET BRIDGE IN THE SIDEWALK ELEV. 2466.98

284 - 2544

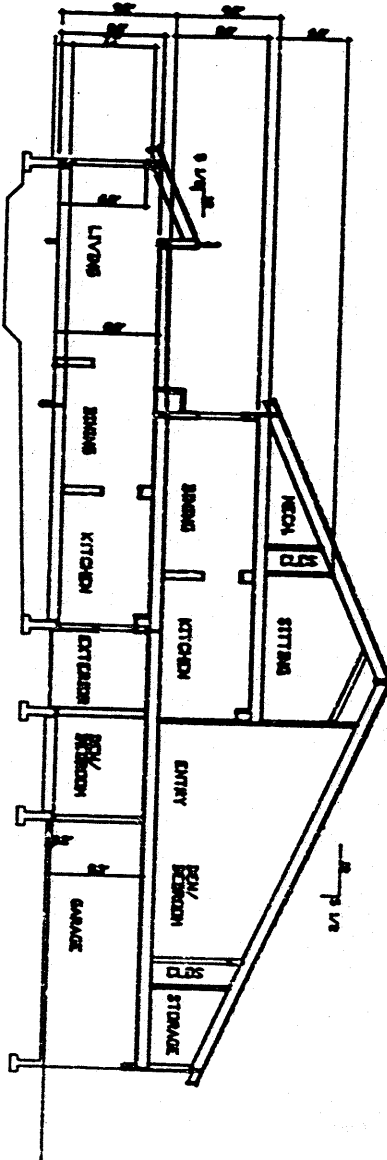
SECTION C/7 - 1



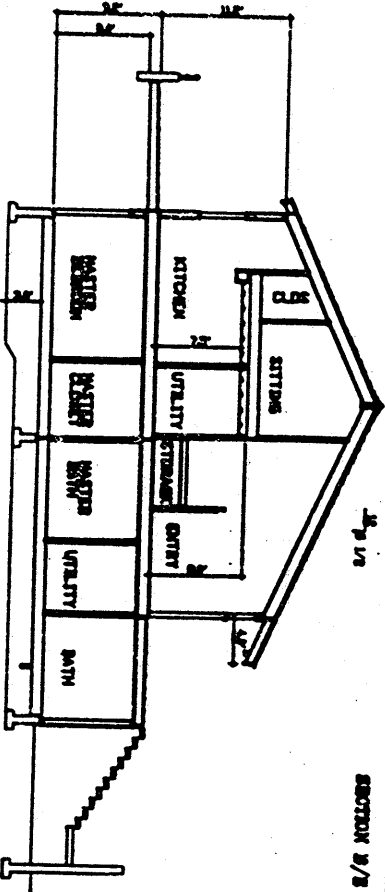
THE HOMES AT RIVERPONT, A CONDOMINIUM STAGE A
 A REPLAT OF PORTIONS OF LOTS 13 & 14, & 16 THRU 19, BLOCK 1, ALL OF LOT 16, BLOCK 1,
 AND A PORTION OF LOT 1 THROUGH 6, BLOCK 2, VALL STREET ADDITION TO BEND,
 AND A PORTION OF THE NW 1/4 OF THE NE 1/4 OF SECTION 22, T17N, R22E, W. 1/4,
 DISCHUTE COUNTY, OREGON

SECTIONS
 BUILDING PLAN
 C/7 & B/2-2
 SCALE 1" = 10'

SECTION B/2 - 2



SECTION C/7 - 2



BUILDING ELEVATIONS

UNIT	101 & 102	103 & 104	105 & 106	107 & 108	109 & 110	111 & 112
UPPER LEVEL FLOOR	3502.7	3504.7	3506.7	3502.7	3504.7	3506.7
MID LEVEL FLOOR	3501.8	3503.8	3505.8	3501.8	3503.8	3505.8
LOWER LEVEL FLOOR	3500.8	3502.8	3504.8	3500.8	3502.8	3504.8

ELEVATIONS ARE BASED ON 1947 U.S. DATUM AND THE BN USED IS CALLED "NEVP" A LOCAL BASS RISK IN SE CORNER NEVP/NTI STREET MARK IN THE SIDEWALK. ELEV. 3502.78

David Evans and Associates, Inc. 709 NW Wall St. No. 102, Bend Oregon 97701

284 - 2545

EXHIBIT "B"

