

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(c).

DECLARATION OF UNIT OWNERSHIP

FOR

RIDGECREST CONDOMINIUM

MULTNOMAH COUNTY, OREGON

500A1361 PAGE 813

This Declaration is made in Multnomah County, Oregon, this 20th day of June, 1979, by Daunach & Son Construction, Inc., an Oregon corporation ("Declarant"), for itself, its successors, grantees and assigns, pursuant to provisions of the Oregon Unit Ownership Law, ORS 91.500 to ORS 91.671, inclusive, and ORS 91.990.

ARTICLE I

WHEREAS:

(1) Declarant is owner in fee simple of the land located in Multnomah County, Oregon, and described in attached and incorporated Exhibit A;

(2) Declarant has constructed residential buildings and certain other improvements on the land;

(3) Declarant desires to submit the land, together with all such improvements, to the provisions, restrictions and limitations of the Oregon Unit Ownership Law as a condominium project known as Ridgecrest Condominium;

(4) Declarant desires and intends to sell the fee title to individual units contained in the condominium project, together with an undivided ownership interest in appurtenant common elements,

and together with an undivided ownership interest in the appurtenant limited common elements, to various purchasers, subject to covenants, conditions and restrictions to be kept and observed; and

(5) Declarant intends to develop the condominium project in one phase consisting of 41 units,

NOW, THEREFORE, for those purposes, Declarant makes this Declaration:

ARTICLE II

The name by which the land and improvements shall be known is RIDGECREST Condominium.

ARTICLE III

Definitions

Terms used in this Declaration have the meanings stated in the Oregon Unit Ownership Law and as follows, unless the context clearly indicates a different meaning:

A. "Act" or "the Act" means the Oregon Unit Ownership Law, ORS 91.500 to 91.671, inclusive, and ORS 91.990.

B. "Articles of Incorporation" means the instrument by which the Association is formed and organized as a private nonprofit corporation under general corporation laws.

C. "Association" or "Ridgecrest Condominium Owners' Association" means the association of all unit owners acting as a group in accordance with the Declaration and By-Laws.

D. "Board" or "Board of Directors" means the Board composed of persons elected by the Association as provided by this

Declaration, in accordance with the By-Laws attached and incorporated as Exhibit B. The Board shall have responsibility and authority to make and to enforce all reasonable rules and regulations covering operation and maintenance of the property.

E. "Common elements" means:

(1) The portion(s) of the property and the condominium project not specifically included in any unit;

(2) Common elements defined in the Act, whether or not expressly listed in this Declaration, except portions of the property and the condominium project expressly included in units;

(3) General common elements described in Section E of Article IV of this Declaration; and

(4) Limited common elements described in Section F of Article IV of this Declaration.

"General common elements" or "unlimited common elements" are all common elements not defined as limited common elements.

F. "Common expenses" means:

(1) Expenses of administration, maintenance, repair or replacement of common elements;

(2) Expenses agreed upon as common by all unit owners; and

(3) Expenses declared common by Subsection (7) of ORS 91.500 and Subsection (2) of ORS 91.554 by this Declaration or by the By-Laws.

G. "Condominium project" or "the project" means the property and the entire real estate condominium project referred to in this Declaration.

H. "Declarant" means Baunach & Son Construction, Inc.

I. "Declaration" means this instrument.

J. "Institutional holder" means a mortgagee or trust deed beneficiary which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company or any federal or state agency.

K. "Lease" means any contract or agreement for exclusive possession of land or tenement for a determinate period or recurring periods and includes, but is not limited to, month-to-month rental.

L. "Limited common elements" means those common elements designated in Section F of Article IV of this Declaration as being reserved for use of a certain unit or units to the exclusion of other units.

M. "Majority" or "Majority of unit owners" means the owners of more than 50% in the aggregate of the undivided ownership interests in the general common elements as the percentage of interests in such elements appertaining to each unit is expressed in the Declaration. Whenever a percentage of the unit owners is specified, percentage means the percentage in the aggregate of the undivided ownerships.

N. "Manager" means the person(s), firm or corporation selected by the Board to be in charge of administration of or management of the condominium project.

O. "Mortgagee" means a mortgagee or a trust deed beneficiary.

P. "Property" means (1) the land described in Exhibit A,

(2) the buildings on the land, (3) all structures on the land, (4) all other improvements on the land, (5) all easements, (6) all rights, (7) all appurtenances, and (8) all articles of personal property intended for use in connection with (1) through (7) of this paragraph P.

