

DESCHUTES COUNTY OFFICIAL RECORDS
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DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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DECLARATION SUBMITTING SIX SISTERS CONDOMINIUM TO CONDOMINIUM OWNERSHIP

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, real property hereinafter described (the "Real Property") and buildings, structures, improvements, easements and any right and appurtenances now existing or to be constructed on such real property in Deschutes County, Oregon, to be known as SIX SISTERS CONDOMINIUM.

Recitals, Intent and Purpose

Six Sisters LLC, represented by Daniel J. Desler and Joseph M. Van Lom (collectively "Declarant"), is owner in fee simple of the Real Property described herein below, and desire to submit the Real Property to the Condominium form of ownership, to be converted, handled and used in the manner provided by the Oregon Condominium Act.

NOW THEREFORE,

Declaration

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

Lot 5, Pine Meadow Village- Phase I. A subdivision of record situated in the Northeast quarter of Section 8, Township 15 South, Range 10 East, Willamette Meridian, City of Sisters, Deschutes County, Oregon. Particularly described as follows: Beginning at a 5/8 inch iron rod set on the northerly right of way of West Jefferson Avenue set iron rod marking the southwest corner of said Lot 5 of Pine Meadow Village; run thence North 0' 05' 00" East 146.52 feet to a 5/8 inch iron rod; thence North 45' 00' 00" East 96.00 feet to a 5/8 inch iron rod; thence South 48' 58' 27" East 130.09 feet to a 5/8 inch iron rod; thence South 0' 05' 00" West 160.00 feet to a 5/8 inch rod on the northerly right of way of said West Jefferson Avenue; run thence along said right of way on the arc of a 530.00 foot radius curve to the right the long chord of which bears North 80' 34' 18" West 134.52 feet to a 5/8 inch iron rod; thence along a 590.00 foot radius curve to the left the long chord of which bears North 74' 57' 21" West 34.48 feet to the place of beginning in the City of Sisters, Deschutes County, Oregon.

1. Definitions.

Except as otherwise provided or modified by this Section 1, the terms contained herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., and said statute and its definitions are incorporated herein. As used in the Declaration and in the bylaws (the "Bylaws") of the Six Sisters Condominium Association (the "Association"), the following terms shall have the following meanings:

PAGE 1 DECLARATION

RETURN TO: ARCHITECTS VAN LOM & CO c/o Joe VAN LOM
34 NW FIRST, SUITE #309
PORTLAND ORE 97209

"Association" shall mean and refer to the Six Sisters Condominium Association, which shall be an Oregon nonprofit corporation.

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

"Mortgage" means a recorded first mortgage, first trust deed or first contract of sale that creates a first lien against a Unit, and "Mortgagee" means the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the Association a current name and mailing address.

"Unit" means the airspace encompassed by the undecorated interior surface of the perimeter walls, floors and ceilings which is owned in fee simple by each owner of a Condominium Unit and which is more specifically described in Section 3.2 of this declaration.

2. Real Property Description.

The real Property that is submitted hereunder to the Oregon Condominium Act is located in Deschutes County, Oregon, and is more particularly described in Exhibit "A." Each Owner shall hold fee simple title to the Unit and an undivided interest in the common elements, easements, rights and appurtenances pertaining thereto when such property is conveyed to the Owner by the Declarant. Prior to such conveyance, the Declarant shall hold fee simple title to all Units and the appertaining common elements.

3. Name and Unit Description.

3.1 Name.

The name by which the Real Property hereunder shall be known is Six Sisters Condominium.

3.2 Boundaries of Units.

Each unit shall be bounded by a plane along exterior surfaces of the studs forming its demising and perimeter walls, the top surface of the sub-floors, and the underside surface of the roof sheathing. The Units shall include windows and window frames, doors and door frames, trim, all wallboard, paneling, tiles, wallpaper, paint, finished flooring, interior lighting, water heater, heating and air conditioning unit, controls, filters, shall be a part of the unit, except those portions of the walls, floors or ceilings that materially contribute to the structural or shear capacity of the condominium and any other materials constituting of any part of its finished surfaces other than the exterior surfaces of the unit. All other portions of the exterior walls, floors, or ceilings shall be a part of the common elements. In addition, each Unit shall include the following:

- (a) All spaces, nonbearing interior partitions and all other fixtures improvements within the boundaries of the Unit; and
- (b) All outlets of utility service lines, including, but not limited to, power, light,

propane, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the unit, but shall not include any part of such lines or ducts themselves.

In interpreting deeds, Mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the buildings and regardless of variances between boundaries as shown on the plat being recorded simultaneously with this Declaration (the "Plat") and those of the actual building or buildings.