CONDOMINIUM BUDGET

<u>Maintenance</u>	<u>Cost</u>
Re-paint Exterior (\$15,000 every 5-7 years)	\$3,000.00/yr.
Landscape/Snow Removal	\$3,000.00
Seal Coat Parking Lot (\$3,000 every 5 years)	\$ 600.00
Re-paving of Parking Lot (\$15,000 every 12 years)	\$1,250.00
Insurance	\$5,000.00/yr.
Utilities	\$1,000.00/yr.
Administration/Miscellaneous	\$1,500.00/yr.
Re-membrane Roof (\$25,000 every 15 years)	<u>\$1,667.00</u>
TOTAL PROJECT FEES:	\$17,017.00/yr.
TOTAL PER UNIT (28) FEES:	\$ 607.80/yr.
PER MONTH FEES PER UNIT:	\$ 50.60

BYLAWS

OF

THE HOMES AT RIVERPOINTE, A CONDOMINIUM

WHEREAS, RIVERPOINTE CONDOMINIUM PARTNERS LIMITED PARTNERSHIP is the owner of certain real property in Deschutes County, Oregon, and RIVERPOINTE CONDOMINIUM PARTNERS, (hereinafter referred to as "Declarant") intends to develop a condominium project known as The Homes at Riverpointe, a Condominium; and,

WHEREAS, Declarant has executed a Declaration submitting such real property, together with all improvements constructed thereon (hereinafter referred to as the "Property"), to the provisions, restrictions and limitations of the Oregon Condominium Act, ORS 100.005 through ORS 100.990.

NOW THEREFORE, Declarant approves and adopts these Bylaws and annexes the same to the Declaration, which Bylaws and Declaration shall govern the operation of the Property. These Bylaws shall run with the land and shall be binding on and for the benefit of Declarant, acting as the present Association of Unit Owners, and its successors and assigns, and on all subsequent unit owners, and their mortgagees, tenants, occupants, employees and others who may use the Property.

1. DEFINITIONS: As used in these Bylaws, the term:

A. "Association" means all the unit owners acting as a group through an unincorporated association in accordance with these Bylaws.

B. "Majority of the Unit Owners" means the owners of more than 50 percent of the voting rights as provided in the Declaration. Whenever a percentage of the unit owners is specified, percentage means a percentage of voting rights.

C. "Eligible Mortgagee" is the holder of a first security interest in a unit, when the holder has notified the Association, in writing, of its name and address and that it holds a first security interest in a unit. The notice must include the unit number and address of the unit on which it has a security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Section 24.

2. ORGANIZATION OF ASSOCIATION: The Association shall be organized as an unincorporated association. The initial meeting

of the Association shall be held within 30 days following the recording of these Bylaws. Declarant shall give at least seven but not more than 50 days' written notice of the initial meeting to all persons who are unit owners on the date of mailing of the notice.

3. ASSOCIATION RESPONSIBILITIES: The Association will have the responsibility of administering the Property, approving the annual budget, establishing and collecting assessments, arranging for the operation, management and maintenance of the Property, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters, instituting, defending or intervening in litigation or proceedings in its own name or on behalf of two or more unit owners on matters affecting the Property, and taking such other actions and exercising such other powers as are authorized by the provisions of ORS 100.405 as the same may be amended from time to time.

4. TRANSITIONAL COMMITTEE: Within 60 days after the conveyance to persons other than Declarant of a total of 50 percent of the total number of units which Declarant may submit under the Declaration, Declarant shall call a meeting of unit owners to select a transitional committee. Declarant shall give notice in accordance with these Bylaws to each unit owner at least seven but not more than 50 days prior to the meeting. The notice shall state the purpose of the meeting and the time and place at which the meeting is to be held. At such meeting, the unit owners in attendance, other than Declarant, by vote of a majority of those present, shall select a transitional committee composed of three members. The members of the transitional committee shall serve until the turnover meeting to be held pursuant to subsection 5A. The function of the transitional committee shall be that of enabling ease of transition from control of the administration of the Association by Declarant to control by the unit owners. The transitional committee shall have access to all information, documents and records which Declarant must turn over to the unit owners pursuant to the Oregon Condominium Act. If the meeting required pursuant to this Section 4 is not called by Declarant, within the time specified, the meeting may be called and notice given by any unit owner within the time specified.

