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**CONDOMINIUM DECLARATION  
FOR  
ROOTED AT 19TH CONDOMINIUM**

**Declarant: RH 19th LLC, an Oregon limited liability company**

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**CONDOMINIUM DECLARATION  
FOR  
ROOTED AT 19TH CONDOMINIUM**

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, real property hereinafter described (the "Real Property") and all improvements now existing or to be constructed on such real property, to be known as ROOTED AT 19TH CONDOMINIUM.

**Recitals, Intent and Purpose**

RH 19th LLC, an Oregon limited liability company ("Declarant") desires to submit the Real Property described herein below to the Condominium form of ownership, to be converted, used and owned in the manner provided by the Oregon Condominium Act, and is the owner of the leasehold estate as the lessee under the Gound Lease.

NOW, THEREFORE,

**Declaration**

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

1. **Definitions.** Except as otherwise provided or modified by this Section, 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 this Declaration and in the bylaws (the "Bylaws") of the Rooted at 19th Condominium Association (the "Association"), the following terms shall have the following meanings:

1.1 Association shall mean and refer to the Rooted at 19th Condominium Association which shall be an Oregon nonprofit corporation.

1.2 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.

1.3 Ground Lease means that certain Ground Lease Redmond, Oregon between Kor Community Land Trust, an Oregon nonprofit public benefit corporation as lessor (referred to therein as "landlord"), and RH 19<sup>th</sup> LLC, an Oregon limited liability company as Declarant and lessee (referred to therein as "tenant"), affecting the real property described in Exhibit A, which Ground Lease was recorded on May 14, 2025, in the Deed Records of Deschutes County, Oregon as Document No. 2025-12357.

1.4 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.

1.5 Unit or unit means any unit for separate occupancy and the airspace encompassed by the boundaries more specifically described in Section 3.2 of this Declaration.

1.6 Unit owner means a person, including Declarant, who owns the leasehold estate in a unit in the Condominium. The term "unit owner" does not include a person holding only a security interest in a unit. If a unit is sold under a recorded real estate instalment sale contract, the purchaser (rather than the seller) will be considered the unit owner unless the contract specifically provides to the contrary. The rights, obligations, and other status of being a unit owner commence upon acquisition of the ownership of the leasehold estate in a unit and terminate upon disposition of such ownership, but termination of ownership does not discharge an owner from obligations incurred prior to termination.

## **2. Submission of Property to Condominium Statute.**

2.1 Submitting the Leasehold Estate. The Real Property that is submitted hereunder to the Oregon Condominium Act is located in Redmond, Deschutes County, Oregon, and is more particularly described on Exhibit "A-1", the real property designated as Tract A, a non-withdrawable variable property tract as more particularly described on Exhibit "A-2", the combined description of which is as described on Exhibit "A" and is held by Declarant and conveyed by Declarant as a leasehold estate. The Declarant's leasehold estate is established and governed by the Ground Lease. The land subjected to the Ground Lease is in the City of Redmond, Deschutes County, Oregon as described as in Exhibit A to the Ground Lease and which land is more particularly described by metes and bounds in the attached Exhibit A (the "Real Property"), is owned in fee simple estate by Kor Community Land Trust (herein, the "Ground Lessor"). The property submitted includes all of Declarant's rights and interests in the leasehold estate and in all buildings, improvements, and structures, all easements, and rights, and appurtenances located on, belonging to, or used in connection with the Real Property.

The Ground Lease permits the lessee, RH 19<sup>th</sup> LLC as Declarant, to construct residential buildings containing twenty-three (23) dwelling units. The Ground Lease requires the lessee to repair and maintain all improvements at its own expense and to pay taxes and assessments during the term of the Ground Lease, and for the Association to assume such maintenance obligations under the Ground Lease that are not assigned to unit owners under this Declaration and Bylaws. The Ground Lease has a term of ninety-nine (99) years, unless extended by the Ground Lessor and Declarant.

The acquisition of the leasehold interest of any unit owner by the Ground Lessor will not merge the leasehold and fee simple interests as to that unit unless the leasehold interests of all unit owners in the Condominium are acquired and the owner thereof records an instrument confirming the merger. The acquisition of the reversion or remainder interest in the Real

Property by any unit owner will not merge the leasehold and fee simple interests as to that unit unless the reversion or remainder is acquired jointly by the unit owners of all units in the land and the owners thereof record an instrument confirming the merger.

The Ground Lease requires the Declarant to convey the condominium units through partial assignments of the lessee's interest, rights, and obligations in the Ground Lease and not through a sublease. Any conveyance of a unit owner's entire interest in a condominium unit occurring after the initial conveyance from Declarant must be accomplished through an assignment of the owner's interest in the Ground Lease and not through a sublease.

2.2 Status of Ground Lessor. The Ground Lessor has executed this Declaration solely for the purpose of evidencing its consent to the submission of the fee simple interest in the Real Property to the Condominium and its agreement to the obligations of Ground Lessor set forth herein. The Ground Lessor is not a declarant, and the Ground Lessor has no rights or obligations of a declarant under the Oregon Condominium Act. The Ground Lessor is beneficiary of the obligations of the unit owners and Association under this Declaration.

### 3. Name and Unit Description.

3.1 Name. The name by which the Real Property hereunder shall be known is Rooted at 19th Condominium.

3.2 Boundaries of Units. The initial twelve (12) units are located within six (6) buildings. The four (4) buildings comprising Units 1A, 1B, 8A, 8B, 9A, 9B, 10A and 10B are duplex townhome-style buildings. Each building contains two (2) separate living spaces therein. The one (1) building comprising Units 2A, 2B and 2C is a tri-plex townhome-style building with three (3) separate living spaces contained therein (collectively, the multi-unit buildings shall be referred to as "Townhome Units"). The building comprising Unit 12 is a separate detached existing home ("Existing Unit"). No part of a Unit shall include the land. Each Unit contains all elements of that portion of the building and no part of any building or Unit constitutes common elements.

Each Unit consists of the cubic airspace which encompasses a portion of the building, the boundaries of which are as follows:

#### Townhome Units:

Exterior sides: A vertical plane extending upward and downward from the exterior face of the foundation of the building bumping out to accommodate overhangs and covered porches and patios.

Between Units: A vertical plane equidistant between the two stud walls separating the Units.

The lower boundary: A horizontal plane six (6) feet below the finished surface of the first floor of the condominium building.

The upper boundary: A horizontal plane six (6) feet above the roof peak of the condominium building.

Existing Unit:

Exterior sides: A vertical plane extending upward and downward from the exterior face of the foundation of the building bumping out to accommodate overhangs and covered porches.

The lower boundary: A horizontal plane six (6) feet below the finished surface of the first floor of the condominium building.

The upper boundary: A horizontal plane six (6) feet above the roof peak of the condominium building.

All Units Include:

Notwithstanding that such structures or appurtenances may protrude into the common element area, the Unit shall also include the following:

3.2.1 All spaces, structural walls, foundation, beams, trusses, footings, nonbearing interior partitions, windows, window frames, exterior doors, door frames, flooring and all other fixtures and improvements within the boundaries of the Unit;

3.2.2 All outlets, lines and pipes of utility service lines, including, but not limited to, electrical power, natural gas, solar, water, heating, refrigeration, air-conditioning and waste disposal connected to the Unit within the boundaries of the Unit, and extending therefrom up to the point they serve more than one (1) Unit notwithstanding that they may extend into the common elements; and

3.2.3 Roof overhangs, eaves, decorated exterior surfaces and other appurtenances to the building exterior, including support posts and beams notwithstanding that they may extend into the common elements. No part of the building constitutes a common element.

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

3.4 Building Description and Unit Designation. The Real Property described on Exhibit A-1 has five (5) two-story buildings thereon and one (1) two-story existing building with a basement for a total of six (6) buildings. One (1) building comprises three (3)

Condominium Units, four (4) buildings comprise two (2) Condominium Units, and one (1) building comprises one (1) Condominium Unit. The Townhome Units buildings, which are two-story, wood frame construction on a slab on grade foundation with fiber cement siding with wood accents and asphalt shingle roofing, contain eleven (11) Units in total. The Existing Unit is two-story, wood frame construction with a basement of which roughly fifty percent (50%) contains a crawl space and roughly fifteen percent (15%) is slab-on-grade foundation, vinyl siding and asphalt shingle roof. The vertical and horizontal boundaries, number designation, location and dimension of each Unit are shown on the Plat. The number designation, Unit area and approximate square footage living area of the Units is also shown below.

The allocation to each Unit of an undivided interest in the common elements is divided among the Townhome Units based on the number of bedrooms after assigning the Existing Unit 12.5% interest in the common elements. The allocation of the undivided interest in the common elements after the reclassification of Tract A will be determined by the same method, such that Townhome Units have an allocation of the percentage interest in the common elements and expense obligation based on the number of bedrooms, and the Existing Unit shall be assigned 6.78%.

The numerical designation, approximate square footage living area, Unit area, percentage of ownership in common elements and expense obligation of each Unit are as follows:

<u>Unit No.</u>	<u>Bedrooms</u>	<u>Approximate Square Footage Living Area*</u>	<u>Unit Area**</u>	<u>Percentage of Expense Obligation for Townhomes Only</u>	<u>Percentage of Ownership in Common Elements &amp; General Expense Obligation – All Units</u>
<u>Townhome Units:</u>					
1A	2	1080	616	7.141%	6.250%
1B	3	1490	837	10.710%	9.375%
2A	3	1460	843	10.710%	9.375%
2B	2	1100	600	7.141%	6.250%
2C	3	1460	843	10.710%	9.375%
8A	2	1080	629	7.141%	6.250%
8B	3	1490	846	10.710%	9.375%
9A	2	1100	636	7.141%	6.250%
9B	3	1460	842	10.710%	9.375%
10A	2	1080	633	7.141%	6.250%
10B	3	1490	845	10.710%	9.375%
<u>Existing Unit:</u>					
12		1663	1510		<u>12.5%</u>
TOTAL				100%	100%

\*The approximate square footage living area of the Existing Unit (Unit 12) has been computed by the Declarant, but could vary from actual measurements. The approximate square footage living area of each of the other Townhome Units listed above have been taken from construction plans, but could vary from actual physical measurements. The Declarant believes that the figures set forth above are reasonably accurate.

\*\*The Unit area is different from the approximate square footage living area. The Unit area is based on the boundaries of the Unit set forth in Section 3.2.

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

3.5 Development Plan; Flexible Condominium; Variable Property. The Condominium is a flexible condominium as defined in the Oregon Condominium Act. The Declarant intends to create twenty-three (23) Units, the first phase being twelve (12) Units. As additional Units are built, Variable Property Tract A will be reclassified into Units and common elements. The number of phases has not yet been determined.

3.5.1 Special Declarant Rights. The Declarant is reserving all of the rights provided under ORS 100.150(1). There are no limitations on the rights reserved by the Declarant under ORS 100.150(1).

3.5.2 Variable Property. There is one (1) variable property tract in the Condominium dimensioned, designated and depicted on the Plat as Nonwithdrawable Variable Property Tract "A". All of Nonwithdrawable Variable Property Tract "A" is nonwithdrawable variable property.

3.5.3 Termination Date. The date after which any right reserved by the Declarant under ORS 100.150(1) will terminate is seven (7) years from the date of recording of the conveyance of the first Unit in the condominium to a person other than the Declarant. The termination date may be extended by five (5) years as provided in ORS 100.105(3).

3.5.4 Maximum Number of Units. The maximum number of Units which may be created on the variable property is eleven (11) for a total number of twenty-three (23) Units in the Condominium once Nonwithdrawable Variable Tract "A" is reclassified as Units and common elements.

3.5.5 Percentage Ownership in the Common Elements. As additional Units are created by one or more supplemental condominium declarations, each Unit's percentage ownership in the common elements will be recalculated in the method specified in Section 3.4 above.

3.5.6 Liability for Common Expenses. As additional Units are created by one or more supplemental declarations, each Unit's liability for general and limited common

expenses and right to common profits shall be recalculated in the method described in Sections 3.4 and 10.6.

3.5.7 Reservation of Rights. The Declarant hereby reserves the right to construct Units on the variable property, the floor plans of which may differ from those of Units created by this Declaration which may have larger or smaller floor areas. However, the exterior style shall be compatible with those of the buildings in which the Townhome Units are located and all Units and buildings will be substantially completed before they are reclassified as Units.

3.5.8 Automatic Reclassification of Variable Property. The Plat depicts Nonwithdrawable Variable Property Tract "A" as nonwithdrawable variable property. If or to the extent Nonwithdrawable Variable Property Tract "A" has not been reclassified by the termination date or any extension thereof, the remaining portions thereof will automatically be reclassified as general common elements.