Q. "Unit" means that part (together with its undivided interest in the common elements and all appurtenances) of the property owned in fee simple by a unit owner and intended for independent use, including the interior space of a combination of one or more rooms occupying a building or a part or parts thereof, and with a direct exit to a public street or highway or to a common element or elements leading to a public street or highway and all components of ownership with respect to that part.

R. "Unit number" means the arabic number designating a particular unit in the Declaration.

S. "Unit owner" means the person(s) owning a unit in Ridgcrest Condominium in any real estate tenancy relationship recognized under the laws of the State of Oregon.

T. "Unit owners" means unit owners of Ridgcrest Condominium and includes the original purchasers and others who may subsequently become unit owners.

Definitions contained in the Act, to the extent to which they are applicable to and not inconsistent with this Declaration, are incorporated in, made a part of and have the same effect as if expressly set forth in this Declaration.

ARTICLE IV

Description of Property

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A. Description of Land.

The land is the tract or parcel of land in Multnomah County, State of Oregon, more particularly described in attached and incorporated Exhibit A.

B. General Description of Buildings.

The condominium project contains forty-one (41) residential units in four two story prestained cedar wood sided frame buildings with tile roofs.

Building A contains two three-bedroom units, each of which comprises approximately 991 square feet, four two-bedroom units, each of which comprises approximately 879 square feet and two one-bedroom units, each of which comprises approximately 734 square feet. Four units numbered 1, 2, 3 and 4 are located on the first floor level. Four units numbered 5, 6, 7 and 8 are located on the second floor level.

Building B contains four three-bedroom units, each of which comprises approximately 991 square feet, three two-bedroom units, each of which comprises approximately 879 square feet and four one-bedroom units, each of which comprises approximately 734 square feet. Five units numbered 9, 10, 11, 12 and 13 are located on the first floor level. Six units numbered 14, 15, 16, 17, 18 and 19 are located on the second floor level. Building B also contains on the first floor a recreation room, lounge, fireplace, wet bar,

Half bath, deck, deck storage area, laundry, utility storage room and access to the pool, all of which in the aggregate comprise approximately 879 square feet.

Building C contains four three-bedroom units, each of which comprises approximately 991 square feet, four two-bedroom units, each of which comprises approximately 879 square feet and four one-bedroom units, each of which comprises approximately 734 square feet. Six units numbered 20, 21, 22, 23, 24 and 25 are located on the first floor level. Six units numbered 26, 27, 28, 29, 30 and 31 are located on the second floor level.

Building D contains two three-bedroom units, each of which comprises approximately 991 square feet, six two-bedroom units, each of which comprises approximately 879 square feet and two one-bedroom units, each of which comprises approximately 734 square feet. Five units numbered 32, 33, 34, 35 and 36 are located on the first floor level. Five units numbered 37, 38, 39, 40 and 41 are located on the second floor level.

A 4' x 8' x 5' to 7' high building for storage of pool maintenance materials, supplies and equipment is located approximately 15 feet east of the pool.

Respective locations of buildings are set forth in attached and incorporated Exhibit C.

C. Description of Units.

The units are of varying sizes and three different floor plans. Each of one class of units contains a living room, dining room, kitchen, one bedroom, one bathroom and storage area. Each of

a second class of units contains a living room, dining room, kitchen, two bedrooms, one bathroom and storage area. Each of a third class of units contains a living room, dining room, kitchen, three bedrooms, one and three-fourths bathrooms and storage area.

Each unit consists of:

(1) The space, except supporting interior walls, enclosed within the unfinished and undecorated interior surface of the unit's perimeter walls, floors and ceilings (being in appropriate cases the inner surfaces parallel to the roof plane of the roof rafters and the projections thereof) projected, where appropriate, to form a complete enclosure of space;

(2) Any finishing material, including, without limitation, paint, lacquer, varnish, wallpaper, tile and paneling, applied or affixed to the interior surfaces of the perimeter walls, to the supporting interior walls or to floors or ceilings;

(3) Nonsupporting interior walls;

(4) Windows and doors in the perimeter walls, whether located within the bounds of a unit or not;

(5) A fireplace; and

(6) All fixtures and appliances which are located within the otherwise bounds of the unit, including, but not limited to, fixtures and appliances connected to common elements.

(7) The outlet of each utility service line, including water, sewerage or electricity and ventilating ducts, if any, within the otherwise bounds of the unit.