5. UNIT OWNERS' MEETINGS:

A. Turnover Meeting. Within 90 days after the expiration of the period of Declarant's control of the Association reserved in Section 28 of the Declaration, Declarant shall call a turnover meeting. Declarant shall give notice to each unit owner at least seven but not more than 50 days prior to the meeting. The notice shall state the purpose of the meeting and the time and place at which the meeting is to be held. At the turnover meeting:

(i) Declarant shall relinquish control of the administration of the Association and the unit owners shall assume the control.

(ii) The unit owners shall elect a board of directors in accordance with these Bylaws, and

(iii) Declarant shall deliver to the Association all items required to be delivered at the turnover meeting pursuant to the Oregon Condominium Act.

If Declarant fails to call the turnover meeting within the time specified above, the meeting may be called and notice given by any unit owner or any first mortgagee of a unit. In order to facilitate an orderly transition during the three-month period following the turnover meeting, Declarant or an informed representative of Declarant shall be available to meet with the board of directors on at least three mutually acceptable dates to review the documents delivered under paragraph (iii) of this subsection 5A.

B. Annual Meetings. Subsequent to the turnover meeting, the annual meetings of the Association shall be held on the 10th day in the month of April in each year unless otherwise set by the Board of Directors. At such meetings, the Association shall, by ballot, elect directors and transact such other business as may come before the meeting. If the election of directors shall not be held on the date designated herein for any annual meeting of the unit owners or any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Association as soon thereafter as conveniently may be, not more than 60 days after said time, by proper notice designating the meeting as the annual meeting.

C. Special Meetings. Special meetings of the Association for any purpose or purposes may be called by the Chairman or by a majority of the board of directors and shall be called by the Chairman at the request of not less than 20 percent of the unit owners entitled to vote at the meeting.

D. Place of Meeting. Such place as the board of directors may designate shall be the place of meeting for all annual and special meetings of the unit owners.

E. Notice of Meeting. Written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven nor more than 50 days before the date of the meeting, either personally or by mail, by or at the discretion of the Chairman, the Secretary, or the officer or persons calling the meeting, to each unit owner entitled to vote at such meeting. If mailed, such notice shall

be deemed to be delivered when deposited in the United States mail, addressed to the unit owner at the owner's last known address on the records of the Association, with postage thereon prepaid.

F. Quorum and Voting of Unit Owners. At any meeting of the Association, unit owners owning more than 50 percent of the voting rights, present in person or by proxy, shall constitute a quorum; and the concurring vote of a majority of such unit owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provided by law, these Bylaws, or the Declaration. If less than 50 percent of the voting rights are represented at a meeting, a Majority of the Unit Owners represented may adjourn a meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noted. The unit owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawals of enough unit owners to leave less than a quorum. Declarant shall be the voting owner with respect to any unit owned by the Declarant.

If a voting owner owns or represents more than one unit, the owner shall have votes corresponding with each unit which the owner owns or represents. In the event the owner or owners have pledged their votes regarding special matters to a mortgagee under a duly recorded mortgage and notice thereof has been given to the Secretary or manager of the Association, only the vote of the mortgagee will be recognized in regard to the special matters upon which the votes are so pledged.

An administrator, executor, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held by such individual or organization in such capacity, whether or not the same shall have been transferred to the name of such individual or organization; provided that such individual or officer shall satisfy the Secretary that the individual or officer is the executor, administrator, guardian, or trustee holding such unit in such capacity. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, a vote thereof may be exercised by any one of the owners then present, in the absence of protest by a co-owner or as shall be determined by any Co-ownership Agreement. In the event of protest by a co-owner, the vote shall be divided by the number of co-owners, and each co-owner shall cast an equal fractional vote. unless otherwise determined by any Co-ownership Agreement.

G. Proxies. At all meetings of the unit owners, a unit owner may vote by proxy executed in writing by the unit owner or by the owner's duly authorized attorney in fact. Such proxy shall

be filed with the Secretary of the Association before or at the time of the meeting.