3.5.9 Voting Rights. As additional Units are created by one or more supplemental declarations, the method used to allocate voting rights to the newly created Units shall be the same as stated in Section 7 in the Declaration, i.e., each owner shall be entitled to one (1) vote per Unit.

3.5.10 Limited Common Elements. The Declarant reserves the right to create limited common elements on the variable property. The types that may be created include structural components of building(s) and yards, patios, walkways, driveways and fences appurtenant to the Unit to which it adjoins as shown on the plat.

3.5.11 Association Rights. The Association shall have the rights set forth in ORS 100.155(3). There is no withdrawable property. Therefore, the rights under 100.155(2) do not apply.

3.5.12 Improvements on Variable Property. There are no existing improvements on the variable property. There will be no significant proportionate increase in assessments when the variable property is reclassified.

3.5.13 Easement. After the reclassification of Tract A, each Unit owner shall have an easement over, under and through the limited common elements of the other Units for connecting to, maintaining, repairing and replacing their limited common elements and utility installations, including, without limitation, natural gas (if any), electrical, water and sewer serving their Unit. Reasonable advance notice shall be given to the affected owner prior to work being done and affected owner shall not unreasonably deny access.

3.6 Maintenance, Repair and Replacement of Units. All portions of the structures containing the Units are within the boundaries of the Units, and no portion is a general common element. Except as provided herein, all maintenance, repair and replacement of the Unit and components thereof are the responsibility of the Unit owner, including, without limitation: (i) windows and doors, mechanical operation, glass, hardware and lock maintenance, repair and replacement; (ii) mechanical, electrical, fire suppression sprinkler systems, solar panels, utility

lines, pipes and equipment, hose bibs and plumbing systems serving the Unit maintenance, repair and replacement; (iii) structural components, framing, furring, sheeting, sheetrock, insulation, interior finishes, fixtures, appliances, nonbearing interior partitions, walls, flooring, crawl and attic space maintenance, repair and replacement; and (iv) stone, concrete, foundation, and flatwork maintenance, repair and replacement. Without intention to limit the generality of the foregoing in any respect, each owner shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements that shall be necessary or desirable in order to accomplish the foregoing.

Notwithstanding the foregoing, the maintenance, repair and replacement of the exteriors of the Townhome Units, including roofing, gutters, downspouts, painting, caulking and siding, shall be performed by the Association as a common expense. All other portions of the Townhome Unit shall be maintained, repaired and replaced by the Unit owner.

All maintenance, repair and replacement of the Existing Unit 12 and components thereof (interior and exterior), including, without limitation, utility lines, pipes and equipment serving the Unit, shall be performed and paid for by the owner of Unit 12.

Every owner shall prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other owners, and every owner shall be responsible for the damages and liabilities that owner's failure to maintain and repair may cause.

The cost of maintenance, repair and replacement of the limited common elements shall be borne by the Unit to which such limited common elements pertain and the performance of such work shall be the responsibility of such Unit owner.

If an owner fails to properly maintain, repair or replace any portion of such owner's Unit and/or limited common elements, the Association may perform such work and specially assess the owner for the cost thereof, either before or after the work has been performed.

#### **4. General Common Elements.**

4.1 Definition. 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:

- 4.1.1 The land;
- 4.1.2 Drywells;
- 4.1.3 Landscaping;
- 4.1.4 Common driveway and parking areas;
- 4.1.5 Trash enclosure;

4.1.6 Bike parking structures and bike parking areas;

4.1.7 Community garden area and associated storage;

4.1.8 Sidewalks, fences, street trees and landscaping in the public right-of-ways;

4.1.9 Electric vehicle charging stations (if and when installed); and

4.1.10 Installations of central services serving more than one Unit, such as sewer lines, electrical power and water lines.

4.2 Maintenance, Repair and Replacement of General Common Elements and Utility Lines; Liability for Common Expense. 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 or owner's invitee, guest, tenant or servant shall be repaired by the Association at such owner's sole cost and expense. Sewer lines, water lines and other utility lines, pipes and equipment serving a single Unit (even though they are outside the Unit boundary) shall be maintained, repaired and replaced by such Unit owner. The meters and water, sewer and other utility lines, pipes and equipment serving more than one Unit shall be maintained, repaired and replaced by the Association. Common expenses shall be assessed and apportioned among the owners as set forth in Section 10.6 of this Declaration.

4.3 Maintenance, Repair and Replacement of Sidewalk, Fences, Street Trees and Right-of-Way Landscaping Strip. The Association shall maintain, repair and replace the sidewalk, fences, landscaping and street trees in the landscaping strip in the public right-of-way.

## **5. Limited Common Elements.**

### **5.1 Definitions.**

5.1.1 Parking Spaces. The parking space depicted on the Plat as LCE PARKING 12 is a limited common element assigned to Unit 12, the use of which shall be restricted to Unit 12.

5.1.2 Yard. The yard depicted on the Plat as LCE YARD 12 is a limited common element appertaining to Unit 12, and any and all improvements therein, including fences, walkways, driveways and patios, the use of which shall be restricted to Unit 12.

5.1.3 Patios. Each of the patios depicted on the Plat as LCE PATIO (UNIT NUMBER) is a limited common element appertaining to the Unit which it adjoins, the use of which shall be restricted to the Unit to which it pertains, the Unit number designating the Unit to which it pertains.

5.2 Maintenance, Repair and Replacement of Limited Common Elements; Liability for Common Expense. The cost of maintenance, repair and replacement of the limited common elements and anything thereon shall be borne by the Unit or Units to which such limited common element pertains, and the performance of such work shall be the responsibility of the owner of such Unit. Provided however, if an owner fails to properly maintain, repair or replace any limited common element pertaining to such owner's Unit, the Association may perform such work and specially assess the owner for the cost thereof, either before or after the work has been performed.

6. **Parking.** Parking spaces shall be available for the use of the owners and their guests, subject to rules and assignments promulgated by the Association. The Board of Directors may grant an exclusive easement to each owner of a specific parking space. The parking space over which an easement has been granted to a Unit owner shall be used for parking a household vehicle of the occupant of the Unit to which the easement is appurtenant and for the guests of such occupant. The parking spaces shall be used in accordance with the rules and regulations promulgated by the Board of Directors. Provided however, if a fair housing accommodation request is made, the Unit owner will be required to transfer parking spaces. Unit 12 has a limited common element parking space for parking.

7. **Voting.** The owner 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 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 or this Declaration.

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, the Units or any part thereof in any manner contrary to or inconsistent with such rules and regulations. The Board of Directors shall have the authority to fine such owners who are not in compliance with the rules and regulations. The amount and the procedure to impose such fines shall be established by Board resolution.

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, involuntarily, 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) intended to bind the Association 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; Association; Management.**

10.1 Adoption of 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 the Bylaws and this Declaration.

10.2 Association; Membership. The name of the Association shall be Rooted at 19th Condominium Association. The Association shall operate under the name Rooted at 19th Condominium Association or a name as close to that name as is permitted by the Oregon Secretary of State. Each owner of a Unit in the Condominium shall be a member of the Association, and membership therein shall be limited to Unit owners only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Unit owners may take action with regard to the administration, management and operation of the Condominium. The Association shall be an Oregon nonprofit corporation.

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

10.4 Interim Board and Officers. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors to manage the Condominium until the turnover meeting. The turnover meeting shall be held within ninety (90) days after the earlier of the following dates: the date on which seventy-five percent (75%) of the Units the Declarant has reserved to create in the Condominium have been conveyed to persons other than the Declarant or the date on which seven (7) years have elapsed since the date of recording of the first conveyance of a Unit in the

Condominium to a person other than the Declarant. The one (1) to three (3) member(s) of the interim board shall also serve as the interim officers.

10.5 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, any Supplemental Declaration, the Articles of Incorporation for the Association, the Bylaws, and ORS 100.405(4) and all other provisions of the Oregon Condominium Act.

10.6 Covenant to Pay Assessments; Liability for Common Expense. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of owner's Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof shall be liable for the common expense and funding of any replacement reserves, if any, both of which shall be apportioned among the Units based upon each Unit's percentage of ownership in the common elements allocated to such Unit. Certain services provided through the Association may be billed on a per Unit basis rather than on the basis of percentage ownership. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties. No Unit owner may offset amounts owing or claimed to be owing by the Association or the Declarant to the Unit owner. Assessments shall be levied against all Units not later than the first day of the month next following the date when the first Unit is conveyed to a person other than the Declarant.

10.7 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws, Association rules or regulations, or applicable law.

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 100.250(1).

12. Mortgagees. In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental 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. A Mortgage holder, insurer or guarantor of a Mortgage shall be entitled to timely notice of the following:

12.1.1 Any condemnation loss or casualty loss that affects either a material portion of the Condominium or any Unit securing its Mortgage;

12.1.2 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;

12.1.3 Any lapse, cancellation or material modification of any insurance policy maintained by the Association;

12.1.4 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, restrictions 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 Mortgagees shall not be exempt from the restriction that Units cannot be rented for periods of fewer than thirty (30) days, if any.

12.3 Subordination of Association Lien to Mortgage; Discharge of Lien Upon Foreclosure. Except as otherwise provided by law, the lien of the Association shall be subordinate to any first Mortgage. Subject to the procedural requirements of the Oregon Condominium Act, any first 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 shall 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-seven percent (67%) 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 Mortgagees to Change Percentage Ownership in 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, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees 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-seven percent (67%) of the votes of mortgaged Units in the Condominium. Provided, however, such consent will be deemed given if a Mortgagee does not object in writing within sixty (60) days after notice of the proposed termination, provided the notice was delivered by certified or registered mail, return receipt requested. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the 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 that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:

- 12.7.1 voting rights;
- 12.7.2 increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of common elements;
- 12.7.3 reductions in reserves for maintenance, repair, and replacement of common elements;
- 12.7.4 responsibility for maintenance and repairs;
- 12.7.5 except as provided in this Declaration, reallocation of interests in the general or limited common elements, or rights to their use;
- 12.7.6 redefinition of any Unit boundaries;
- 12.7.7 convertibility of Units into common elements or vice versa;
- 12.7.8 except as provided in this Declaration, expansion or contraction of the Condominium project, or the addition, annexation, or withdrawal of property to or from the Condominium project;
- 12.7.9 hazard or fidelity insurance requirements;
- 12.7.10 imposition of any restrictions on the leasing of Units;

12.7.11 imposition of any restrictions on a Unit Owner's right to sell or transfer owner's Unit;

12.7.12 restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the documents; or

12.7.13 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 affect 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 to clarify unclear language.

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 sixty (60) 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 of 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 holder of any Mortgage on a Unit 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.

12.13 List of Mortgagees. The Association shall maintain at all times a list of Mortgagees who have given the Association notice on any matter described in Section 12 of this Declaration, 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 seventy-five percent (75%) approval of the Unit owners. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent.

13.1 Declarant's Approval Required. To the fullest extent permitted by law, Declarant's prior written consent shall be required for any amendment to this Declaration for a period of ten (10) years from the date of the closing of the sale by Declarant of the last unit to a person other than a successor declarant or from the date of the turnover meeting, whichever is later. 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. Provided, further, no amendment is permitted to Sections 16, 17 and 18 herein without Declarant's written consent. Except with respect to permitted Supplemental Condominium Declarations reclassifying Tract A, no amendment may change the size, location, percentage of 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 chairperson 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).

13.3 Supplemental Declarations. At the Declarant's sole option, the Declarant may execute and record one or more supplemental condominium declarations, the provisions of which are consistent with Section 3.5 above, without the consent or approval of the Board of Directors, the Association, the Unit owners, or any Mortgagee(s).

**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; Easements.**

15.1 General. The Association and/or the Board of Directors shall have the authority to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements and to consent to vacation of roadways within or adjacent to the Condominium as provided by ORS 100.405(6). An instrument granting any such interest or vacating any such roadway shall be executed by the chairperson 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 the minimum required vote of the owners or Board of Directors required by ORS 100.405(6).

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 or governmental agency in order to complete development of the Condominium. To affect 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 the Unit owner and the Unit owner's successors in interest, irrevocably appoints Karl Dinkelspiel, or his nominee, as owner's 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 owns a Unit or three (3) years from the date this Declaration is recorded, whichever is earlier.

15.3 Community Garden Easement. An easement is hereby granted over the general common element Community Garden for use by persons authorized by the Central Oregon Environmental Center, Inc. dba The Environmental Center or its successors located in Bend, Oregon.

15.4 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 models in one or more of the Units that

Declarant owns. Declarant, its 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 / Flags. The Declarant may maintain a reasonable number of "For Sale" and/or "For Rent" signs, banners and/or flags at reasonable locations on the Condominium property.