D. Conveyance.

The legal estate of each unit owner shall be fee simple.

Every deed conveying legal title to a unit and every other instrument affecting title to a unit may describe that unit by its identifying number or symbol in substantially the fashion:

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Unit _____, which is intended for residential use and which is described by that unit number in the Declaration of Unit Ownership for Ridgecrest Condominium, and an undivided _____ interest in all appurtenant common elements, an exclusive irrevocable license, easement and right of use and occupancy with respect to the deck number _____, parking space number _____ and a non-exclusive easement to use the unlimited general common elements, which Declaration was recorded on the _____ day of _____, 19____, in Book _____, Page _____, Film Records of Multnomah County, Oregon.

That description will be construed to describe the unit, together with all appurtenant and undivided interests, including the appurtenant undivided interest in the common elements, and to incorporate all rights incident to ownership of a unit and all limitations on such ownership as described in this Declaration.

E. Description of General Common Elements.

Each unit is granted a non-exclusive easement to use the general common elements.

The general common elements consist of all common elements not described as limited common elements.

Without limiting the generality of the definition of common elements, general common elements include:

- (1) The portion(s) of the property and the condominium project not specifically included in a unit;
- (2) All land beneath each unit or beneath improvements on the property;
- (3) All structural portions of all buildings other than

the unfinished and undecorated interior surface of the perimeter walls, of supporting interior walls, of floors and of ceilings of units;

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(4) All foundations, columns, joists, girders, beams, supports, supporting walls, supporting floors, supporting ceilings, supporting roofs, main walls and roofs;

(5) All exterior walkways, parking areas and spaces in which no unit owner has an irrevocable license, easement and right of exclusive use and occupancy and which are for concurrent use of all unit owners and their guests, subject to regulation by the Association;

(6) Service streets, driveways and roadways contained in the property (but such roadways shall cease to be a part of common elements when and if they are dedicated to public use with the consent of the Association and accepted by public authority having jurisdiction);

(7) All utility pipes, lines, systems, ducts, cables, vents, wires, conduits and other related accessories or installations of or for power, light, telephone, gas, water, sewerage, heat, refrigeration, air conditioning and other utilities from the perimeter boundaries of the condominium project to the point of the outlet or connection with fixtures or appliances located within the otherwise bounds of a unit, whether located in common areas or in units;

(8) All decks, other than decks designated as limited common elements, all yards, gardens and fences, the swimming pool,

pool maintenance building, recreation room, lounge, wet bar, storage room, utility room, stairways, chimneys and flues; and

(9) All repairs and replacements of items (1) through (8) of this Section E or of otherwise defined general common elements.

F. Description of Limited Common Elements.

Each unit owner of units numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40 and 41 is granted an irrevocable license, easement and right of exclusive use and occupancy, as a limited common element, of the wooden deck which is contiguous with the unit and which bears in Exhibit D of this Declaration the number corresponding to the unit. Each such deck is reserved exclusively for the use of the owner of its corresponding unit and the irrevocable license, easement and right of use and occupancy of the deck is permanently appurtenant to the corresponding unit of the same number and shall not be severed or severable from the unit.

To accommodate at least one automobile for each unit, each unit owner of units numbered 1 through 41 is granted an irrevocable license, easement and right of exclusive use and occupancy, as a limited common element, of the parking space bearing the number corresponding to the unit. Each such parking space is reserved exclusively for the use of the owner of its corresponding unit and the irrevocable license, easement and right of use and occupancy of the parking space is permanently appurtenant to the corresponding

unit of the same number and shall not be severed or severable from the unit.

A unit owner's use and occupancy of limited common elements reserved for his unit shall be subject to and in accordance with this Declaration and the By-Laws.

Repairs and replacements of otherwise described limited common elements are limited common elements.

ARTICLE V

Submission to Condominium Ownership

Declarant submits the property to the provisions of the Act as a condominium, and this Declaration is submitted in accordance with, and shall be construed in accordance with, the terms and provisions of the Act.

ARTICLE VI

Covenants to Run with the Land

This Declaration, with its covenants, conditions and restrictions relating to the condominium project and the property, shall be enforceable equitable servitudes and shall run with the land and the property, and this Declaration and the servitudes shall be binding upon Declarant, Declarant's successors and assigns, and upon all owners or subsequent owners of all or any part or unit of the condominium project or the property and upon the grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns of such owners or subsequent owners.