6. BOARD OF DIRECTORS.

A. General Powers. Subsequent to the turnover meeting, the business and affairs of the Association shall be managed by its board of directors, who shall be unit owners. The board shall be responsible for preparing or causing to be prepared and filing any required income tax return or forms for the Association. The board shall also be responsible for the maintenance, upkeep and repair of the common elements. The number of directors of the Association shall be three (3). Each director shall hold office for a term of three years expiring on the date of the third annual meeting of unit owners following the director's election and upon the election and qualification of a successor; provided, however, that one member of the initial board of directors shall be elected for a term of one year, and two members of the initial board of directors shall be elected for a term of two years. Prior to the turnover meeting, Declarant will appoint an interim board of three directors for the Association to serve until replaced by Declarant or until the turnover meeting is held.

B. Regular Meetings. A regular meeting of the board of directors shall be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of unit owners. The board of directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution. The initial organization meeting shall be held immediately following the turnover meeting of the Association. Until the initial meeting of the board, its rights, duties and functions shall be exercised by the Declarant.

C. Special Meetings. Special meetings of the board of directors may be called by or at the request of the Chairman of the board of directors or any two directors. The person or persons authorized to call special meetings of the board of directors may fix the place for holding any special meeting called by them.

D. Notice of Special Meetings. Notice of any special meeting shall be given at least 72 hours previous thereto by written notice delivered personally or mailed to each director at the director's residence or business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. In the event that a majority of units in the project are the principal residences of the occupants, for other than

emergency meetings, notice of the board of directors' meetings shall be posted in a place or places within the project at least three days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform unit owners of such meetings. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

E. Quorum of Directors. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors; but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Each director shall have one vote.

F. Manner of Directors Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

G. Vacancies on Board of Directors. Any vacancy occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors even if there exists less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by election at an annual meeting or at a special meeting of the unit owners called for that purpose.

H. Presumption of Assent. A director who is present at a meeting of the board of directors at which action on any matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

I. Removal of Directors. All or any number of directors may be removed with or without cause at a meeting expressly called for that purpose by a vote of a Majority of the Unit Owners then entitled to vote at an election of directors. Any director who ceases to be a unit owner shall cease to be a director.

J. Reimbursement of Directors. The directors may be reimbursed for their reasonable expenses related to attendance at meetings of the directors.

K. Directors May Engage Manager. The board of directors may retain the services of an individual or firm to act as Manager or Managing Agent and may employ, or instruct such Manager or Managing Agent to employ, such other persons as may be necessary from time to time for the maintenance, upkeep and repair of the common elements. All such agreements shall provide for a term of three years and may be terminated, with or without cause, upon 90 days notice to all parties affected. When professional management has been previously required by any Eligible Mortgage Holder or eligible insurer or guarantor, whether such entity becomes an Eligible Mortgage Holder or eligible insurer or guarantor at that time or after, any decision to establish self-management by the Association shall require the prior consent of owners of at least 67 percent of the units and the approval of Eligible Mortgage Holders holding mortgages on at least 51 percent of the units subject to Eligible Mortgage Holder mortgages.

L. Directors to Adopt Administrative Rules and Regulations. Administrative rules and regulations shall be adopted by Declarant and shall be binding as though they are a part hereof.

The board of directors shall have the power to amend such administrative rules and regulations as may be necessary or desirable to govern the details of the operation and use of the units and common elements, including such rules as are desirable to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners.

M. Attendance by Unit Owners. All meetings of the board of directors of the Association shall be open to unit owners.

N. Annual Report and Amendment. The Association shall file an annual report and any amendment to reports required under ORS 100.250(1) with the Secretary of State in accordance with ORS 100.250.

7. OFFICERS

A. Number. The officers of the Association shall be a Chairman, a Secretary and a Treasurer, each of whom shall be elected by the board of directors. No two offices may be held by the same person.

B. Election and Term of Office. The officers shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the

unit owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until a successor shall have been duly elected and shall have qualified, or until the officer's death, or until the officer shall resign or shall have been removed in the manner herein provided.

C. Removal. Any officer elected or agent designated by the board of directors may be removed by the board of directors whenever, in its judgment, the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the persons so removed.

D. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the board of directors for the unexpired portion of a term.