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the period for reclassification of Units has not expired or the Declarant owns the greater of two (2) Units or five percent (5%) 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 for which it has maintenance responsibility 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 its 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, parking construction vehicles on the common elements 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 a 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 seven (7) years after the recording of the first conveyance of a Unit in the Condominium to an entity other than the Declarant, whichever is earlier.

**17. Cross Easements.** The following cross easements are hereby declared between the Real Property and Nonwithdrawable Variable Property Tract "A":

17.1 Access. The Declarant, for itself and its successors and assigns hereby reserves an easement over all roadways, open space, parking lot and driveways now existing or in the future constructed on the common elements and to construct and maintain new roadways and driveways on such real property if none exist sufficient to serve as a means of ingress and egress to Nonwithdrawable Variable Property Tract "A" all for the benefit of Nonwithdrawable Variable Property Tract "A", or any portion thereof. Such easement shall run with the land and shall continue, unless and until the entirety of Nonwithdrawable Variable Property Tract "A" is reclassified as Units and common elements.

17.2 Access Easement Unrestricted. The easements reserved in Section 17.1 may be used by Declarant, its successors and assigns as a means of ingress and egress to the benefited real property for any purposes, including, without limitation, access for construction and service vehicles and access by residents to Condominium Units, apartments or attached or detached homes constructed on all or part of Nonwithdrawable Variable Property Tract "A" in the future.

17.3 Utility Easements. Easements for utility services of all kinds now customarily available or which may become available in the future are reserved over all portions of the common elements, excepting those portions covered by the Condominium buildings for the benefit of Nonwithdrawable Variable Property Tract "A." Installation of utility lines shall be done at the expense of the benefited owner and shall be installed, maintained and repaired in a manner such as to interfere with the use of the Condominium property by the owners of Units as little as reasonably practical under the existing circumstances.

17.4 Maintenance and Repair Costs. Maintenance, repairs and replacement costs of the easements described in Section 17.1 shall be apportioned among the users (including owners of Units or owners of "living units") in an equitable manner. If agreement on an equitable apportionment cannot be reached by the parties benefited, the apportionment shall be done equally among all the residential "living units," (i.e., Condominium Units, apartments and attached or detached homes).

17.5 Repair of Damaged Property. Notwithstanding any other expense apportionment set forth in this Section 17, any party damaging any utility installation or roadway/driveway improvement within an easement area shall be responsible for the cost to repair such damage.

17.6 Assignments. The Declarant may assign in whole or in part the reserved easements described in this Section 17 when the Declarant transfers title to such real property or any part thereof.

17.7 Easements Run With the Land. All of the easements reserved in this Section 17 shall run with the land and shall be perpetual.

17.8 No Amendment Without Declarant's Consent. As provided in Section 13.1, the easements reserved in this Section 17 shall not be extinguished or restricted without the written consent of the Declarant and its successors and assigns.

**18. Disclosures; Disclaimers.**

18.1 Mold. Owners acknowledge that mold is a commonly occurring natural substance that can grow in the Units and the common elements where water infiltration and humidity exist. Owners also acknowledge that there is controversy regarding whether and to what extent certain types of mold are toxic to humans. Owners understand and agree that Declarant will not be liable for any property damage, failure to eradicate, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effects or any other consequential, incidental, economic or non-economic damage suffered by the Unit's occupants and/or owner and resulting from the presence of mold. Owners are hereby advised to regularly cause the Units and the common elements to be inspected for mold or any other dangerous condition. Owners should take prompt action to remedy underlying water infiltration and humidity conditions that are causing any mold discovered and thereby avoid any possibility of damage or injury from long-term exposure to mold.

18.2 Unit Square Footage. Actual Unit square footage, noted herein and on the plat, may be different from the square footage shown on plans and specifications or advertising, which are based on good faith estimates. Variations in size may be seen even between Units having the same floor plan.

18.3 Model Units. Model units and their appurtenances and furnishings are displayed only for illustration purposes and shall not be deemed to be an agreement or commitment by Declarant to deliver the Unit being purchased by owners in accordance with any such model unit or with the same or similar appurtenances and furnishings shown in such model unit. The furnishings, decorations, gas fireplaces (if any), appliance drip pans, custom colors or textures, and other appurtenances and finish work in or to any model unit are not included in the sale of the Unit(s); provided, however, that such items may be included in the sale of a specified model unit if, and only to the extent, the unit sales agreement for that model unit specifically describes appurtenances and furnishings as part of the sale. Unless expressly stated otherwise in the unit sales agreement, owners acknowledge that it is not purchasing a model unit, each of which may have been professionally decorated and furnished.

18.4 Vegetation. Grass, trees and other vegetation, if any, even if remaining at close of purchase of a particular Unit, escrow and occupancy, may not survive and may need to be replaced at the sole expense of the Association. No warranty of quality or survival is given by Declarant with respect to grass, trees and other vegetation. Further, owners are advised that trees are often subject to governmental regulation and may not necessarily be removed at will.

18.5 Sound Transmission. The Townhome Units share a common wall(s) with other Units. All owners acknowledge and agree that it is normal to experience some transmission of sound and/or vibrations between or from Units, from roadways and/or plumbing and/or HVAC, and that on occasion these sounds are heard in normal conditions with typical noise levels, that Declarant made no warranty regarding soundproofing, transmission of sound by

plumbing within the Units, transmission of sound between Units and/or levels or adequacy of sound insulation, and that transmission of sound between Units or from plumbing, HVAC or other sources, shall not be considered a construction defect. Owners further acknowledge that owner has had ample opportunity to discern to their satisfaction the level of sound and sound transmission at the Unit at various times of day, that sound levels may differ over time depending on a variety of factors, and that they have accepted all current and potential future sound levels. The consideration paid to Declarant for the Unit reflects owner's acceptance of sound transmissions, and owners acknowledge that Declarant would have required a higher purchase price for any additional sound insulation or any warranties regarding sound.

18.6 Floodplain Restrictions. As required by 24 CFR 55.12(6)(iii), any construction and landscaping activities (except for minor grubbing, clearing of debris, pruning, sodding, seed, and similar activities) in the portions of the Property consisting of a 100-year floodplain, if any, shall be conducted only in ways that preserve such floodplain and no building shall be constructed within such floodplain, if any.

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

18.8 Right of Review and Inspection. Upon reasonable advance notice to the Board, Declarant shall have the perpetual right to review all inspection and maintenance records of the Association, including, without limitation, changes to the suggested maintenance schedule prepared by Declarant, if any, and/or the maintenance plan. In addition, upon request from Declarant, the Board shall provide Declarant at Declarant's cost copies of all inspection reports, proposed plans for alterations and copies of all warranty claims. By appointment arranged in advance, Declarant, its agents and assigns shall have the continuing right, but not the obligation, after the conveyance of each Unit by Declarant to inspect owner's Unit and the common elements at reasonable times to identify and correct any conditions for which Declarant could potentially be responsible under the unit sales agreement or any applicable law.

**Sections 16, 17 and 18, or any other provision in this Declaration benefitting the Declarant, may not be amended or removed without the express written consent of Declarant.**

## **19. General Provisions.**

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

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

19.3 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, any Supplemental Declaration, Articles of Incorporation 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.

19.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing 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.

19.5 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 or supplemented), the Bylaws (as amended), Articles of Incorporation, 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 shall be entitled to recover costs and attorneys' fees and administrative 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 action or suit is filed.

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

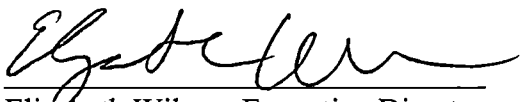
19.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Articles, Bylaws and the rules and regulations, and the Articles shall be paramount to the Bylaws and the rules and regulations and those of the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 19.7, the term "Declaration" shall include all amendments and supplements to this Declaration, and the term "Bylaws" shall include all amendments to the Bylaws.

19.8 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, limited liability companies and corporations.

The undersigned Declarant of the subject property has caused this Declaration to be executed this 26<sup>th</sup> day of August, 2025.

**DECLARANT:** RH 19TH LLC, an Oregon limited liability company

BY: KOR COMMUNITY LAND TRUST dba  
ROOTEDHOMES, an Oregon nonprofit  
public benefit corporation

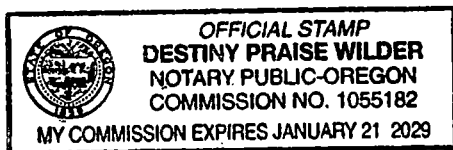
By:   
Elizabeth Wilson, Executive Director

STATE OF OREGON )  
 )ss.  
County of Deschutes )

August 26<sup>th</sup>, 2025


Personally appeared before me the above-named Elizaeth Wilson, who, being duly sworn, did say that she is the Executive Director of Kor Community Land Trust dba Rootedhomes, an Oregon nonprofit public benefit corporation, the Member of RH 19<sup>th</sup> LLC, an Oregon limited liability company, and that the foregoing instrument was signed in behalf of said Company by authority of its Member; and acknowledged said instrument to be its voluntary act and deed.

  
NOTARY PUBLIC FOR OREGON



**GROUND LESSOR**

KOR COMMUNITY LAND TRUST dba  
ROOTEDHOMES, an Oregon nonprofit  
public benefit corporation

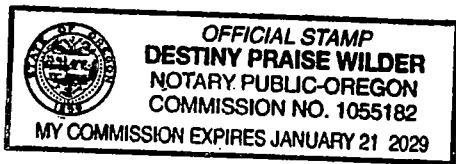
By:   
Elizabeth Wilson, Executive Director

STATE OF OREGON )  
 )ss.  
County of Deschutes )

August 26<sup>th</sup>, 2025

Personally appeared before me the above-named Elizabeth Wilson, who, being duly sworn, did say that she is the Executive Director of Kor Community Land Trust dba Rootedhomes, an Oregon nonprofit public benefit corporation, the Member of RH 19<sup>th</sup> LLC, an Oregon limited liability company, and that the foregoing instrument was signed in behalf of said Company by authority of its Member; and acknowledged said instrument to be its voluntary act and deed.

  
NOTARY PUBLIC FOR OREGON



The foregoing Declaration is approved pursuant to ORS 100.110 this 28 day of October, 2025

COUNTY ASSESSOR

By: Scot Langton by Garry Peri

The foregoing Declaration is approved pursuant to ORS 100.110 this 10th day of October, 2025 and, in accordance with ORS 100.110(8), this approval shall automatically expire if this Declaration is not recorded within one (1) year from this date.

REAL ESTATE COMMISSIONER



By: *Michael Hanifin*

Michael Hanifin

CONSENT

The undersigned beneficiary designated by that certain State of Oregon Housing and Community Services Department Line of Credit Trust Deed and Assignment of Leases and Rents recorded in the Deed Records of Deschutes County, Oregon, on September 18, 2024, as Instrument No. 2024-24342, hereby consents to the recordation of the Condominium Declaration for Rooted at 19<sup>th</sup> Condominium to which this Consent is attached and consents to the property being submitted to the provisions of ORS 100.005 to 100.627 and the terms and conditions of the Declaration and Bylaws.

STATE OF OREGON HOUSING AND  
COMMUNITY SERVICES DEPARTMENT

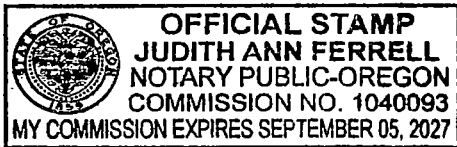
By: [Signature]

Its: Assistant Director of  
manufactured Housing.

STATE OF Oregon )  
 )ss.  
County of Marion )

06-03, 2025

I certify that I know or have satisfactory evidence that Rick Abrego is the person who appeared before me on behalf of State of Oregon Housing and Community Services Department, and said person acknowledged that [he/she] signed this instrument and acknowledged it to be [his/her] free and voluntary act for the uses and purposes mentioned in the instrument.



Judith Ann Ferrell  
Notary Public in and for the State of Oregon

CONSENT

The undersigned beneficiary designated by that certain Construction Deed of Trust, Assignment of Leases and Rent, Security Agreement, and Fixture Filing recorded in the Deed Records of Deschutes County, Oregon on September 18, 2024, as Instrument No. 2024-24327, hereby consents to the recordation of the Condominium Declaration for Rooted at 19<sup>th</sup> Condominium to which this Consent is attached and consents to the property being submitted to the provisions of ORS 100.005 to 100.627 and the terms and conditions of the Declaration and Bylaws.