ARTICLE VII

Statement of Purposes, Uses and Restrictions

A. Purposes.

The purpose of the property is to provide residential housing

for unit owners and their respective families, tenants, guests and servants in accordance with the provisions of the Act and this Declaration.

B. Restriction on Use.

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Subject to Declarations of otherwise applicable covenants and restrictions by Mountain Park Corporation, the units and common elements shall be used and occupied as follows:

(1) No part of the property shall be used for other than residential housing and related common purposes for which the property is designed. Each unit shall be used and occupied exclusively as a private residence and for no other purpose. With the exception of a lender in possession of a unit following default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall lease his unit for transient or hotel purposes. Rental for transient or hotel purposes is any rental for a period less than 30 days. No unit owner shall lease less than the entire unit. Each lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the By-Laws and that any failure by a lessee to comply with the terms of the Declaration and the By-Laws shall be a default under the lease. Each lease shall be in writing. Except as otherwise stated in this paragraph (1), there is no restriction on the right of any unit owner to lease his unit.

(2) Except as otherwise provided in this Declaration, without prior written consent of the Association there shall be

no obstruction of, or storage of items in, the common elements.

(3) No item, except customary deck furnishings, shall be placed, permitted or stored on any deck.

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(4) Without prior written consent of the Association, nothing shall be done or kept in any unit or in the common elements, which will increase the rates of insurance on the buildings or contents beyond that customarily applicable for residential use. No unit owner shall permit in his unit or in the common elements to be done or kept anything which will result in the cancellation of insurance on any building or contents or which would be in violation of any law or regulation of any governmental authority. No waste shall be committed of the common elements.

(5) Except as permitted under paragraph (15) of this Article VII, without prior written consent of the Association, no unit owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, storm door, screen door, radio or television antenna) to be hung, displayed or otherwise affixed to or placed on the exterior walls or roofs.

(6) No unit owner shall keep or permit the keeping of a pet which weighs more than 10 pounds. The owner or other person in control of any permitted pet daily shall pick up and dispose of all of the litter from the pet. No animal or bird shall be kept or bred for any commercial purpose. Any pet causing or creating a nuisance or disturbance shall be permanently removed from the property upon ten days written notice from the Association.

(7) No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done in any unit or in the common elements either willfully or negligently which may be or become an annoyance or nuisance to the other unit owners or occupants.

(8) Except as otherwise provided in this Declaration, nothing shall be done in any unit or in, on or to the common elements which will impair the structural integrity of part or all of the buildings or which would structurally change all or part of the buildings.

(9) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out of or exposed on any part of the common elements. The common elements shall be kept free and clear of all rubbish, debris and other unsightly materials.

(10) No unit owner shall conduct or permit the noisy use of any musical instrument, operation of radio, operation of television or operation of amplifier or loud speaker in a manner which disturbs the owner or occupant of any other unit.

(11) No unit owner shall conduct or permit the cleaning of a dust cloth, mop, rug or any other material from the windows or to clean a rug, cloth or mop by beating on the exterior of any structure.

(12) No unit owner shall conduct or permit the placing of garbage or trash outside a garbage can or container.

(13) Except with the consent of the Association, no unit owner shall admit or permit the presence of a waterbed in any unit.

(14) No unit owner shall park or permit the parking of a boat, trailer, motorhome, 1/2 ton or larger truck, camper, dune buggy, snow mobile, recreational vehicle or like equipment on the property.

(15) Except as provided in paragraph (16) of this Section B, and except as permitted by, and subject to the rules of, the Association,

(a) no industry, business, trade, occupation or profession of any kind, whether for commercial, religious, educational, charitable or other purpose, shall be conducted, maintained or permitted on any part of the property; and

(b) no "For Sale" or "For Rent" sign or other window display or advertising shall be maintained or permitted by any unit owner on any part of the property or in any unit.

(16) Exceptions to paragraph (15) of this Section B are:

(a) The Declarant may perform or cause to be performed work which is incident to completion of the development of the property and the condominium project or to sale of units owned by Declarant;

(b) The Declarant or its agent may place "For Sale" signs on any unsold unit and may place other such signs on the property as may be required to facilitate sale of unsold units;

(c) The Association or the Board or the agent or representative of the Association or the Board may place "For Sale" signs on any unit or on the property for the purpose of facilitating disposal of units by any unit owner, any mortgagee or the Association;

(d) A unit owner with respect to a unit, or the Association or the Board or the agent or representative of the Association or the Board, with respect to common elements, may perform or cause to be performed any maintenance, repair or remodeling work or other work required or permitted by this Declaration; and

(e) During any foreclosure proceeding or any redemption period, a mortgagee or trust deed beneficiary may place "For Rent" or "For Sale" signs on the property if each sign does not exceed 1-1/2 feet X 2-1/2 feet in size.