E. Chairman. The Chairman shall, when present, preside at all meetings of the unit owners and the board of directors and shall perform all duties incident to such office and such other duties as may be prescribed by the board of directors from time to time. The Chairman shall be the principal executive officer of the Association and subject to the control of the board of directors. The Chairman shall, in general, supervise and control all the business and affairs of the Association and sign with the Secretary, or any other proper officer of the Association authorized by the board of directors, any deeds, mortgages, bonds, contracts or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

F. Secretary. The Secretary shall:

(i) Keep the minutes of the meetings of units owners and the board of directors in one or more books provided for that purpose;

(ii) See that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law;

(iii) Be custodian of the Association records; and

(iv) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman or the board of directors.

G. Treasurer. The Treasurer shall:

(i) Have charge and custody of and be responsible for all funds of the Association;

(ii) Receive and give receipts for monies due and payable to the Association from any source whatsoever;

(iii) Deposit all monies in the name of the Association in such banks, trust companies or other depositories as shall be selected by the board of directors; and

(iv) In general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Chairman or the board of directors.

8. FIDELITY BONDS. The Association, through the board of directors, shall require that all officers, directors, employees and agents of the Association handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be common expenses.

9. RECORDS AND AUDIT. The Association shall keep financial records sufficient for proper recording purposes. The board of directors may appoint a certified public accountant or certified public accounting firm as auditor, who shall not be an officer of the Association or own any interest in any unit, to audit the books and financial records of the Association. Within 90 days after the end of each fiscal year, the board of directors shall distribute to each unit owner a copy of the annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year. The Association shall make available to the unit owners and lenders, and co holders, insurers or guarantors of any first mortgage, for their inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of the Declaration, Bylaws, and other rules concerning the Property and the books, records and financial statements of the Association. The Association of Unit Owners shall retain the documents, information and records delivered to the Association by the Declarant at the turnover meeting. Said documents, information and records and all other records of the Association of Unit Owners shall be reasonably available for examination by a Unit Owner and any mortgagee of a unit upon written request.

10. CONTRACTS. The board of directors may authorize any officer or director, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association; and such authority may be general or confined

to specific instances. The board shall have the right to make additions, alterations, or improvements to the common elements and to pay for the same out of the reserve funds established by the board, or to specifically assess the several units therefor as a common expense.

11. LOANS. No loan shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors and approved by the affirmative vote of the owners of 75 percent of the voting rights. Such authority may be general or confined to specific instances.

12. CHECKS, DRAFTS AND VOUCHERS. All checks, drafts, vouchers and other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by the resolution of the board of directors.

13. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, savings and loan associations or other depositories as the board of directors may select. All reserves to cover the cost of capital expenditures shall be kept in a separate bank account and shall not be commingled with the general operating funds of the Association.

14. COMMON EXPENSES. The owner of each unit shall be liable for and pay a share of the common expenses in proportion to his interest in the common elements. Common expenses shall include the cost of all utilities, except for the cost of utilities which are billed by the provider of the utility services directly to the individual owners, assessments, insurance, including fire and other casualty and liability insurance, cost of repair, reinstatement, rebuilding, or replacement of the premises, including the dividing walls between adjoining outdoor decks, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, management, and operation actually incurred on or for the common elements. Common expenses shall also include such amounts as the board of directors may deem proper to make up any deficit in the common expenses of any prior year. The Declarant has established a reserve account for the periodic maintenance, repair, and replacement of certain common elements, which will normally require replacement in more than three and less than 30 years pursuant to the Oregon Condominium Act. Such reserve account shall be maintained out of regular assessments for common expenses and shall be used only for replacement of common elements and shall be kept separate from assessments for routine maintenance. Following the second year after the turnover meeting referred to in subsection 5A, future

assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than 75 percent of all voting rights. In the event that a stage or stages are submitted to the provisions hereof during the Association of Unit Owners fiscal year, the common expenses shall be adjusted on the basis of the period of time that the owners of units in such additional stage or stages shall be members of the Association of Unit Owners.

15. COLLECTION OF UNIT OWNERS' SHARES OF COMMON EXPENSES.

A. Statements. Unit owners' shares of common expenses shall be collected either annually or monthly, in advance, by the Treasurer of the Association. Each unit owner shall be entitled to receive from the Treasurer at the time of payment of common expenses an itemized statement of common expenses. Such itemized statement shall be prepared in such manner as the board of directors shall determine.

B. Late Charges. The board of directors may impose a late charge not to exceed five percent of the amount of any statement which is not paid within 15 days after it is rendered. The imposition of a late charge shall be without prejudice to any other remedy available to the Association.