WASHINGTON TRUST BANK

By: Cory J Allen

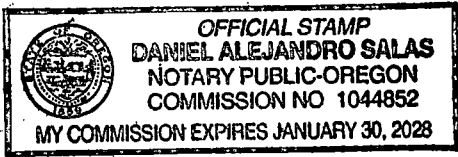
Its: SVP / Team leader

STATE OF Oregon )  
 )ss.  
County of Deschutes )

May 29, 2025

I certify that I know or have satisfactory evidence that Cory J Allen is the person who appeared before me on behalf of Washington Trust Bank, and said person acknowledged that [he/she] signed this instrument and acknowledged it to be [his/her] free and voluntary act for the uses and purposes mentioned in the instrument.

Daniel Salas  
Notary Public in and for the State of Oregon



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 8, TOWNSHIP 15 SOUTH, RANGE 13 EAST, WILLIAMETTE MERIDIAN, CITY OF REDMOND, DESCHUTES COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 2, PHASE 1 OF CEDAR VILLAGE PHASES 1, 2, AND 3 THENCE NORTH 89°41'52" WEST, 10.00 FEET TO THE **POINT OF BEGINNING**, MARKED BY A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES" AND BEING ON THE WEST RIGHT-OF-WAY LINE OF NW 19TH STREET AS DEDICATED PER DEED OF DEDICATION RECORDED AS INSTRUMENT NUMBER 2025-11284, DESCHUTES COUNTY OFFICIAL RECORDS; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 00°18'08" WEST, 184.98 FEET TO THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE NORTH LINE OF PHASE 3, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, MARKED BY A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE LEAVING SAID WEST RIGHT-OF-WAY LINE ALONG SAID NORTH LINE OF PHASE 3, NORTH 89°41'08" WEST, 459.93 FEET TO EAST LINE OF PHASE 2, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, MARKED BY A 3/4 INCH IRON PIPE; THENCE LEAVING SAID NORTH LINE, ALONG SAID EAST LINE NORTH 00°18'08" EAST, 184.88 FEET TO THE SOUTH LINE OF SAID PHASE 2, MARKED BY A 3/4 INCH IRON PIPE; THENCE LEAVING SAID EAST LINE ALONG SAID SOUTH LINE OF PHASE 2 AND THE SOUTH LINE OF PHASE 1, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, SOUTH 89°41'52" EAST, 459.93 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1.95 ACRES OF LAND, MORE OR LESS

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

**EXHIBIT "A-1"**  
**LEGAL DESCRIPTION**

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 8, TOWNSHIP 15 SOUTH, RANGE 13 EAST, WILLIAMETTE MERIDIAN, CITY OF REDMOND, DESCHUTES COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 2, PHASE 1 OF CEDAR VILLAGE PHASES 1, 2, AND 3 THENCE NORTH 89°41'52" WEST, 10.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES" BEING ON THE WEST RIGHT-OF-WAY LINE OF NW 19TH STREET AS DEDICATED PER DEED OF DEDICATION RECORDED AS INSTRUMENT NUMBER 2025-11284, DESCHUTES COUNTY OFFICIAL RECORDS; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 00°18'08" WEST, 66.89 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLSTIC CAP STAMPED "S&F LAND SERVICES" AND THE **POINT OF BEGINNING**; THENCE CONTINUE ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 00°18'08" WEST, 118.09 FEET TO THE INTERSECTION OF SAID WEST RIGHT-OF-WAY LINE AND THE NORTH LINE OF PHASE 3, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, MARKED BY A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE LEAVING SAID WEST RIGHT-OF-WAY LINE ALONG SAID NORTH LINE OF PHASE 3, NORTH 89°41'08" WEST, 459.93 FEET TO EAST LINE OF PHASE 2, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, MARKED BY A 3/4 INCH IRON PIPE; THENCE LEAVING SAID NORTH LINE, ALONG SAID EAST LINE NORTH 00°18'08" EAST, 184.88 FEET TO THE SOUTH LINE OF SAID PHASE 2, MARKED BY A 3/4 INCH IRON PIPE; THENCE LEAVING SAID EAST LINE ALONG SAID SOUTH LINE OF PHASE 2 AND THE SOUTH LINE OF PHASE 1, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3, SOUTH 89°41'52" EAST, 208.66 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE DEPARTING SAID SOUTH LINE, SOUTH 00°16'07" WEST, 135.67 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE SOUTH 89°43'53" EAST, 136.00 FET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE NORTH 00°16'07" EAST, 68.63 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE SOUTH 89°43'53" EAST, 115.22 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1.35 ACRES OF LAND, MORE OR LESS.

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

BEARINGS BASED ON THE CENTRAL OREGON COORDINATES SYSTEM (COCS).

**EXHIBIT "A-2"**  
**LEGAL DESCRIPTION**

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER (SE1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 8, TOWNSHIP 15 SOUTH, RANGE 13 EAST, WILLIAMETTE MERIDIAN, CITY OF REDMOND, DESCHUTES COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 2, PHASE 1 OF CEDAR VILLAGE PHASES 1, 2, AND 3 THENCE NORTH 89°41'52" WEST, 10.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES" BEING ON THE WEST RIGHT-OF-WAY LINE OF NW 19TH STREET AS DEDICATED PER DEED OF DEDICATION RECORDED AS INSTRUMENT NUMBER 2025-11284, DESCHUTES COUNTY OFFICIAL RECORDS AND THE **POINT OF BEGINNING**; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 00°18'08" WEST, 66.89 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE LEAVING SAID WEST RIGHT-OF-WAY LINE, NORTH 89°43'53" WEST, 115.22 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE SOUTH 00°16'07" WEST, 68.63 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE NORTH 89°43'53" WEST, 136.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES"; THENCE NORTH 00°16'07" WEST, 135.67 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "S&F LAND SERVICES" BEING ON THE SOUTH LINE OF PHASE 1, SAID PLAT OF CEDAR VILLAGE PHASES 1, 2, AND 3; THENCE ALONG SAID SOUTH LINE SOUTH 89°41'52" EAST, 251.26 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 0.60 ACRES OF LAND, MORE OR LESS

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

BEARINGS BASED ON THE CENTRAL OREGON COORDINATES SYSTEM (COCS).

After Recording Return To:  
Karna R. Gustafson  
VF Law  
6000 Meadows Road, Suite 500  
Lake Oswego, OR 97035

**BYLAWS OF  
ROOTED AT 19TH CONDOMINIUM ASSOCIATION**

**Exhibit "B" to Condominium Declaration for Rooted at 19th Condominium**

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**BYLAWS**  
**OF**  
**ROOTED AT 19TH CONDOMINIUM**

**Exhibit "B" to Condominium Declaration for  
Rooted at 19th Condominium**

**ARTICLE 1**  
**PLAN OF UNIT OWNERSHIP**

**1.1 Unit Ownership.** The condominium, located in the City of Redmond, County of Deschutes, State of Oregon, known as Rooted at 19th Condominium, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act, by the Condominium Declaration for Rooted at 19th Condominium ("Declaration"), and these Bylaws.

**1.2 Bylaws Applicability.** The provisions of these Bylaws are applicable to the Rooted at 19th Condominium Association ("Association") and the entire management structure thereof. (The term "Condominium" as used herein shall include the land.)

**1.3 Personal Application.** All present or future owners, their visitors or guests, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy or use of any of the Units of the Condominium or the mere act of occupancy of any such Units will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

**1.4 Definitions.** Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the Declaration and any Supplemental Declaration, and said statute and definitions are incorporated herein by this reference.

**ARTICLE 2**  
**ASSOCIATION MEMBERSHIP, VOTING,**  
**MAJORITY OF OWNERS, QUORUM, PROXIES**

**2.1 Membership in the Association.** Upon recordation of a conveyance or contract to convey a Unit, the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Association and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Condominium, Unit ownership shall be determined on the basis of the records maintained by the Association. The record shall be established by the Unit owner filing with the Association a copy of the deed to or land sale contract for owner's Unit, to which shall be affixed the certificate of the recording officer of the County of Deschutes, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Unit

owner unless a copy of the deed or contract showing said person to be the current owner or contract purchaser of a Unit has been filed with the Association as provided above. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold Units, although no deed or land sale contract, with respect to such Units, has been filed with the Association.

**2.2 Voting.** The owner of each Unit shall be entitled to one vote per Unit. 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.

**2.3 Majority of Owners.** As used in these Bylaws, the term "majority of owners" shall mean those owners holding over fifty percent (50%) of the voting rights allocated to the Unit owners in accordance with the Declaration and Section 2.2 above. "Majority of owners present" shall mean owners holding over fifty percent (50%) of the votes present at any legal meeting as defined in Section 2.8 hereof.

**2.4 Quorum.** Except as otherwise provided in these Bylaws, the presence in person, by proxy or by ballot of owners holding forty percent (40%) or more of the outstanding votes in the Condominium, as defined in Section 2.2 hereof, shall constitute a quorum. Provided, however, that the quorum at any adjourned meeting, as described in Section 3.8, shall be reduced to twenty-five percent (25%) of the outstanding votes in the Condominium.

**2.5 Proxies; Ballots.** Votes may be cast in person, by proxy or by written ballot. Proxies must be filed with the secretary of the Association (the "Secretary") before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting also shall be valid at an adjourned meeting called under the provisions of Section 3.8 hereof. In the sole discretion of the Board of Directors, a meeting of the Association may be held by ballot rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal(s) specifically propounded on the ballot. Procedures for meetings by ballot shall comply with the Oregon Condominium Act, as may be amended from time to time and Section 3.9 of these Bylaws. Proxies and ballots must be retained by the Association for one (1) year from the date of determination of the vote.

**2.6 Authority to Vote.** All owners shall be entitled to vote. An owner's right to vote may not be revoked. A purchaser under a land sale contract who is entitled to immediate possession of the Unit shall be deemed to be the owner thereof, unless otherwise provided in such contract.

**2.7 Fiduciaries and Joint Owners.** An executor, administrator, guardian or trustee may vote, in person, by proxy or by ballot, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to their name; provided, that they shall satisfy the Secretary that they are 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, the vote of such Unit may be

exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of such disagreement and such protest, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

**2.8 Actions by Association; Legal Meeting.** Except as otherwise provided in the Declaration, any Supplemental Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association shall require approval by a majority of owners present at any legal meeting. For purposes of these Bylaws, a legal meeting is one duly called pursuant to these Bylaws at which a quorum is present in person or by proxy, at a ballot meeting where the number of owners casting written ballots constitutes a quorum.

### **ARTICLE 3 ADMINISTRATION**

**3.1 Association Responsibilities.** The owners of the Units constitute the members of the Association which, through its Board of Directors, has the responsibility of administering the project, approving the annual budget, establishing and collecting assessments and arranging for the operation, management and maintenance of the Condominium, including negotiating and contracting with and supervising any person, persons or business entity with respect to such matters. The Association shall be incorporated as an Oregon nonprofit corporation.

**3.2 Place of Meetings.** Formal meetings of the Association shall be held at the principal office of the Condominium or such other place that is convenient to the owners as may be designated by the Board of Directors.

**3.3 Turnover Meeting.** The turnover meeting (which shall constitute the initial organizational meeting) shall be held within ninety (90) days after the earlier of the following dates: the date on which seventy-five percent (75%) of the Units that the Declarant has reserved a right to create have been conveyed to persons other than the Declarant, or the date on which seven (7) years have elapsed since the date of recording of the first conveyance of a Unit in the Condominium to an entity other than the Declarant. The turnover meeting shall be called by notice to all Unit owners of the time, place and purpose thereof not less than (10) nor more than fifty (50), days before the meeting. If such meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by a Unit owner. At the turnover meeting, the Declarant shall relinquish control of the administration of the Association and the Unit owners shall assume such control and shall elect a board of directors ("Board of Directors") in accordance with the provisions of Article 4 of these Bylaws. Additionally, the Declarant shall deliver to the Association those items specified in the Oregon Condominium Act to be turned over by the Declarant at the turnover meeting. To facilitate an orderly transition, during the three (3) month period following the turnover meeting, the Declarant or an informed representative shall be available to meet with the Board of Directors on at least three (3) mutually acceptable dates to review the documents delivered to the Association as required by the Oregon

Condominium Act and as referred to above. The turnover meeting may not be conducted by written ballot.

**3.4 Transitional Committee.** Unless the turnover has been held, within not less than sixty (60) days of conveyance to persons other than the Declarant of fifty percent (50%) of the total number of units which the Declarant may submit to the Condominium under ORS 100.125 (Annexation of Additional Property), the Declarant shall hold a meeting of the Unit owners for the purpose of forming a transitional committee in accordance with the Oregon Condominium Act and these Bylaws. The transitional committee shall be advisory only and shall consist of two (2) or more members selected by Unit owners other than the Declarant and may include not more than one (1) representative of the Declarant. The members shall serve until the turnover meeting.