3.3 Building Description and Unit Designation.

The Real Property has three habitable buildings, totaling six condominium units, three garage buildings, and one bicycle/maintenance space. The Condominium buildings consist of one story, wood frame construction with wood and shingle siding and a composition shingle roof. The designation, location, and floor area of each Unit are shown below and on the Plat.

Each Unit will be entitled to a 16.67 % undivided interest in all common elements, or as shown below. Each Unit's interest in the common elements shall be inseparable from the unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary of an undivided interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred. Each Unit's interest in the common elements is determined by calculating the sum of the floor space of each Unit. For this calculation, the 1204 building square feet of each unit is approximated for each of the six units. Each Unit is responsible for common expenses based on the percentage below.

The Unit number, location, area of the Unit, and percentage of ownership and expense obligation in common elements is as follows:

<u>Unit No.</u>	<u>Location</u>	<u>Area (in square feet)</u>	<u>Percentage of Ownership and expenses in Common Elements</u>
#668	Building 3	1204 S.F. Building	16.67
#664	Building 3	1204 S.F. Building	16.67
#662	Building 2	1204 S.F. Building	16.67
#660	Building 2	1204 S.F. Building	16.67
#658	Building 1	1204 S.F. Building	16.66
#656	Building 1	1204 S.F. Building	<u>16.66</u>
TOTAL			100.00 %

4. General Common Elements.

4.1 Definitions

The general common elements consist of all portions of the Condominium that are not part of a Unit or a limited common element, including, without limitation, the following:

- (a) The land;
 - (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, entrances and exits of the building(s);
 - (c) The yards, landscaping to the street, gardens, dry wells, parking areas to the street right of way, walks, refuse area and the bicycle/maintenance area.
 - (d) Installations of common services, such as power, satellite dish or cable, outside lighting on common meter, landscape sprinkler system and waste disposal lines at the perimeter of any Unit;
 - (e) The propane storage tank and vendor ground line, pumps, motors, ducts and, in general, all apparatus and installations existing for common use;
- and
- (f) All other elements of any building that are necessary or convenient to its existence, maintenance and safety or that are normally in common use.

4.2 Maintenance, Repair and Replacement of General Common Elements; Liability for Common Expenses.

Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner, of his invitee, guest or servant shall be repaired by the Association at such owner's sole cost and expense. Although repair, maintenance and replacement of door and door frames (including patio), windows and window frames and screens shall be the responsibility of individual owners, exterior painting shall be the responsibility of the Association. Common expenses shall be assessed and apportioned among the owners as set forth in Section 3.3 of this Declaration.

4.3 Income From General Common Elements.

All income derived from any common elements shall be income of the Association. The Board of Directors may, in its discretion, use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and Unit owners in a substantially equal manner.

5 Limited Common Elements.

The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 Definitions.

- (a) Each paved patio and covered entry porch is a limited common element appertaining to the Unit which it adjoins as noted below and on the Plat.
- (b) There is a limited common element garage, with storage above, which is designated on the Plat as P-A through P-F. Each Unit is assigned the limited common element garage space noted below:

Garage Unit No.	Garage Assignment	Garage square footage (sf)	Unit Covered Porch	Patio
#668	P-A	245 sf	196 sf	312 sf
#664	P-B	245 sf	196 sf	288 sf
#662	P-C	245 sf	196 sf	272 sf
#660	P-D	245 sf	196 sf	228 sf
#658	P-E	245 sf	196 sf	228 sf
#656	P-F	245 sf	196 sf	234 sf

5.2 Maintenance, Repair and Replacement of Limited Common Elements; Liability for Common Expense.

Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the limited common elements shall be a common expense, which shall be assessed and apportioned pursuant to Section 3.3 of this Declaration, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner or his invitee, guest or servant shall be repaired by the Association at such owner's sole cost and expense. Any income derived from any limited common element shall be income of the association used to defray maintenance costs.

6 Limited Common Element Parking.

Each Unit has one (1) garage parking space with storage above appertaining to it as a limited common element, as more particularly set forth in Section 5 of this Declaration. There are eight additional general common element parking spaces which are available to owners and guests on a first come first served basis, subject to any rules adopted by the Board of Directors.

7 Voting.

The owner or co-owners of each Unit shall be entitled to one (1) vote per Unit. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the Units by the Declaration. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of the Bylaws.

8 Use of Property.

8.1 General.

Each Unit shall be used for residential, home occupation; or vacation purposes only. The common elements shall be used for furnishing of services and facilities to Unit owners. Every Unit owner shall have an easement to enjoy and use the general common elements in the manner for which they were intended. Additional restrictions and regulations shall be set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws.