(17) Draperies or curtains shall be installed by each unit owner on all windows of his unit and shall be maintained in the windows at all times. No blinds, except blinds approved by the Association, shall be installed or used without draperies. The color portion of draperies, blinds or curtains visible from the exterior shall conform to uniform color standards specified by the Board.

(18) The Board is authorized to enact any additional rules and regulations to achieve pleasant and quiet enjoyment, use and occupancy of the property.

ARTICLE VIII

Ownership and Use

A. Ownership of a Unit.

Except with respect to any of the common elements located within the bounds of a unit, each unit owner shall be entitled to exclusive ownership and possession of his unit and to ownership of

an undivided interest in all common elements in the percentage expressed in attached and incorporated Exhibit D.

B. Prohibition Against Subdivision of Unit.

No unit may, by deed, plat or otherwise, be subdivided, partitioned or in any manner caused to be separated into tracts, parcels or subunits smaller than or comprising a fraction less than the whole unit.

C. Ownership of Common Elements.

The common elements shall be owned by unit owners as tenants in common, and the ownership of common elements shall remain undivided. No action for partition of any part of the common elements shall be maintainable, except as specifically provided in the Act, nor may any unit owner otherwise waive or release any right in common elements.

D. Use of Common Elements.

Each unit owner may use common elements in accordance with purposes for which they are intended, but subject to this Declaration and the By-Laws. The right of use is appurtenant to and runs with each unit.

ARTICLE IX

Agent for Service of Process

The name and address of the person residing in Multnomah County, designated to receive service of process in cases provided in ORS 91.578 (1) is:

Kaye Hall, President
Condominium Management, Inc.
278 SW Arthur St.
Portland, OR 97201

ARTICLE X

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Percentage of Ownership and Voting Rights

The percentage of ownership in common elements of the condominium shall be for all purposes, including voting. Common expenses shall be allocated among unit owners in accordance with percentage of ownership in the common elements. The percentage of ownership in the common elements is set forth in attached and incorporated Exhibit D.

ARTICLE XI

Easements

A. For the benefit of the property, the Association may grant easements for utility purposes, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits and wires over, under, along, on and through any portion of the common elements. Each unit owner by his acceptance of a deed to his unit agrees from time to time to execute, acknowledge, deliver and record for and in the name of the unit owner instruments which may be necessary to effectuate the work and purposes described in the immediately preceding sentence.

B. An easement in favor of each unit owner is established to permit the owner to attach draperies, pictures, mirrors, plant hangings and like decorations and furnishings to interior surfaces of the perimeter and supporting walls and ceilings.

C. Each unit shall be subject to an easement which may

be necessary for access to and installation, maintenance, repair or replacement of common elements located within the bounds of the unit.

D. If by reason of construction, reconstruction, repair, shifting, settlement or movement of any portion of the property any part of the common elements encroaches or shall encroach upon any part of any unit or any part of any unit encroaches or shall encroach upon any part of the common elements or any other unit, a valid easement for the encroachment and for the maintenance of the encroachment is established and shall exist for the benefit of the unit and common elements, as the case may be, so long as the encroachment exists.

ARTICLE XII

Management

The business, property and affairs of Ridgecrest Condominium shall be managed by the Association through its Board of Directors. The Board shall consist of five directors who are unit owners in Ridgecrest Condominium to be elected as provided in the By-Laws. The Board shall have all powers, duties and responsibilities which are now or may later be provided by the Act, by this Declaration, by the By-Laws or by later amendments and supplemental Declarations.

The Board may employ or contract for a managing agent or manager at a compensation to be established by the Board so that the managing agent or manager shall be in direct charge of the operation

of the property under the supervision of the Board. Any management agreement shall be terminable by the Association for cause upon 30 days' written notice, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

Upon filing of the Declaration, the Declarant, as developer and owner of all units shall appoint an interim Board of three directors who are officers or agents of Declarant and who shall serve until their successors have been elected by the unit owners at the first organizational meeting of the Association. At the first organizational meeting of the Association, the unit owners shall elect five directors. The term of office of three of these directors shall be fixed at one year and the term of office of two of these directors shall be fixed at two years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve for a term of two years so that the terms of at least two-fifths of the directors shall expire annually. Each director shall hold office until his successor has been elected by the unit owners.