The function of the transitional committee shall be that of enabling ease of transition from control of the administration of the Association by the Declarant to control by the Unit owners. The committee shall have access to the information, documents and records which the Declarant must turn over to the Unit owners under the Oregon Condominium Act and Section 3.3 of these Bylaws.

The Declarant shall give notice of the meeting required under this Section 3.4 to each Unit owner at least seven (7), but not more than fifty (50) days prior to the meeting. The notice shall state the purpose of the meeting and the time and place where it is to be held. If such meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by a Unit owner. If the owners, other than the Declarant, do not select members for the committee under this Section 3.4, the Declarant shall have no further responsibility to form the committee.

**3.5 Annual Meetings.** The first annual meeting of the Association shall be held within the first year following the recording of the Declaration, and its date shall be set by action of the Board of Directors. This meeting, the date of which may be changed from time to time, at the discretion of the Board of Directors, must be held annually under the rules and regulations as set out in the Bylaws. At such meetings, new members of the Board of Directors shall be elected by the owners in accordance with the requirements of Section 4.6 of these Bylaws. The owners may also transact such other business of the Association as may properly come before them. Annual meetings of the Association may not be conducted by written ballot.

**3.6 Special Meetings.** Special meetings of the Association may be called by the chairperson of the Association ("Chairperson"), a majority of the Board of Directors, or upon the presentation to the Secretary of a petition signed by thirty percent (30%) of the owners. All meetings called because of petition of Unit owners shall be held at a formal gathering and not by ballot, and shall be held within thirty (30) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business, except as stated in the notice therefor, shall be transacted at a special meeting unless by consent of all the owners of the Units or as otherwise set out in these Bylaws.

**3.7 Notice of Meetings.** The Secretary shall mail by first class or certified mail, shall hand deliver, or deliver via electronic communication, a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least ten (10), but not more than fifty (50), days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The Secretary shall hand deliver, mail by first class or certified mail, or deliver via electronic communication, ballots for ballot meetings to each owner of record not less than twenty (20) days prior to the date on which such ballots must be received by the Association in order to be counted. The mailing shall be to the owner's mailing or email address last given to the Secretary in writing by the Unit owner or Unit owner's vendee. If Unit ownership is split or the Unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Condominium Unit shall be sufficient. The mailing or emailing of a notice in the manner provided in this section shall be considered notice served. An owner may decline to receive notices or ballots via electronic communication by written notice to the Secretary.

**3.8 Adjourned Meetings.** If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than twenty (20) days from the time the original meeting was called.

**3.9 Ballot Meetings.** Unless prohibited or limited by the Articles of Incorporation of the Association, the Declaration, any Supplemental Declaration or the Oregon Condominium Act, any action that may be taken at any annual or special meeting of the Unit owners may be taken without a meeting if the Association delivers a written or electronic ballot to every Unit owner entitled to vote on the matter. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The Board must provide owners with at least ten (10) days' notice as required by ORS 100.425 before written or electronic ballots are mailed or otherwise delivered. If, at least three (3) days before ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the owners petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the owner and instructions for making and returning the ballot, and if an electronic ballot is used, secrecy procedures must be put into place to protect the identity of the owner from the vote cast. The Board of Directors may extend the date for counting the ballots of a ballot meeting, in one or more extensions, for up to ninety (90) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval. Provided, however, if a secret ballot is required, secrecy ballots may not be examined or counted prior to the date certain specified in the notice or any extension thereof. Provided, however, examining the ballot return envelopes to determine who has voted so that non-votes

can be contacted shall not be prohibited, as long as the actual ballot itself is not examined prior to the time when all secrecy ballot envelopes are opened.

**3.10 Electronic Meetings.** A meeting of owners, including special meetings, may be conducted as an electronic meeting if the electronic meeting:

- (a) Allows all owners participating to hear each other simultaneously and to be able to communicate during the meeting;
- (b) Provides for the verification that a person participating is an owner or is otherwise authorized to participate in the meeting; and
- (c) Provides for owners to have access to materials necessary to participate or vote during or before the meeting.

A person participating in an electronic meeting is considered present at the meeting for all purposes.

**3.11 Order of Business.** The order of business at all meetings of the owners of Units shall be as follows unless the Board of Directors sets a different agenda:

- Roll call;
- Proof of notice of meeting or waiver of notice;
- Reading of minutes of the preceding meeting;
- Reports of officers;
- Reports of committees;
- Election of inspectors of election;
- Election of directors;
- Unfinished business;
- New business.

#### **ARTICLE 4** **BOARD OF DIRECTORS**

**4.1 Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, each of whom must be an owner or a co-owner of a Unit. Provided, however, that if a Unit is owned by more than one (1) owner, only one (1) owner of that Unit may serve on the Board of Directors at any one time. An officer or employee of a corporation, a trustee of a trust, a personal representative of an estate, or an employee of a trust or estate, may serve on the Board of Directors, if such corporation, trust or estate owns a Unit. A Director is immediately disqualified and ceases to be a Director for their failure to comply with federal or state laws. The remaining Directors may appoint a replacement.

**4.2 Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners. Provided, however, the Board of Directors may not take any action that could reasonably interfere with the sales, lease or other disposition of Units owned by the Declarant or that could abridge, modify, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved for the Declarant or which would impose any discriminatory charge or fee against the Declarant without the prior written consent of Declarant.

**4.3 Other Duties.** In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and shall be responsible for the following matters:

4.3.1 Caring for, maintaining and supervising the management of the Condominium, Association property, if any, the general common elements and any other portions of the Condominium or Units for which the Association has an obligation, and assigning, supervising assignments or approving any assignment of the use of any common element, general or limited, as may be required or allowed by the Declaration or applicable Supplemental Declaration.

4.3.2 Establishing and maintaining any replacement reserve accounts and updating any reserve study or maintenance plan if required by the Oregon Condominium Act or these Bylaws and such other reserve accounts as are permitted by these Bylaws.

4.3.3 Designating and collecting regular and special assessments from the owners, in accordance with these Bylaws, the Declaration, any Supplemental Declaration and the Oregon Condominium Act.

4.3.4 Establishing a budget for payment of all common expenses of the Association and instituting and maintaining a system for such payment as may be reasonably necessary to prevent any misuse of Association funds.

4.3.5 Obtaining and maintaining all Association insurance policies and paying premiums therefor out of the common expense funds with respect to both the common elements and individual Units as more specifically provided in Article 8 of these Bylaws.

4.3.6 Employing the services of any person or corporation as manager; hire employees to manage, conduct and perform the business, obligations and duties of the Association; employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreational experts, architects, planners, lawyers and accountants; and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the Condominium; provided, however, the Association may not incur or commit to incur attorney's fees in excess of \$10,000 for any specific matter or enter a contingent fee contract or any claim in excess of \$50,000 unless the Owners have enacted a resolution authorizing the incurring of such fees by a vote of seventy-five percent (75%) of the voting rights present in person or by proxy at a meeting

at which a quorum is constituted. This limitation shall not be applicable to the following: (i) legal fees incurred in defending the Association, the ARC, or the Board of Directors from claims or litigation brought against them or the assertion of counterclaims in proceeding instituted against them; (ii) actions to collect delinquent assessments, fines or other charges or enforcement under the Declaration, the Bylaws or any rules; (iii) actions challenging ad valorem taxation or condemnation proceedings; (iv) actions initiated against any contractor or vendor hired by the Association or supplier of goods and services to the Association; (v) actions by the Association to appoint a receiver; or (vi) actions to summarily abate, enjoin and/or remove a structure or improvement or condition that violates this Declaration, the Bylaws, or rules of the Association. The limitation set forth in this paragraph shall increase by \$1,000 on each fifth anniversary of the recording of this Declaration.

4.3.7 Causing the preparation and distribution of annual financial statements of the Condominium to each of the Unit owners as more specifically provided in Article 12 of these Bylaws.

4.3.8 Adopting and amending administrative rules and regulations governing the details of operation and use of the common elements and the Units and the administration of the Association, including a fine schedule for violations of these Bylaws, the Declaration or any rules or regulations promulgated thereunder. Provided, however, that any such rules or regulations always shall be subject to rescission or amendment by the Association upon a majority vote of owners present at any properly called meeting at which a quorum is present.

4.3.9 Causing the Association to comply with ORS 100.480 relating to maintenance within the State of Oregon of documents delivered to the Association by the Declarant, depositing all assessments in a separate federally insured bank account in the name of the Association, payment of all expenses of the Association from the Association's bank account, and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association. Further, the Board of Directors shall cause to be maintained and kept current the information required to enable the Association to comply with ORS 100.480(9).

4.3.10 Causing the Association to file an Annual Report with the Oregon Real Estate Agency, as provided in ORS 100.250 and ORS 100.260.

4.3.11 Causing the Association to file the necessary tax returns of the Association.

4.3.12 Establishing and maintaining a current mailing address for the Association.

**4.4 Management Agent.** The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof.

Any such management contract must be cancelable without penalty upon ninety (90) days' written notice. Any management contract entered into by the Declarant before the turnover meeting may be canceled by the Board of Directors elected at the turnover meeting upon thirty (30) days' written notice given not later than sixty (60) days after the turnover meeting.

**4.5 Interim Directors.** Upon the filing of the Declaration submitting the Condominium to the Oregon Condominium Act, the Declarant shall appoint an interim board of one (1) to three (3) director(s) (who need not be owners of Units), who shall serve until replaced by the Declarant or their successors have been elected by the Unit owners at the turnover meeting as hereinafter provided.

**4.6 Election and Term of Office.** At the turnover meeting, upon agreement by vote of the owners, the Board of Directors may be elected by a single ballot, with each owner permitted to vote for three (3) nominees. In such event, the nominee receiving the highest number of votes shall be a Director serving a three (3) year term, the nominee receiving the second highest number of votes shall be a Director serving a two (2) year term, and the nominee receiving the fewest votes shall be a Director serving a one (1) year term. At the expiration of the initial term of office of each respective Director, a successor shall be elected to a term of three (3) years.

**4.7 Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

**4.8 Removal of Directors.** At any legal annual or special meeting, other than a meeting by ballot, any one (1) or more of the Directors may be removed with or without cause, by a majority vote of owners and a successor may be then and there elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors which have been properly called, or who has failed to attend more than one-third (1/3) of the Board of Directors meetings during a twelve (12) month period which have been properly called, may be removed by a majority of the remaining Directors.

**4.9 Organizational Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice need be given to the newly elected Directors to hold such meeting legally, providing that a majority of the newly elected Directors are present.

**4.10 Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but shall be held no less often than quarterly. Notice of regular meetings of the Board of Directors may be called by the Chairperson on three (3) days' notice to each Director, given personally or

by mail, email, telephone, facsimile or other similarly reliable method, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

**4.11 Special Meetings.** Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of at least one (1) Director. Special meetings of the Board of Directors may be called on three (3) days' notice to each Director, given personally or by mail, e-mail, telephone, facsimile or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

**4.12 Electronic Meetings.** A meeting of the Board of Directors may be conducted as an electronic meeting if:

- (a) The meeting allows all participating Board members at the meeting to:
  - (A) Hear and communicate to each other simultaneously; and
  - (B) Have access to materials before or during the meeting necessary to participate or vote in the meeting.
- (b) The meeting allows for all persons attending the meeting to simultaneously hear all participating Board members.
- (c) Any notice of the electronic meeting to Board members or unit owners states:
  - (A) Whether the meeting may or much be attended by electronic means;
  - (B) The electronic means to be used;
  - (C) Subject to subsection (ii) of this section, how unit owners may attend the electronic meeting by:
    - (i) Telephone;
    - (ii) If applicable, internet connection; and
    - (iii) If applicable, by meeting at a physical location; and
  - (D) Any other information to enable a unit owner to attend the meeting.

A person attending or participating in an electronic meeting is considered to be attending or participating at the meeting for all purposes

**4.13 Waiver of Notice to Directors.** Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by the Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

**4.14 Board of Directors' Quorum.** At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors shall be the acts of the Board of Directors. A majority of those present may adjourn a meeting of the Board of Directors at which less than a quorum is present. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

**4.15 Board of Directors' Meetings Open to All Association Members.** Except as provided in Section 4.16, all meetings of the Board of Directors shall be open to all members of the Association. No Association member shall have a right to participate in the Board of Directors' meetings unless such member is also a member of the Board of Directors. The Chairperson shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.

**4.16 Executive Session.** At the discretion of the Board, the Board may meet in executive session closed to the unit owners to:

4.15.1 Consult with legal counsel;

4.15.2 Consider the following:

- (a) Personnel matters, including salary negotiations and employee discipline;
- (b) Negotiations of contracts with third parties;
- (c) Collection of unpaid assessments; or
- (d) Any other matters for which the Oregon Condominium Act permits.

Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer of the Board of Directors shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting. A contract or an action considered in executive session does not become effective unless the Board of Directors, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

**4.17 Notice to Association Members of Board of Directors' Meetings.** For other than emergency meetings, notice of Board of Directors' meetings shall be posted at a place on the Condominium property at least three (3) days prior to the meeting or notice otherwise shall be provided to each member of the Association in a manner that is reasonably calculated to inform each member of such meetings. The posting of such notices shall be at a reasonable location which has been generally publicized to the Unit owners.

**4.18 Emergency Meetings.** Board of Directors meetings may be conducted by telephonic communication or by the use of a means of communication that allows all Board members participating to hear each other simultaneously or otherwise to be able to communicate during the meeting. No notice to either Directors or Association members shall be required for such meetings of the Board of Directors to be held for any emergency action. Provided, however, that no such meeting shall occur unless at least two-thirds (2/3rds) of the Board of Directors participate in the same and after an attempt has been made to reach each Director.

**4.19 Compensation of Directors.** No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a majority vote of the Unit owners.

## **ARTICLE 5** **OFFICERS**

**5.1 Designation.** The principal officers of the Association shall be a chairperson, a secretary and a treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary and any such other officers as in their judgment may be necessary.

**5.2 Election of Officers.** The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter and shall hold office at the pleasure of the Board.

**5.3 Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and the successor shall be elected at any regular or special meeting of the Board of Directors.

**5.4 Chairperson.** The Chairperson shall be the chief executive officer of the Association. The Chairperson shall preside at all meetings of the Association and of the Board of Directors. The Chairperson shall have all of the general powers and duties that are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as the Chairperson may decide is appropriate to assist in the conduct of the affairs of the Association.

**5.5 Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of secretary.

**5.6 Treasurer.** The Treasurer of the Association ("Treasurer") shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

5.7 **Directors as Officers.** Any Director may be an officer of the Association.

**ARTICLE 6**  
**OBLIGATIONS OF THE OWNERS**

6.1 **Assessments.** All owners shall be obligated to pay assessments imposed by the Association to meet all the Condominium's common expenses, which shall include premiums for insurance required or permitted under Article 8 of these Bylaws. In the discretion of the Board of Directors, the assessments may be made payable annually, semi-annually, quarterly or monthly. Assessments shall be charged to all Units beginning when the Declarant first conveys a Unit to a Unit owner. Prior to such time, the Declarant shall pay all operating expenses of the Condominium. All of the reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the assessment of Unit owners. The assessment of all Unit owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Except as otherwise provided in the Declaration or these Bylaws, each Unit shall be liable for the common expense in the same percentage as the percentage of ownership in the common elements allocated to such Unit. The Board of Directors, in its sole discretion, or the management agent, at the direction of the Board of Directors, may round up the Unit assessments to the next whole dollar amount or to the next quarter dollar amount.

The assessment of Units shall include the following items, which shall be common expenses:

6.1.1 **Expense Items:**

6.1.1.1 Expenses of administration.

6.1.1.2 Expenses of maintenance, repair or replacement of the general common elements, those portions of the Units for which the Association is responsible, and Association property, if any.

6.1.1.3 Any deficit in common expenses for any prior period.

6.1.1.4 The cost of utilities for the common elements and other utilities that have a common meter or that are commonly billed, if any.

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

6.1.1.6 The cost of any professional management if required by mortgagees or desired by the Board of Directors.

6.1.1.7 Legal, accounting and other professional fees.

6.1.1.8 The annual expense to update or perform any new reserve study and to update and/or supplement any maintenance plan and reserve study.

6.1.1.9 The expense necessary to carry out the maintenance plan.

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

6.1.2 Reserves and Maintenance Plan.

6.1.2.1 Reserve Account. A reserve account shall be established by the Board of Directors for the purpose of affecting major maintenance, repair and replacement of general common elements of the Condominium and those portions of the Units for which the Association has an obligation to maintain, repair and replace which will normally require replacement in more than one (1) and less than thirty (30) years, if any. Payment into this account shall be deemed a contribution to capital improvement as and when made. A reserve account shall be kept in an account with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of Units. Provided, however, that nothing contained herein shall prevent sellers of Units from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Unit owner shall have any individual rights in any of these reserves.

After turnover, if required, the Board of Directors of the Association annually shall conduct a reserve study and maintenance plan, or review and update an existing study, of the common elements to determine any reserve account requirements. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall:

- (a) Identify all items for which reserves are to be established;
- (b) Include the estimated remaining useful life of each item as of the date of the reserve study; and
- (c) Include for each item, as applicable, an estimated cost of maintenance, repair and replacement of each item at the end of the item's useful life.

Except as otherwise provided in the Oregon Condominium Act, the reserve account shall be used only for major maintenance, repair and replacement of items for which reserves have been established and shall be kept separate from other accounts.

6.1.2.2 General Operating Reserve. The Board of Directors shall create and maintain a general operating reserve account by allocation and payment thereto of an amount

determined by the Board of Directors. This account shall be used to pay expenses which exceed budgeted amounts. The working capital required by Section 6.2.1 shall be deposited into such operating reserve account.

6.1.2.3 Special Reserves. Such other special reserve funds as may be set up by the Directors by special assessments of the Unit owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate.

6.1.3 Maintenance Plan. After turnover, the Board of Directors shall prepare and periodically review and update a maintenance plan for the maintenance, repair and replacement of all property for which the Association has maintenance, repair and replacement responsibility under the Declaration or these Bylaws. The maintenance plan shall:

6.1.3.1 Describe the maintenance, repair and replacement to be conducted;

6.1.3.2 Include a schedule for the maintenance, repair and replacement;

6.1.3.3 Be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the Association; and

6.1.3.4 Address issues that include, but are not limited to, warranties and the useful life of the items for which the Association has maintenance, repair and replacement responsibility.

**6.2 Initial Assessment**. The amount of the initial assessment due from Unit owners other than the Declarant shall be determined by the Declarant. The amount of the annual assessment thereafter shall be subject to review and modification by the Board of Directors.

6.2.1 Contribution to Working Capital. At closing of each initial sale and subsequent resale, each purchaser shall contribute to the Association a sum equal to one-sixth (1/6th) of the annual assessments, with respect to the Unit being purchased, as a one-time contribution to the working capital of the Association. At turnover, the Declarant shall make such contribution with respect to all Units in the Condominium that have not yet been conveyed to a purchaser. If the Declarant has made such contribution, no further contribution shall be required to the Association, but each purchaser shall reimburse the Declarant at closing for the amount of the contribution made by the Declarant with respect to the Unit conveyed to the purchaser. If the amount of assessment is reduced pursuant to the authority granted to the Declarant herein, the initial deposit to the Association budget, equal to one-sixth (1/6th) of the annual assessments, shall be based on the projected amount of such annual assessments after substantial or full occupancy of the Units rather than on the reduced amount. The working capital contribution shall be allocated to the general operating reserve provided in Section 6.1.2.2 of these Bylaws. The working capital contribution is in addition to regular assessments and shall not be used as a prepayment of assessments by any owner. The Declarant may not use the working capital funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while the Declarant is in control of the Association. All

working capital contributions shall be disbursed to the Association at or prior to the turnover meeting and shall be credited to the operating reserve account.

6.2.2 Procedures. If the Declarant or any other person pays all of the operating expenses of the Condominium or subsidizes such expenses, the assessment shall be reduced by such amount, but shall not be reduced to a sum less than the total amount of the replacement reserve items. With respect to Units not yet conveyed by the Declarant, the Declarant may accrue the replacement reserve items. Provided, however, such reserve accrual shall not extend beyond the date of the turnover meeting. At the time of conveyance of the Unit for which the replacement reserve has been accrued, the accrued reserves must be paid to the Association.

The Declarant, or such other person paying all operating expenses or subsidizing such expenses, shall give ten (10) days' written notice to individual Unit owners before their obligation to pay the full assessment begins. Thereafter, each owner, including the Declarant or such other person, shall pay the assessments to the Association. In the event that the Declarant has collected initial assessments from Unit purchasers at closing and thereafter elects to pay or subsidize the operating expenses, thereby causing the amount of the assessment to be reduced, the one-time initial contribution collected from Unit purchasers shall be held by the Declarant in a separate Association account. On the date on which Unit owners are required to pay full assessments, the aggregate sums held in such separate account shall be deposited to the Association's general account to be used as working capital.

6.2.3 Temporary Reduction of Assessment Amount. If the Association expenses are temporarily less than projected by the Declarant because some or most of the Units are not yet sold or occupied, the Declarant shall have the authority to reduce temporarily the amount of the assessment to reflect the lower expenses of the project.

**6.3 Initial Assessment of New Units When Tract A is Reclassified.** The initial assessment for the Unit(s) created by reclassifying Tract A shall be an amount similar to the periodic assessment then in effect for the initial Units, plus a prorated portion of the assessment for the assessment installment period during which such new Unit(s) are added to the Condominium. Thereafter, the owners of the new Unit(s) shall be assessed directly by the Association. Upon the recordation of the Supplemental Declaration(s) creating the new Unit(s), the Board of Directors shall prepare a new budget reflecting the addition of the new Unit(s) to the Condominium.

**6.4 Special Assessments.** The Board of Directors shall have the power to levy special assessments against an owner or all owners for the following purposes and in the following manner:

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

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

6.4.3 To make repairs, replacements or renovations to all property for which the Association has maintenance, repair and replacement responsibility if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board;

6.4.4 To make capital acquisitions, additions or improvements costing less than \$5,000.

**6.5 Adoption of Budget; Determination of Fiscal Year; Filing of Income Tax Returns.**

6.5.1 Adoption of Budget. At least sixty (60) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the general common elements and those portions of the Units for which the Association has an obligation to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses pursuant to the Oregon Condominium Act, the Condominium instruments, or a resolution of the Association and that shall be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit owners of all related services.

Such budget also shall include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency and other reserve accounts as the Board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary of the budget to all owners. Such budget shall constitute the basis for determining each Unit owner's assessment for the common expenses of the Condominium.

6.5.2 Failure to Prepare Budget. The failure of the Board of Directors to prepare and/or to present, in a timely manner, a budget to the Unit owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based upon the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

6.5.3 Failure to Adopt Budget. In the event the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, the Unit owners holding a majority of the votes of the entire Association, at any general or specially called meeting, may adopt such a budget, announce it to the Unit owners and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, Unit owners holding a majority of the votes of the entire Association may amend any budget adopted by the Board of Directors. Thereafter, the amount of assessments due from Unit owners shall be based on the budget as so amended until a new budget is adopted in accordance with this Section 6.5.

6.5.4 Determination of Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

6.5.5 Filing of Income Tax Returns. The Board of Directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

**6.6 Default.** The failure of an owner to pay any assessment of the Association shall be a default by such owner of owner's obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at such rate as may be set by the Board of Directors from time to time not to exceed the lower of twelve percent (12%) per annum or the highest rate permitted by applicable law. Before a change in the interest rate charged on delinquent assessments, the Board of Directors shall give thirty (30) days' written notice to all owners.

In addition, the Board, at its option, may impose a late charge penalty on any assessment that is delinquent for ten (10) or more days. Such penalty shall not exceed the sum of twenty-five percent (25%) of the delinquent assessment and shall be imposed only once on each regular or special assessment or installment of such assessments.

The Association shall have a lien that may be enforced upon compliance with the provisions of ORS 100.450. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of defaulting owner's Unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, fines, charges, interest, fees (including attorneys' fees, whether or not a suit or an action is commenced), and other sums owing by the Unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act and rules and regulations of the Association, shall be the personal obligation of the Unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner in any provisions of these Bylaws or of the Oregon Condominium Act shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the Unit is subject.

**6.7 Statement of Assessments.**

6.7.1 The Association shall provide, within ten (10) business days of receipt of a written request from an owner, a written statement that provides:

6.7.1.1 The amount of assessments due from the owner and unpaid at the time the request was received, including:

- (a) Regular and special assessments;

- (b) Fines and other charges;
- (c) Accrued interest; and
- (d) Late payment charges.

6.7.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

6.7.1.3 The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

6.7.2 The Association is not required to comply with Section 6.7.1 if the Association has commenced litigation by filing a complaint against the owner and the litigation is pending when the statement would otherwise be due.