C. Liens. The Association shall have a lien as provided in Section 19 of the Declaration. If the Association records a lien notice, the unit owner shall be liable for the cost of preparation and recording of the notice.

16. INSURANCE. The Association, through the board of directors, shall obtain and maintain at all times and shall pay for out of common expense funds the following insurance covering both the common elements and individual units, including fixtures, equipment, and other property which would ordinarily be required to be covered by a holder of a first mortgage:

(i) Property insurance including, but not limited to, fire, extended coverage, vandalism and malicious mischief, and

(ii) Insurance covering the legal liability of the Association, the unit owners individually and the manager, including but not limited to, the board of directors, the public and the unit owners and their invitees or tenants, incident to ownership, supervision, control or use of the Property. There may be excluded from the policy required under this subsection, coverage of a unit owner, other than coverage as a member of the Association or board of directors, for liability arising out of acts or omissions of that unit owner and liability incident to the ownership or use of the part

of the Property as to which that unit owner has the exclusive use or occupancy. Liability insurance required under this subsection shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement providing that the rights of a named insured under the policy shall not prejudice any action against another named insured.

The Association must, with regard to such insurance, observe the requirements under FNMA Lending Guide, Chapter 3, Part 5, Insurance Requirements, or the applicable provisions of any successor publication.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

Each unit owner appoints any Insurance Trustee or substitute Insurance Trustee designated by the Association, as an attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear.

17. INDEMNIFICATION OF DIRECTORS AND OFFICERS. Each director and officer of the Association now or hereafter in office, and any directors or officers, heirs, executors and administrators, shall be indemnified by the Association against all costs, expenses, amounts or liability therefor, including counsel fees, which are reasonably incurred by or imposed upon the director or officer in connection with or resulting from any action, suit, proceeding or claim to which the director or officer may be made a party, or in which the director or officer may be or become involved by reason of the director's or officer's acts or alleged acts of omission or commission as such director or officer, or subject to the provisions hereof, any settlement thereof, whether or not the director or officer continues to be such director or officer at the time of incurring such costs, expenses or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit or proceeding to have been

individually guilty of willful misfeasance or malfeasance in the performance of duties as such director or officer. Further, the indemnification herein provided shall apply with respect to any settlement of any such suit, action, proceeding or claim, including reimbursement or any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding or claim when, in the judgment of the board of directors, a settlement or reimbursement appears to be in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or officer may be entitled under any agreement, vote of unit owners or otherwise.

18. REPAIR AND MAINTENANCE OF UNITS. Every unit owner shall at all times keep the unit owner's unit in good order and repair and shall promptly perform all such work within the owner's unit, the omission of which would affect any common elements or other units, and shall be responsible for all loss and damage caused by his failure to do so.

All repairs of internal installations within each unit, such as water, light, gas, power, sewers, telephones, sanitation, doors, windows, lamps and all other fixtures and accessories belonging to such unit, including interior walls and partitions and the innerdecorated or finished surfaces of the perimeter walls, floors and ceilings of such unit, and the interior surfaces of any limited common element appurtenant to such unit, excluding the dividing walls between adjoining outdoor decks, shall be at the unit owner's expense.

Every unit owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common element or furniture, furnishings, and equipment thereof damaged or lost through the fault of such unit owner or any person using the project under the owner and shall give prompt notice to the managing agent of any such damage, loss or other defect when discovered.

19. COLLECTION FROM TENANTS. All leases or rental agreements for units shall be in writing and specifically subject to the requirements of the Declaration and Bylaws. If the unit owner shall at any time rent or lease the owner's unit and shall default for a period of 30 days or more in the payment of the unit owner's proportionate share of common expenses and of taxes and assessments, or any installment thereof, the board may, at its option, so long as such default continues, demand and receive from any tenant of the unit owner occupying the unit the rent due or becoming due from such tenant to the unit owner, up to an amount sufficient to pay all sums due from the unit owner, including interest, if any, and any such payment of such rent to the board by the tenant shall be sufficient discharge of such tenant as between such tenant and the unit owner to the extent of

the amount so paid. But any such demand or acceptance of rent from any tenant shall not be deemed to be a consent to or approval of any lease by the unit owner or a release or discharge of any of the obligations of the unit owner hereunder. In the event the board makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the board to make such demand, but shall be obligated to make said payments to the board, as demanded by the board, with the effect as aforesaid; provided, however, the board may not exercise this right if a receiver has been appointed to take charge of the premises pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

20. COMPLIANCE.

A. Subordination. These Bylaws are subordinate and subject to the provisions of the Declaration and all amendments thereto and the Oregon Condominium Act; and in case of any conflict the latter shall control. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or the Oregon Condominium Act.