The Board shall be responsible for control, operation and management of Ridgcrest Condominium in accordance with the provisions of the Act, this Declaration, the By-Laws, the Articles of Incorporation and regulations which the Board may adopt from time to time, as provided in this Declaration for administration, management and operation, and in accordance with all agreements and determinations lawfully made and entered into by the Board.

The Board shall have authority to provide facilities, in addition to those for which provision has already been made, which it deems are in the best interests of unit owners and to effect the necessary related amendments of documents.

ARTICLE XIII

Change in Ownership

On a change in ownership of a unit and its appurtenant rights, for whatever reason, the Board or the manager, under the direction of the Board, may require as a condition to recognizing the transferee owner or owners as such that the transferee owner or owners:

- A. Furnish evidence substantiating the new ownership; and
- B. Sign an agreement accepting and agreeing to be bound by the present, and future amendments of, the Declaration, By-Laws, Articles of Incorporation and rules and regulations.

ARTICLE XIV

Assessments

Each unit owner shall pay his unit's proportionate share of common expenses. Payment shall be in amounts and at times which the Board determines in accordance with the Act, this Declaration and the By-Laws. There shall be a lien for nonpayment of common expenses as provided by the Act. Assessments on all units shall commence at the same time, as determined by the Board.

ARTICLE XV

Taxes

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Each unit and its percentage of undivided interest in common elements are subject to separate assessments and taxation by any taxing unit in like manner as other parcels of real property. Each unit owner shall accordingly pay and discharge any and all taxes which may be assessed against his unit and his percentage of undivided interest in common elements.

ARTICLE XVI

Insurance and Indemnity

A. The Board shall secure and maintain in the name of the Association casualty insurance with extended or all risk coverage, for full replacement cost, for all insurable improvements, including units, and the Board shall secure and maintain all other necessary insurance coverages on the property and the activities of the Board and the Association.

B. Each unit owner may obtain additional insurance at his own expense, but no unit owner shall exercise his right to maintain insurance coverage in a way which decreases the amount which the Board, in behalf of the Association and all unit owners, may realize under any insurance policy which the Board may have in force on the property at any particular time.

C. Notwithstanding any other provision of this Declaration, the Association shall continuously maintain in effect casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for Ridgcrest Condominium established by Federal National Mortgage Association and Government

National Mortgage Association, so long as either is a mortgagee or owner of a condominium within Ridgecrest Condominium, except to the extent that such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

D. Each unit owner shall be required to indemnify the Association, other unit owners or the Board against liability, damage or injury arising from acts of the indemnitor, except to the extent such liability, damage or injury is covered by any type of insurance.

ARTICLE XVII

Payment of Expenses

Each unit owner shall pay the Board his unit's allocated portion of the cash requirement deemed necessary by the Board to manage and operate the condominium project upon the terms, at the times and in the manner in this Declaration provided, without deduction on account of any setoff or claim which the unit owner may have against the Board or the Association, and if the unit owner fails to pay any installment within one month of the time when the installment becomes due, the unit owner shall pay interest on the installment at the rate of 10% per annum from the date when the installment becomes due to the date of payment.

The cash requirements for each year, or portions of the year, are defined as, and shall be deemed to be, the aggregate sum which the Board from time to time determines, in its judgment,

shall be paid by all unit owners then in existence to enable the Association through its Board to pay all estimated expenses and outlays of the Association to the close of the year, growing out of or in connection with maintenance and operation of the land, buildings and improvements, which sum may include, among other things, the cost of management, special assessments, fire, casualty and public liability insurance premiums, common lighting, landscaping, care of grounds, repairs and renovations to common elements, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Board under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the condominium project.

The Board shall establish a reserve fund for replacement of common element components, and that fund shall be funded by monthly payments rather than by extraordinary special assessments. In addition, the Board shall establish a working capital fund for the initial two months of operation of Ridgecrest Condominium equal to two month's estimated common elements charges for each unit.

The Board may, from time to time, up to the close of the year for which the cash requirements have been so fixed or determined, increase or diminish the amounts previously fixed or determined for the year. It may include in the cash requirements for any year any

liabilities or items of expense which accrued or became payable in the previous year or which might have been included, but were not included, in the cash requirements for a previous year, and also, any sums which the Board deems necessary or prudent to provide a reserve against liabilities or expenses then accrued or later to accrue although not payable in that year.