8.2 Rules and Regulations Promulgated by the Association.

The board of Directors shall have the authority from time to time to promulgate such rules and regulations as the Board may deem to be in the best interest of the Association. No person shall use the common elements or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without limiting the generality of the foregoing, the Board of Directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things: (a) the payment by the Unit owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements and the administration and operation of the Condominium property; and (b) the payment by the Unit owner of assessments required of the Pine Meadows Village C.C. & R's including their amendments; and (c) the observance by the Unit owner and his guests, invitees and servants, of the provisions of the Declaration, the Bylaws and the Association's rules and regulations.

8.3 Right of Ingress and Egress.

Each Unit owner shall have a perpetual right of ingress and egress to and from the owner's Unit. This right shall pass to all successors in interest to the Unit when the Unit is transferred voluntarily, or by operation of law. Any attempt to transfer voluntarily or involuntarily any common element ownership interest separately from the transfer of the Unit to which such interest pertains shall be void.

9 Contracts and Leases.

All contracts or leases that are entered into before the turnover meeting (including any management contract) shall be terminable without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other party by the Association given not later than sixty (60) days after the turnover meeting. Provided, however, that any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section 9.

10 Bylaws:

On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "B" to govern the administration of the Condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

11 Service of Process.

The designated agent to receive service of process in cases set forth in ORS 100.550(1) shall be named in the Condominium Information Report, which shall be filed with the Oregon Real Estate Agency in accordance with ORS 100.260.

12 Mortgagees.

In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental Condominium Declaration, the provisions of this Section 12 shall prevail. The terms "Mortgage" and "Mortgagee" are defined in Section 1 of this Declaration.

12.1 Notice of Action.

Upon the written request of a mortgage holder, insurer, or guarantor to the Association, identifying the name and address of such person and the number or address of the Unit on which a mortgage has been placed, such mortgagee, insurer or guarantor shall be entitled to timely notice of the following:

- (a) Any condemnation loss or casualty loss that affects either a material portion of the Condominium or any Unit securing its mortgage;
- (b) Any sixty (60) day delinquency in the payment of assessments or charges owed by an owner of any Unit on which it holds a mortgage;
- (c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association;
- (d) Any proposed action that would require the consent of a specified percentage of eligible mortgage holders.

12.2 Mortgagee Exempt From Certain Restrictions.

Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including, but not limited to, restriction on the age of Unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the Unit. Provided, however, that the Mortgagees shall not be exempt from the restriction that Units cannot be rented for periods of fewer than two (2) days.

12.3 Subordination of Association Lien to Mortgage; Discharge of Lien Upon Foreclosure.

The lien of the Association shall be subordinate to any first Mortgage. Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by

foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, and any purchaser at the foreclosure sale of a first Mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue before such Mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

12.4 Professional Management.

Upon the written request of holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium, the Board of Directors may employ a professional manager to manage the affairs of the Association. Without the prior written approval of the holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium, the Association may not terminate professional management and assume self-management of the Condominium. Additionally, if professional management has previously been required by any mortgage holder, any such decision to establish self-management shall require prior consent of the owners of Units to which sixty-six percent (66%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice.

12.5 Consent of Mortgages to Change Percentage Ownership of Common Elements.

The Unit owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of directors, any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance shall be made with the Declaration, the Association's Articles of Incorporation, any Supplemental Condominium Declaration, Bylaws as required by law and as required by the Oregon Condominium Act.

12.6 Consent of Mortgages Required to Terminate Project.

Except with respect to termination of the Condominium as a result of destruction, damage or condemnation, any termination of the Condominium shall require the written approval of holders of first mortgages that represent at least sixty-six percent (66%) of the votes of mortgaged Units in the Condominium. Provided, however, such consent will be deemed given if a mortgage does not object in writing within thirty days (30) after notice of the proposed termination. Additionally, any such termination shall be carried out by the owners pursuant to provisions of the Declaration, any applicable Supplemental Condominium Declaration, the Association's Articles of Incorporation, the Bylaws and the Oregon Condominium Act and shall be carried out only after vote of the owners, as provided in such provisions.

12.7 Limited Right of Amendment.

Except upon the written approval of holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium, no amendment

any of the following may be made to the Declaration or the Bylaws:

- (a) voting right;
- (b) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of common elements;
- (c) reductions in reserves for maintenance, repair, and replacement of common elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interest in the general or limited common elements, or rights to their use;
- (f) redefinition of any Unit boundaries;
- (g) convertibility of Units into common elements or visa versa;
- (h) expansion or contraction of the Condominium project, or the addition, annexation, or withdrawal of property to or from the Condominium project;
- (i) hazard or fidelity insurance requirements
- (j) imposition of any restrictions on the leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (l) restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the documents; or
- (m) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

The provisions of this Section are intended to limit only the right of the Unit owners, the Board of Directors and the Association to amend the Declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees, if its purpose is to correct technical errors or if it is to clarify.

clarify.