B. Interpretation. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or board of directors to conduct or engage in any act or business for profit on behalf of any of or all the unit owners.

21. AMENDMENTS. Amendments to these Bylaws may be proposed by resolution of the board of directors or by a unit owner. Any proposed amendment shall be delivered in writing, either personally or by mail, to each unit owner entitled to vote not less than ten nor more than 50 days before the date of the meeting at which the proposed amendment will be voted upon or attached to any request for amendment. If mailed, such notice or request shall be deemed to be delivered when deposited in the United States mail addressed to the unit owner at the unit owner's last known address on the records of the Association, with postage thereon prepaid. No amendment of the Bylaws proposed in either of such ways shall be effective unless approved by a Majority of the Unit Owners, except for amendments relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy units and limitations on the rental or leasing of units which shall require approval by 75% of the unit owners, either in writing or at a duly constituted meeting, and until a copy of the By-laws, as amended, or the amendment thereto, has been certified by the Chairman and Secretary of the Association, approved by the Real Estate Commissioner, if required by law, and recorded with the recording officer of Deschutes County, Oregon.

These Bylaws may not be amended to limit or diminish any special declarant right of Declarant without the consent of Declarant.

22. RULES AND REGULATIONS.

a. Maintenance and Repair.

1. Each unit owner must perform promptly all cleaning, maintenance and repair work within his own unit, and the two vehicle garage appurtenant to said unit, which if omitted would affect the common elements of the condominium, or the garage, or a part hereof belonging to the other unit owners, and shall be responsible for the damages and liabilities that his failure to do so may cause.

2. Each unit owner shall be responsible for the repair, maintenance or replacement of windows, doors and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans lighting fixtures and lamps, fireplaces and flues, refrigerators, dishwashers, ranges, ovens or other appliances and accessories that may be in or connected with his unit, including the appurtenant garage, regardless of whether such items are designated common elements.

3. Each unit owner shall keep the patio areas that are designated as limited common elements appurtenant to his unit in a neat, clean and sanitary condition. Said patio areas may not be used for storage of any item or material.

4. Each unit owner shall keep all garage doors of his designated garage closed except when exiting or entering the garage.

5. No unit owner shall repair or perform maintenance on vehicles in any common area of the Condominium.

6. No unit owner shall change the oil or otherwise perform lubrication on any vehicle within the Condominium property.

7. No unit owner shall discharge or cause to be discharged any petroleum product or other toxic material into the drainage system or onto the ground or any surface of the Condominium which would eventually enter the drainage system of the Condominium.

8. A unit owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any general or limited common element damaged through his fault or at his direction.

9. All other maintenance, repair and replacement to the

general and limited common elements shall be made by the Association as a common expense.

b. Use of Units; Internal Changes; Alterations.

1. All units shall be used for residential purposes only, and all common elements shall be used in a manner conducive to such purposes. Any lease or rental agreement shall provide that the terms of said agreement shall be subject in all respects to the provisions of the declaration and Bylaws and that any failure by the tenant to comply with the term of such documents shall be a default under said agreement.

2. A unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness or safety of the Condominium, reduce the value thereof, impair any easement or hereditament or increase the common expenses of the Association unless the consent of all the other unit owners affected is first obtained. Subject to this limitation, however, a unit owner may:

(i) Make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

(ii) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium. The Board of Directors may require the unit owner, at his own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

c. Use of the Common Elements.

A unit owner shall not place or cause to be placed upon the patios, balconies, porches, decks and other condominium areas and facilities of a similar nature, any furniture, packages, or objects of any kind, except that suitable furniture may be placed on the decks and balconies, if any. A unit owner may not change the appearance of the common elements or the exterior appearance of a unit without permission of the Board of Directors. Subject

to limitations contained in the Bylaws, a unit owner may use the common elements in accordance with the purposes for which they are intended; but a unit owner may not hinder or encroach upon the lawful rights of the other unit owners.

d. Use Restrictions. The units and the common elements are subject to the following restrictions:

1. Without prior written approval of the Board of Directors, no advertisements, posters, or signs of any kind shall be displayed to public view on or from any unit or the common elements except signs used by Declarant to advertise units for sale or lease.