## **6.8 Maintenance and Repair.**

6.8.1 Owner's Duty to Maintain. All portions of the structures containing the Units are within the boundaries of the Units, and no portion is a general common element. Except as provided herein, all maintenance, repair and replacement of the Unit and components thereof are the responsibility of the Unit owner, including, without limitation: (i) windows and doors, mechanical operation, glass, hardware and lock maintenance, repair and replacement; (ii) mechanical, electrical, fire suppression sprinkler systems, solar panels, utility lines, pipes and equipment, hose bibs and plumbing systems serving the Unit maintenance, repair and replacement; (iii) structural components, framing, furring, sheeting, sheetrock, insulation, interior finishes, fixtures, appliances, nonbearing interior partitions, walls, flooring, crawl and attic space maintenance, repair and replacement, and (iv) stone, concrete, foundation, and flatwork maintenance, repair and replacement. Without intention to limit the generality of the foregoing in any respect, each owner shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements that shall be necessary or desirable in order to accomplish the foregoing.

Notwithstanding the foregoing, the maintenance, repair and replacement of the exteriors of the Townhome Units, including roofing, gutters, downspouts, painting, caulking and siding, shall be performed by the Association as a common expense. All other portions of the Townhome Unit shall be maintained, repaired and replaced by the Unit owner.

All maintenance, repair and replacement of the Existing Unit 12 and components thereof (interior and exterior), including, without limitation, utility lines, pipes and equipment serving the Unit, shall be performed and paid for by the owner of Unit 12.

Every owner shall prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other owners, and every owner shall be responsible for the damages and liabilities that owner's failure to maintain and repair may cause.

The cost of maintenance, repair and replacement of the limited common elements shall be borne by the Unit to which such limited common elements pertain and the performance of such work shall be the responsibility of such Unit owner.

If an owner fails to properly maintain, repair or replace any portion of such owner's Unit and/or limited common elements, the Association may perform such work and specially assess the owner for the cost thereof, either before or after the work has been performed.

6.8.2 Owner's Expenses. All repairs of installations of each Unit, such as water, lights, gas, power, sewage, telephones, air conditioners, refrigeration, heaters, plumbing fixtures, HVAC and sanitary installations, doors, windows, cabinets, lamps and all other accessories and appliances belonging or connected to the Unit area, shall be at the sole expense of the owner of such Unit. Owners shall be responsible for property taxes, utilities and insurance as provided in Article 8.

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

## **6.9 Right of Entry; Easement for Maintenance; Encroachments.**

6.9.1 Association Right of Entry. In case of an emergency originating in or threatening an owner's Unit, an owner shall grant the right of entry into the Unit to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not. Access shall not be considered a trespass.

6.9.2 Easement for Maintenance by Owner. An easement for the benefit of each owner is hereby reserved in and through the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of their Unit, utility lines/pipes and equipment and limited common elements.

6.9.3 Easement for Maintenance by Association. An easement for the benefit of the Association, the management agent or to any other person authorized by the Board of Directors or the Association is hereby reserved in, on and through the Units providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the Units, utility lines/pipes and equipment and limited common elements if the owner(s) fails to do so. Access shall not be considered a trespass.

6.9.4 Encroachment. If any portion of the common elements encroaches upon a Unit, or a Unit encroaches upon any portion of the common elements, a valid easement for the encroachment and for the maintenance of the same, so long as the affected Unit or common

element stands, shall and does exist. In the event that the affected Unit or common element either is partially or totally destroyed and then rebuilt, the owners of the Units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

**ARTICLE 7**  
**USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT**

**7.1 Use as Private Dwelling Only.** Each of the Units shall be occupied as a residential private dwelling by its owner or owner's visitors, and guests, and for no other purpose. Subject to compliance with applicable local ordinances and other restrictions of record, an owner may use owner's Unit as a "home office," provided that clients, customers, vendors and employees do not regularly visit the "home office." All common elements shall be used in a manner conducive to such purpose. No Unit or portion thereof may be rented. The Unit must be owner-occupied.

7.1.1 **System Development Charge Credits.** Declarant has applied for and been granted a credit towards certain System Development Charge fees ("SDCs") for the Condominium project. Qualification for the exemption requires limitations on the purchase price and occupancy of the Units for thirty (30) years. Sale of a Unit to a "non-qualifying" purchaser may result in the SDC becoming immediately due and payable. Under the agreement with the City of Redmond, the purchase price of the Unit must be affordable to household earnings at or below 80% of area median income (AMI) adjusted for household size, as established each year by the United States Department of Housing and Urban Development for the Bend-Redmond Metropolitan Statistical Area. The purchaser must meet certain criteria, including income levels. In addition, the Unit must be owner occupied. In the event purchaser does not meet these criteria, the SDCs applicable to purchaser's Unit shall be negotiated between purchaser and seller and paid to the City of Redmond.

This Section 7.1 may not be amended without the express written consent of the Declarant.

**7.2 Restriction on Alteration to Unit.** No owner shall make structural alterations or installations in owner's Unit without previously notifying the Association in writing by certified mail to the management agent, if any, or to the Chairperson of the Board of Directors, if no management agent is employed. The Association shall answer within thirty (30) days of receipt of such notice, and failure to do so within the stipulated time shall mean that it does not object to the proposed alteration or installation. Provided, however, that nothing herein contained shall waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

**7.3 Pets/Animals.** No pets or animals, except a reasonable number of domestic dogs and cats, shall be permitted on the condominium property. Excluded from the foregoing restriction shall be birds, fish, small reptiles and small animals which are permanently kept in cages or tanks within the interior of a Unit. Any Unit owner who maintains any pet/animal upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association, each of its members, and the Declarant, free and harmless from any loss, claim or

liability of any kind or character whatever arising by reason of keeping or maintaining such pet/animal within the Condominium. All pets/animals shall be registered and inoculated as required by law. Further, such owner shall abide by the Municipal Sanitary Regulations, leash laws, and rules or regulations of the Association created by the Board of Directors. The Board of Directors shall have the power to require any owner or occupant whose pet/animal is a nuisance, to remove such pet/animal from the premises.

**7.4 Appearance of Condominium Building(s).** No Unit owner shall cause anything to be hung, displayed, or placed on the walls, railings, doors, windows, walkways, patios, fences or roof of the Condominium building(s) or any other common element or otherwise change the appearance of any portion of the common elements or exterior of the Unit without the prior written consent of the Board of Directors. No clothes lines or similar devices and no "For Sale" or "For Rent" signs shall be allowed on any part of the Condominium property without the prior written consent of the Board of Directors, except that the Declarant may post reasonable signs and/or flags advertising any Unit for sale or rent in reasonable places on the Condominium property.

**7.5 Nuisances.** No nuisances or any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the property by its residents shall be allowed upon the Condominium property. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions and amplifiers that may disturb other residents. All parts of the Condominium shall be kept in a clean and sanitary condition; no rubbish, refuse or garbage shall be allowed to accumulate; and no fire or environmental hazard shall be allowed to exist. All garbage and trash shall be placed inside disposal containers. No Unit owner shall make or permit any use of their Unit or make any use of the common elements that would increase the cost of insurance upon the Condominium property. No owner shall hang garments, towels, rugs or similar items from any window, facade, porch, patio, fence, railing, or hang or shake dust rags, mops or similar items. Owners may grow marijuana plants within the interior of their Units. No marijuana plants may be grown, in pots or otherwise, outside of a Unit and no marijuana plants may be placed or planted on the exterior of the Unit for any period, even temporarily. Smoking, vaping of any substance that causes smells, odors, smoke, mist or haze, whether visible or not, to extend beyond the boundaries of the Unit shall constitute a nuisance. Any form of marijuana/cannabis use is prohibited.

**7.6 Improper, Offensive, Illegal, Prohibited or Unlawful Use.** No improper, offensive, illegal, prohibited or unlawful use shall be made of the Condominium property or any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction shall be observed. The responsibility for meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium property shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

**7.7 Restriction on Exterior Installations.** Except as permitted by law, no owner, resident or tenant shall install wiring for electrical or telephone installation, machines or similar devices on the exterior of the Condominium building(s) or cause them to protrude through the

walls or the roof of the Condominium except as authorized in writing by the Board of Directors, and, if the modification or installation would require an easement pursuant to the Declaration, then prior approval by the required percentage of Unit owners. No window guards, awnings or shades shall be installed without the prior written consent of the Board of Directors.

**7.8 Satellite Dishes and Antennas.** Except as otherwise provided by law or this section, no exterior antennas, satellite dishes, microwave, aerial, tower or other devices for the transmission or reception of television, radio or other forms of sound or electromagnetic radiation shall be erected, constructed or placed on any Unit or any common elements. Only exterior satellite dishes or antennas with a surface diameter of one (1) meter or less and antennas designed to receive television broadcast signals or multi-channel multi-point distribution (wireless cable), may be placed on a Unit or limited common element if it is securely mounted in such a manner that it may not become dislodged. Owners installing permitted satellite dishes or antennas in limited common element areas shall not penetrate into general common element areas. Any damage to the common elements caused by such owner shall be repaired at owner's sole cost and expense. Such cost shall be considered as an assessment and collectible as such as elsewhere provided in the Bylaws or Declaration. The Board may adopt reasonable rules and regulations governing the installation, safety, placement and screening of such antennas, satellite dishes and other transmission devices. This section and any rules adopted hereunder shall not unreasonably delay or increase the cost of installation, maintenance or use or preclude reception of a signal of acceptable quality.

**7.9 Parking.** Parking spaces shall be available for the use of the owners and their guests, subject to rules and assignments promulgated by the Association. The Board of Directors may grant an exclusive easement to each owner of a specific parking space. The parking space over which an easement has been granted to a Unit owner shall be used for parking a household vehicle of the occupant of the Unit to which the easement is appurtenant and for the guests of such occupant. The parking spaces shall be used in accordance with the rules and regulations promulgated by the Board of Directors. Provided however, if a fair housing accommodation request is made, the Unit owner will be required to transfer parking spaces.

**7.10 Exterior Lighting.** No exterior lighting of any kind may be installed on any portion of the Condominium or a Unit without the prior review and approval of the Association.

**7.11 Fines.** The Board of Directors may, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association, provided that fines levied are based on a schedule previously adopted by Board resolution that is mailed to the mailing address of each Unit or mailed to the mailing address designated in writing by the owner(s).

**7.12 Security.** The Association may, but shall not be obligated to, maintain or support certain activities and/or video surveillance equipment within the Condominium designed to make the Condominium safer than it otherwise might be. **Neither the Association, any managing agent retained by the Association, Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security and safety within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate**

security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association, its Board of Directors and committees, any managing agent retained by the Association, Declarant, and any successor Declarant are not insurers and that each person using the Condominium assumes all risks for loss or damage to persons, to property and to the contents of Units resulting from acts of third parties and releases such parties from any liability therefor.

**7.13 Smoking.** Rooted at 19<sup>th</sup> Condominium is a smoke-free community. All Unit owners, guests, visitors, occupants and invitees are prohibited from smoking anywhere on the Condominium property.

**7.14 Additional Rules.** Rules and regulations concerning other use of the Condominium property and Units and administration of the Association may be made and amended from time to time by the Association or the Board of Directors. Copies of such rules and regulations shall be furnished to all Unit owners and residents of the Condominium upon request.

**7.15 Covenants, Conditions, Restrictions and Easements in Other Documents.** In addition to the provisions of the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations promulgated thereunder, each owner of a Unit in the Condominium is subject to covenants, conditions, restrictions, easements and assessments recorded in the Deschutes County, Oregon deed records.

## **ARTICLE 8** **INSURANCE**

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, including insurance for such other risks of a similar or dissimilar nature as are or hereafter customarily shall be covered with respect to other condominiums similar in construction, design and which insurance shall be governed by the provisions in this section.

**8.1 Types of Insurance Policies.** For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

8.1.1 A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value, if available, of all Townhome Units (excluding the Existing Unit 12) and common elements, and such other fire and casualty insurance as the Board of Directors shall determine, to give substantially equal or greater protection to the owners and their mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss payable

endorsement in favor of the mortgagee or mortgagees, if any, of each Unit. For the purposes of any policy or policies of fire insurance, the term "building" shall include fixtures (including cabinets, built-in appliances and plumbing fixtures), installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Condominium Units initially installed or replacement thereof, in accordance with the original Condominium plans and specifications, or installed by or at the expense of any Unit owner or owners. The owner of the Existing Unit 12 shall procure its own property insurance including, but not limited to, fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value of the Unit. The Association shall have no responsibility to procure or to assist the owners or occupants of the Existing Unit 12 in procuring property loss insurance.

8.1.2 A policy or policies insuring the Association, its Board of Directors, the Unit owners individually, and the manager against any liability to the public or the owners of Units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000) per occurrence for bodily injuries and property damage. Such limit and coverage shall be reviewed at least annually by the Board of Directors which, in its discretion, may increase either. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of a named insured under the policy or policies shall not be prejudiced with respect to named insured's action against another named insured.