12.8 Request for Approval of Mortgagees.

Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Unit owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within thirty (30) days after receipt of such request.

12.9 Proxy Held by Mortgagee in Certain Cases.

If a Mortgagee reasonably believes that the Association has failed to maintain the common elements so as to prevent excessive wear and tear, such Mortgagee may attend a meeting of the Association and may cast the vote as the mortgagor of the Unit on which such Mortgagee holds a Mortgage if the proposal under consideration concerns painting or otherwise maintaining the common elements, including imposing special assessments necessary to pay for such maintenance. Provided, however, such right shall arise only in the event the Mortgagee reasonably believes the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.10 Right to Examine Documents.

The Association shall make available to Unit owners, lenders and Mortgagees current copies of the Declaration, the Bylaws, the Articles of Incorporation, other rules concerning the Condominium, and the books, records and financial statements of the Association. The Association shall have the right to impose a reasonable charge for any copies requested by owners, lenders or Mortgagees.

12.11 Right to Receive Annual Reports.

The holders of first mortgages representing at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any), shall cooperate with such mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

12.12 Right to Receive Written Notice of Meetings.

Upon a Mortgagee's written request, the Association shall give all Mortgagees written notice of all meetings of the Association, and such Mortgagees shall be permitted to designate a representative to attend all such meetings. Meetings shall be scheduled a minimum of two times per year and shall coincide with major holidays and weekends. A proxy can be provided for Owner's not in attendance, but wishing to cast their votes. Conference call representation may be allowed in order to constellate a quorum for conducting official Association business.

12.13 List of Mortgagees.

The Association shall maintain a list of Unit Mortgagees who have given the Association notice on any matter described in Section 12 of this Declaration, provided to the Association by the Owners, which list shall include their names, addresses, the Units and mortgagors affected, and the matters with respect to which such Mortgagees have requested

notice, provided that such information has been furnished to the Association by the owners or their Mortgagees.

13 Amendments to Declaration

Except where a larger percentage of approval is required by law, this Declaration may be amended from time to time by approval of Unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior to written consent.

13.1 Declarant's Approval Required.

Declarant's prior written consent shall be required for any amendment to this Declaration until the earlier of the following dates: the date on which seventy-five percent (75%) or more of the Units in the Condominium have been conveyed to owners other than the Declarant and the date on which two (2) years have elapsed since the first conveyance of a Unit in the Condominium. Provided, however, that even thereafter, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law. No amendment may change the size, location, percentage or interest in the common elements, method of determining liability for common expenses, right to common profits or voting power of any Unit(s) unless such amendment has been approved by the owners and the Mortgagees of the affected Unit(s).

13.2 Recordation; County Assessor and Commissioner Approval Required.

An amendment to the Declaration shall be effective upon recordation in the Deed Records of Deschutes County, Oregon, certified to by the chairman and secretary of the Association and approved by the County Assessor and the Real Estate Commissioner. Approval by the commissioner shall not be required for an amendment to a declaration transferring the right of use of a limited common element pursuant to ORS 100.515(5).

14 Subdivision.

No Unit may be subdivided into divisions of any nature.

15 Authority to Grant Easements, Rights-of-Way, Licenses and Other Similar Interests/Encroachments.

15.1 General.

The Association shall have the authority to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements on behalf of Unit owners, provided that the granting of any such interest has been approved by at least seventy-five percent (75%) of the Unit owners. An instrument granting any such interest shall be executed by the chairman and secretary of the Association, shall be acknowledged in the manner provided for acknowledgment of such instruments by such officers, and shall state that such grant was approved by at least seventy-five percent (75%) of the unit owners.

15.2 Utility Easements; Dedications.

Anything in this Declaration to the contrary notwithstanding, the Declarant shall have the right to execute, deliver and record on behalf of the Association and the Unit owners such documents as may be required to grant easements, rights-of-way and licenses over the common elements for the installation, maintenance and repair of public utilities serving the Condominium or adjacent property. The Declarant shall also have the right to execute, deliver and record on behalf of the Association and the Unit owners such deeds and other documents as may be required to convey, dedicate, or grant such easements, rights-of-way or licenses over common elements, as may be required by any government agency in order to complete development of the Condominium. To effect the intent of this Section 15.2, each Unit owner, by acceptance of a deed or contract to a Unit, whether or not it shall be expressed in such deed or contract, for himself and his successors in interest, irrevocably appoints, or his nominee, as his lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder. The Power of Attorney and the rights under this Section shall expire at such time as the Declarant no longer own a Unit or three (3) years from the date this Declaration is recorded, whichever is earlier.