Notwithstanding the provisions of the immediately preceding paragraph, the portion of premium for casualty and fire insurance with extended coverage, if any, payable by the unit owner, shall be that percentage of the total premium expense which is directly proportionate to the value the unit owner's unit bears to the total value of units covered by such insurance. For example, if the total value of insured units is \$1,000,000 and the value of unit number 1 is \$100,000, the portion of insurance premium expense payable by the unit owner of unit number 1 is 10% of the total premium expense.

Charges related only to limited common elements shall be apportioned among the units benefited by those limited common elements and none other.

That portion payable by the unit owner in and for each year or for a portion of a year shall be a sum, within the limits and on the conditions provided, determined by multiplying the aggregate amount of such cash requirements for such year, or portion of year, by the percentage equal to the unit owner's percentage of undivided interest in the common elements, and such assessments, together with any additional sums accruing under this Declaration, shall be assessed and payable monthly in advance, or in payments and installments which shall be required by the Board and at times which shall be required by the Board.

The Board shall have discretionary powers to prescribe the manner of maintaining and operating the condominium project and to determine the cash requirements of the Board to be paid as above stated by the unit owners under this Declaration. Every such reasonable determination by the Board within the bounds of the Act and this Declaration shall be final and conclusive as to the unit owners, and any expenditures made by the Board, within the bounds of the Act and this Declaration, shall, as against the unit owner, be deemed necessary and properly made for that purpose.

Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the unit owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Action or suit to recover money judgment or decree for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing payment. The amount of any assessment, whether regular or special, assessed to the owner plus interest at 10% per annum and costs, including reasonable attorney's fees, shall become a lien upon the unit upon recordation of a verified claim as provided by the Act. The lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

A. Tax and assessment liens on the unit, and

B. A first mortgage or trust deed of record on the unit.

A lien for nonpayment of assessment may be enforced by sale by the Board or by a bank or trust company or title insurance company authorized by the Board. The sale shall be conducted in accordance with law. In any foreclosure or sale the unit owner shall be required to pay costs and expenses of such proceedings and the reasonable attorney's fees of the Board and of the Association, including any reasonable attorney's fees incurred in each appellate court.

The Board shall have power to bid in the lien on the unit at foreclosure or other sale and to hold, lease, mortgage and convey the unit. The Board shall not exercise its powers under this paragraph in any manner which would disqualify the Association as a tax exempt homeowners' association under IRC Section 528.

ARTICLE XVIII

Mortgage Protection

Notwithstanding any contrary provision of this Declaration, it is declared, certified and agreed:

A. The liens created under this Declaration or under the Act upon any unit shall be subject and subordinate to, and shall not affect the rights of, the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon the unit made in good

faith and for value, but after the foreclosure of any such mortgage there may be a lien created pursuant to Articles XIV and XVII of this Declaration on the interest of the purchaser at the foreclosure sale to secure all assessments, whether regular or special, assessed to the purchaser as unit owner after the date of the foreclosure sale, which lien, if claimed, shall have the effect and be enforced in the manner provided in this Declaration.

B. No amendment to this Article XVIII shall affect rights of the holder of any such mortgage recorded prior to recordation of the Amendment who does not join in the execution of the amendment.

C. By subordination agreement executed by or with approval of a majority of the Board, the benefits of paragraph A and paragraph B of this Article XVIII may be extended to mortgages not otherwise entitled to those benefits.

D. Any institutional holder of the first mortgage on a unit in Ridgecrest Condominium shall, upon request, be entitled to:

(1) Inspect the books and records of Ridgecrest Condominium during normal business hours;

(2) Receive annual audited financial statements of Ridgecrest Condominium within 90 days after the end of any fiscal year of Ridgecrest Condominium; and

(3) Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

E. In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional holder of

any first mortgage on a unit shall be given timely written notice by the Association of any such damage or destruction.

F. If a unit or a portion of a unit or any common element or a portion of any common element is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage on a unit shall be given timely written notice by the Association of any such proceeding or proposed acquisition.

G. Mortgagee's Right of Notification of Default.

Any holder of a mortgage is entitled to written notification from the Board of any default by the mortgagor of a unit in the performance of the mortgagor's obligations under the Declaration which is not cured within 30 days.