8.1.3 Worker's compensation insurance to the extent necessary to comply with any applicable laws.

8.1.4 A policy or policies insuring all persons with access to Association funds, including directors, managing agents, and employees of management company or entity with which the Association contracts and computer and funds transfer fraud. The fidelity bond must be in an amount that is at least equal to the combine amount of funds maintained in the name of the Association in accounts under ORS 100.480 and any obligations issued by the United States government purchased by the Association.

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

**8.2 Insurance Companies Authorized.** All policies shall be written by a company licensed to do business in Oregon and holding a financial strength rating of "B+" or better and a size rating of "IX," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

**8.3 Authority to Adjust Losses.** All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a Unit owner and such first mortgagee has requested the opportunity to exercise the

rights provided by this Article 8, such mortgagee shall be entitled to settle losses as to the mortgaged Unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

**8.4 Value of Owner Improvements.** Each owner must inform the Board of Directors of the value of improvements made to owner's Unit in excess of One Thousand Dollars (\$1,000) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Section 7.2.

**8.5 Provisions in Insurance Policies.** The Board of Directors shall make every effort to secure insurance policies that provide for the following:

8.5.1 A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the Unit owners and their respective servants, agents and guests.

8.5.2 A provision that the master policy on the Condominium cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual owners.

8.5.3 A provision that the master policy on the Condominium cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.

8.5.4 A provision that any "no other insurance" clause in the master policy exclude individual owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Units or common elements.

**8.6 Reconstruction Costs.** If the Association is required or elects to reconstruct any common element or Unit that has been damaged or destroyed for which the Association is providing insurance, an affected Unit owner (i.e., the owner whose Unit or limited common element has been damaged or destroyed) shall contribute to the Association all amounts received by such owner from property loss insurance policies to help pay for the repairs. To the extent that such insurance proceeds are unavailable or unpaid when needed, the Association shall assess such owner the amount of the Association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's Unit or limited common elements. Such assessment shall be both a personal obligation of such owner and a lien against such owner's Unit in the same manner as any other Association assessment.

**8.7 Insurance Deductible/Owner and Tenant Insurance; Association Limitation of Liability.** The Board of Directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 8. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, cost, and loss experience of the Association. In this regard, as in other Board responsibilities, the Board members shall

exercise their reasonable business judgment. Except as otherwise allocated herein, the responsibility for payment of the deductible shall be set forth in a resolution adopted by the Board which complies with ORS 100.435(6) and (9). The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all Units shall procure and maintain comprehensive liability policies having combined limits of not less than Fifty Thousand Dollars (\$50,000) for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owner(s) and tenant(s) and their guests or other occupants of the Unit(s) for damage to the general and limited common elements and other Units and the personal property of others located therein.

The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a Unit or limited common elements not covered by the Association's policy (including, without limitation, because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); (b) for any damage or loss to the owner's or tenant's personal property; or (c) loss of use, loss of rent to an owner, or payment of rent by a tenant. Owners shall be responsible for purchasing insurance policies insuring their Units and appurtenant limited common elements for any losses below the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Association also shall not be liable to any Owner, family member, guest, invitee or agent of an Owner for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carry insurance with a particular deductible amount) to any particular matter where such insurance is not available, required herby or the Association could not obtain such insurance at a reasonable cost or upon reasonable terms.

**8.8 Review of Insurance Policies.** At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

**8.9 Duplicate Insurance Coverage.** In the event of duplicate insurance coverage, the insurance policy obtained by the Unit owners shall be deemed to be the primary coverage.

## **ARTICLE 9**

### **DAMAGE AND DESTRUCTION**

**9.1 Insurance Proceeds Sufficient to Cover Loss.** In case of fire, casualty or any other damage and destruction, the insurance proceeds of the Association's master policy, if sufficient to reconstruct the covered buildings damaged or destroyed, shall be applied to such reconstruction.

**9.2 Insurance Proceeds Insufficient to Cover Loss.** If the insurance proceeds are insufficient to reconstruct the covered damaged or destroyed buildings, the damage to, or destruction of, such buildings shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such buildings for that purpose and all the Unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. The owner if Unit 12 shall be responsible for repairing its own building with their own insurance proceeds as it is not covered by the Association's master policy. Provided, however, that if three-fourths (3/4ths) or more in value of all the buildings is destroyed or substantially damaged, and if the owners of at least sixty percent (60%) of the Units so vote, and upon written approval of holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium, the manager or Board of Directors shall record with the County Recorder a notice setting forth such facts, and upon the recording of such notice:

9.2.1 The Condominium property shall be deemed to be owned in common by the owners.

9.2.2 The respective interest of each Unit owner in the property shall be determined by the provisions of ORS 100.610 that are in effect on the date the Condominium Declaration is recorded.

9.2.3 Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

9.2.4 The Condominium shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the Condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the Condominium, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for the purpose, all first mortgagees and other lienholders (as their interests may appear) on the undivided interest in the project owned by each owner. Provided, however, that nothing in this or any document or agreement relating to the Condominium shall be construed to give any Unit owner or any party priority over the rights of the first Mortgagees of any Condominium Units in the case of a distribution to the Unit owner of any insurance proceeds for losses to the Condominium Units and/or common elements.

**9.3 Architectural Changes After Damage or Destruction.** Reconstruction of the damaged or destroyed building as used in this Article means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved in writing by holders of first mortgages that represent at least fifty-one percent (51%) of the votes of Mortgaged Units in the Condominium. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote

of sufficient owners, amend these Bylaws, cause an amendment to be made to the Condominium documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the Condominium, or any buildings thereof, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the Condominium, or said buildings, and upon written approval by holders of first mortgages that represent at least fifty-one percent (51%) of the votes of mortgaged Units in the Condominium. Provided, however, that any such amendment of such Condominium documents shall be valid only upon (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Deschutes County; and (4) recording with that recording officer of the approval thereof of each first Mortgagee and each other lienholder of record having a lien against any part of the project, or building, affected by such amendment.

**9.4 Reallocation of Percentage Interest.** In the event of a partial destruction of the Condominium buildings or Units therein, the Unit owners may not reallocate percentages of interest in the common elements without the prior approval of the Mortgagees of all the remaining Units, whether existing in whole or in part. Any such reallocation shall also comply with the Oregon Condominium Act and other provisions of the Declaration, any applicable Supplemental Condominium Declaration and the Bylaws.

## **ARTICLE 10 CONDEMNATION**

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the Condominium and shall assist any Unit owner whose Unit or a part thereof, is the subject of any condemnation or eminent domain proceeding. Provided, however, that nothing in this or any document or agreement relating to the Condominium shall be construed to give a Unit owner or any party priority over the rights of the first mortgagees of any Condominium Units in the case of a distribution to the Unit owner of any such condemnation awards for losses to or a taking of a Unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the Unit owners and their mortgage holders as their interest may appear. The Board of Directors shall distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the Unit owners.

## **ARTICLE 11 AMENDMENTS TO BYLAWS**

These Bylaws may be amended by approval of the owners holding a majority of the total voting rights allocated to the Units in a duly constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the Declaration and any Supplemental Condominium Declaration. Any amendments adopted hereunder shall be reduced to writing and certified by the Chairperson and Secretary of the Association to be the amendment so adopted by the

Association. Such amendment so certified shall be recorded in the Deed Records of Deschutes County, Oregon. Provided, however, that no amendment of these Bylaws reducing or eliminating the right of any first Mortgagee shall be made without the prior written consent of such first Mortgagees. Provided, further, that no amendment of these Bylaws may be made without the consent of the Declarant so long as the Declarant owns any Unit in the Condominium, but no such consent shall be required after conveyance to owners other than the Declarant of seventy-five percent (75%) of the Units the Declarant has reserved the right to create or seven (7) years after the recording date of the first conveyance of a Unit in the Condominium to an entity other than the Declarant, whichever is earlier. Provided, however, that even thereafter, no amendment may limit the Declarant's special rights or easements, whether reserved in the Declaration, these Bylaws, or as otherwise provided by law. ANY AMENDMENTS TO THESE BYLAWS MADE WITHIN FIVE (5) YEARS OF THE RECORDING DATE HEREOF MUST BE APPROVED BY THE OREGON REAL ESTATE COMMISSIONER PRIOR TO RECORDING.

## **ARTICLE 12** **RECORDS AND AUDITS**

**12.1 General Records.** The Board of Directors and the managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association as required by ORS 100.480. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all Mortgagees of Units insofar as such names have been provided to the Board by the owner or Mortgagee. Proxies and ballots must be retained by the Association for one year from the date of determination of the vote.

**12.2 Records of Receipts and Expenditures.** The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Unit owners and Mortgagees during convenient weekday hours.

**12.3 Assessment Roll.** The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

**12.4 Payment of Common Expenses.** The Board of Directors shall authorize the Treasurer, the management agent, or another specified party, to pay all legitimate expenses of the Association. Such payments shall be made pursuant to the payment system instituted by the Board of Directors.

**12.5 Reports and Audits.** The Board of Directors shall prepare or cause to be prepared an annual financial statement consisting of a balance sheet and income and expense

statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all Unit owners within ninety (90) days after the end of each fiscal year. At any time and at owner's or Mortgagee's expense, any owner or Mortgagee may cause an audit or inspection to be made of the books and records of the Association.

**12.6 Notice of Sale, Mortgage.** Immediately upon the sale or mortgage, the Unit owner shall promptly inform the Secretary or manager of the name and address of such purchaser, vendee, or mortgagee. This obligation is in addition to those set forth in Section 7.1.

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

### **ARTICLE 13** **COMPLIANCE**

These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein, and to supplement the provisions of the Condominium Declaration. If any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply. If any of the provisions hereof conflict with the provisions of the Declaration, the provisions of the Declaration shall apply.

### **ARTICLE 14** **INDEMNIFICATION OF DIRECTORS,** **OFFICERS, EMPLOYEES AND AGENTS**

The Association shall indemnify, defend and hold harmless any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the act that said person is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if said person acted in good faith and in a manner said person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that said person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which said person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that said person's conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to be reimbursed, should it be proven at a later time that said person had no right to

such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

**ARTICLE 15**  
**ASSESSMENT AND FINE COLLECTION COSTS;**  
**ENFORCEMENT; SUITS AND ACTIONS**

Whether or not suit or action is commenced, Unit owners shall be obliged to pay reasonable fees and costs, including, but not limited to, attorney's fees (whether or not suit or action is commenced) and administrative expenses incurred in connection with efforts to collect delinquent and unpaid assessments, fines and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to ORS 100.405(4)(j)(k)(L).

In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

Nothing in these Bylaws or the Declaration shall be construed as requiring the Association to take any specific action to enforce violations.

**ARTICLE 16**  
**MISCELLANEOUS**

**16.1 Notices.** All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent to such address as may have been designated by the Unit owner from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner's Unit. The Association must provide to any eligible covenant holder under an Affordable Housing Covenant recorded against any Unit the following notices and documents: (i) ten (10) days' prior notice of (except in the case of an emergency as to which notice must be given as soon as reasonably possible) and invitation to attend all meetings of the Association and the Board and its committees; and (ii) upon request from an eligible covenant holder, copies of all meeting notices, minutes, financial statements, budgets, resolutions, and Board meeting minutes, and other records that would otherwise be available to owners upon request for a proper purpose.

**16.2 Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

**16.3 Invalidity; Number; Captions.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

It is hereby certified that these Bylaws have been adopted by RH19th LLC, an Oregon limited liability company, Declarant of Rooted at 19th Condominium, and will be recorded in the Deed Records of Deschutes County, together with the Condominium Declaration for said Condominium, after said Declaration and Bylaws are approved by the Assessor of said County.

DATED this 26<sup>th</sup> day of August, 2025.

RH 19TH LLC, an Oregon limited liability company

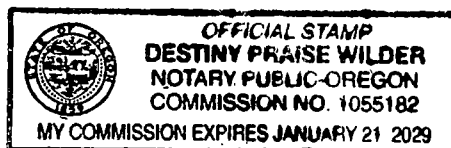
BY: KOR COMMUNITY LAND TRUST dba  
ROOTEDHOMES, an Oregon nonprofit  
public benefit corporation

By:   
Elizabeth Wilson, Executive Director

STATE OF OREGON )  
County of Deschutes )ss.

August 26<sup>th</sup>, 2025

Personally appeared before me the above-named Elizabeth Wilson, who, being duly sworn, did say that she is the Executive Director of Kor Community Land Trust dba Rootedhomes, an Oregon nonprofit public benefit corporation, the Member of RH 19<sup>th</sup> LLC, an Oregon limited liability company, and that the foregoing instrument was signed in behalf of said Company by authority of its Member; and acknowledged said instrument to be its voluntary act and deed.



  
NOTARY PUBLIC FOR OREGON