2. All persons shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, television and amplifiers that may disturb other residents.

3. No pets of any kind shall be raised, kept or permitted within the condominium or any part thereof.

4. No garments, rugs and similar items shall be hung from the windows or from any of the facades, decks, porches, stairways, or within the limited common area patios of the condominium. It is prohibited to hang or shake dust rags, mops and similar items from the windows or decks, porches, patios or stairways, or to clean such items by beating them on an exterior part of the buildings.

5. No garbage, trash or other waste shall be deposited or maintained on any part of the common elements except in areas or containers designated for such items by the Association.

6. No person shall install wiring for electrical or telephone installation, television antenna, machines or air condition units, or similar devices on the exterior of the condominium or cause them to protrude through the walls or the roof of the condominium except as authorized by the Board of Directors. No exterior window guards, awnings, or shades, or exterior lights or noise making devices shall be installed without the prior consent of the Board of Directors.

7. In order to preserve the attractive appearance of the condominium, the Board of Directors may regulate the nature of items which may be placed in or on windows, decks, patios, balconies, porches and the outside walls so as to be visible from other units, the common elements or outside the condominium. All such items shall be maintained in a neat, clean and sanitary manner by the unit owner. All windows shall be covered with material that is white or lined with white, or as the Board approves.

8. Vehicular traffic on the streets and drives within the condominium shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks.

9. No trucks, boats, house trailers, motorhomes, pickup campers, mobile homes or like recreational vehicles shall be used for residential purposes nor shall they be stored or parked on the common elements except in areas, if any, specifically so designated by the Board of Directors.

10. No commercial activities of any kind shall be carried on in any unit or in any other portion of the condominium without the consent of the Board of Directors, except activities relating to the rental or sale of units. This provision, however, shall not be construed so as to prevent or prohibit a unit owner from maintaining his professional personal library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls, or occasionally conferring with business or professional associates, clients or customers, in his unit.

11. Nothing shall be done or kept in any unit or in the common elements which will increase the cost of insurance on the common elements. No unit owner shall permit anything to be done or kept in his unit or in the common elements which will result in cancellation of insurance on any unit or any part of the common elements.

ADOPTION OF BYLAWS

The undersigned hereby adopts the foregoing on behalf of the Association as the Bylaws of the Association of Unit Owners of The Homes at Riverpointe, a Condominium, this 18th day of September, 1992.

RIVERPOINTE CONDOMINIUM PARTNERS
by RIVERPOINTE ASSOCIATES, General
Partner

By PENNBROOK DEVELOPMENT CO.

By: [Signature]
John G. Bacon, Jr.

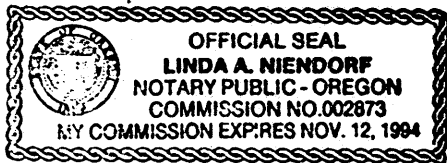
By BEND RIVERFRONT DEVELOPMENT CO.

By: [Signature]
Don Bauhofer

284 - 2564

STATE OF OREGON, County of Deschutes, ss:

Personally appeared the within-named John G. Bacon, Jr. who *Sam* acknowledged ~~that he is the Vice President of Pembrick Development Co.~~ and that he is authorized to execute the foregoing instrument on behalf of the corporation. Before me this 18th day of September, 1992.



Linda A. Niendorf
Notary Public for Oregon
My Commission Expires 11-12-94

STATE OF OREGON, County of Deschutes, ss:

Personally appeared the within-named Don Bauhofer, who acknowledged that he is the President of Bend Riverfront Development Co. and that he is authorized to execute the foregoing instrument on behalf of the corporation. Before me this 18th day of September, 1992.



Linda A. Niendorf
Notary Public for Oregon
My Commission Expires 11-12-94

STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

92 DEC -9 PH 3: 18

MARY SUE PENHOLLOW
COUNTY CLERK

BY: *M. J. Bartko* DEPUTY

NO. 92-41294 FEE 230.00

DESCHUTES COUNTY OFFICIAL RECORDS