15.3 Encroachments.

There shall be an easement for any encroachment of the common elements on any Unit or an encroachment of any Unit on the common elements or another Unit arising from the original construction, reconstruction, authorized repair, shifting, settling or other movement of any portion of the condominium improvements. Such easements shall exist indefinitely and may be terminated only by the voluntary act of the party who benefits from the easement(s).

16 Declarant's Special Rights.

The Declarant shall have the following special rights:

16.1 Sales Office and Model.

The Declarant shall have the right to maintain sales and/or rental offices and sales and/or rental model in one or more of the Units that Declarant owns. Declarant, their agents and prospective purchasers shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

16.2 "For Sale" and "For Rent" Signs.

The Declarant may maintain a "For Sale" and/or "For Rent" sign at reasonable location on the Condominium property, but must be consistent with Pine Meadows Village C.C.&R. restrictions and or City ordinances.

16.3 No Capital Assessments Without Consent.

Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns the greater of two (2) Units or thirty three percent (33%) of the total number of Units in the Condominium. Nothing contained in this Section 16.3 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

16.4 Common Element Maintenance by the Association.

The Association shall maintain all common elements in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.

16.5 Declarant's Easements.

The Declarant and their agents and employees, shall have an easement on and over the common elements for the completion of any portion of the Condominium, including the furnishing and decoration of any Unit, sales office or model, and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

16.6 Declarant's Other Special Rights.

The rights reserved to the Declarant in this Section 16 shall in no way limit any other special rights that Declarant, as Declarant, may have, whether pursuant to the Oregon Condominium Act or otherwise. Upon the expiration of any or all such special rights; the Declarant shall have the same rights as any other owner in the Condominium with respect to such ownership.

16.7 Assignment of Declarant's Rights.

The Declarant shall have the right to assign any and all of its rights, including, without limitation, Declarant's special rights, as set forth in this Section 16, or to share such rights with one (1) or more other persons exclusively, simultaneously, or consecutively.

16.8 Expiration of Declarant's Special Rights.

Unless otherwise provided, the Declarant's special rights, as reserved in this Section 16, shall expire upon the conveyance by the Declarant of the last Unit owned by the Declarant or three (3) years after the first conveyance of a Unit in the Condominium, whichever is earlier.

17 General Provisions.

17.1 Interpretation.

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

17.2 Severability.

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

17.3 Waiver of Rights.

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

17.4 Legal Proceedings.

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

17.5 Costs and Attorneys' Fees.

In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms and provisions of this Declaration (as amended), the Bylaws (as amended), rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In addition, the Association (or Declarant) shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

17.6 Compliances.

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

17.7 Conflicting Provisions.

In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Articles, Bylaws and the rules and regulations, and the Articles shall be paramount to the rules and regulations. For purposes of this Section 17.7, the term "Declaration" shall include all amendments to this Declaration, and the term "Bylaws" shall include all amendments to the Bylaws.

17.8 Section and Paragraph Captions.

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

The undersigned Declarant of the subject property have caused this Declaration to be executed this 14 day of September, 2001.

Daniel J. Desler
Daniel J. Desler

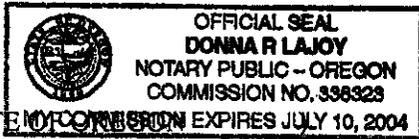
Joseph M. Van Lom
Joseph M. Van Lom

STATE OF OREGON)
County of Marion)

ss.

Sept 21st, 2001

Personally appeared the above named Daniel J. Desler, and acknowledged the foregoing instrument to be his voluntary act and deed.



STATE OF OREGON)
County of Marion)

ss.

Donna R. Lajo
NOTARY PUBLIC FOR OREGON

Sept 21st, 2001

Personally appeared the above name Joseph M. Van Lom, and acknowledged the foregoing instrument to be his voluntary act and deed.



Donna R. Lajo
NOTARY PUBLIC FOR OREGON

The foregoing Declaration is approved pursuant to ORS 100.110 this 14th day of November, 2001, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT TAYLOR
Real Estate Commissioner
By: Brian DeMarco
Brian DeMarco

The foregoing Declaration is approved pursuant to ORS 100.110 this 20 day of November, 2001.

COUNTY ASSESSOR
By: Scott Hampton
by Gregory R. Lee
Chief Cartographer
11-20-01