H. Priority of Mortgagee Over Certain Assessments.

Each holder of a first mortgage lien on a unit, or any purchaser at a foreclosure sale, which mortgage lien holder or purchaser comes into possession of a unit by virtue of foreclosure of the mortgage, or by virtue of remedies provided in the mortgage or by deed or assignment in lieu of foreclosure, shall take the unit free of any claims for unpaid assessments and charges against the mortgaged unit which accrue prior to the time the holder or purchaser comes into possession of the unit (except for claims for a prorata share of such assessments or charges resulting from a prorata reallocation of such assessments or charges to all units including the mortgaged unit) and the lien of the Association for such prior accrued assessments and charges shall thereupon be extinguished

automatically. Extinguishment of the lien shall not affect the personal liability of the unit owner whose default created the lien.

I. Mortgagee's Rights of Approval or Disapproval.

The prior written approval of each institutional holder of a first mortgage lien on units in Ridgecrest Condominium will be required for:

(1) The abandonment or termination of condominium status under ORS 91.500 to 91.671 and 91.990, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Any material amendment to this Declaration, the By-Laws or the Articles of Incorporation of the Association, including, but not limited to, any amendment which would change the percentage interests of the unit owners in Ridgecrest Condominium.

(3) The effectuation of any decision by the Association to terminate professional management and to assume self-management of Ridgecrest Condominium.

J. Certain Prohibitions Imposed on Unit Owners.

Unless all holders of first mortgage liens on individual units have given their prior written approval, a unit owner shall not:

(1) Change the prorata interest or obligations of any unit for purposes of levying assessments and charges;

(2) Partition or subdivide any unit or common elements of the project;

(3) By act or omission seek to abandon the condominium

status of the project, except as provided by statute in case of substantial loss to units and common elements of the project.

ARTICLE XIX

Maintenance, Repair and Replacement

A. Each unit owner, at his own expense, shall keep his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of his unit. Except to the extent that the Board has obtained coverage and protection by applicable insurance against injury and damage, the unit owner, at his own expense, shall repair all injury or damages to his unit, or to the property, caused by the act, negligence or carelessness of the unit owner, of any lessee, of any sublessee, of any member of the unit owner's family or of the family of any lessee or sublessee, of any agent, employee or guest of the unit owner or by any agent, employee or guest of any lessee or sublessee, and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the unit in good repair, the unit owner shall be responsible for maintenance or replacement of any plumbing, fixtures, refrigerators, air conditioner and heating equipment, dishwashers, disposals, water heaters, ranges and other like equipment that may be in the unit. The Association has responsibility for all repairs and maintenance of common elements and limited common elements.

B. Subject to approval by vote of a majority of unit

owners, the Board shall repair or replace all common elements damaged or destroyed by casualty loss.

ARTICLE XX

Right of Entry

Each unit owner shall provide to the Association, or its nominee, keys to the owner's unit.

The Association, the Board and the duly authorized agent of the Association or of the Board shall have the right to enter any and all units in case of emergency originating in or threatening the entered unit or any other part or premises of Ridgecrest Condominium, whether or not the unit owner or occupant is present at the time. The Association, the Board and the duly authorized agents of the Association or of the Board shall have the right to enter into any unit and all units at all reasonable times as required for the purpose of performing necessary repairs which the unit owner has failed to perform, for the purpose of performing necessary repairs upon common elements or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located in or on the unit(s); provided, however, that such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other units in the property; and provided, further, that the unit owner affected by the entry shall first be notified of the proposed entry if available and if time permits.

ARTICLE XXI

Obligation to Comply with Declaration and By-Laws

Each unit owner, tenant or occupant of a unit shall comply with the provisions of the Act, this Declaration, the By-Laws, the

Articles of Incorporation and all agreements and determinations lawfully made or entered into by the Board or the Association, when acting in accordance with authority. Any failure of any unit owner, tenant or occupant to comply with any provision of the Act, this Declaration, the By-Laws, or the Articles of Incorporation or any such agreement or determination shall give rise to a cause of action or suit in the Ridgcrest Condominium Owners' Association and any aggrieved unit owner for recovery of damages or for injunctive relief or both.

ARTICLE XXII

Indemnification of Directors

Each member of the Board of Directors shall be indemnified and held harmless by the Association and the unit owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by the director in connection with any proceeding in which the director may become involved by reason of his being or having been a member of the Board.

ARTICLE XXIII

Severability

The invalidity of any one or more phrases, sentences, clauses, paragraphs or articles of this Declaration shall not affect all or part of the remaining portions of this instrument, all of which phrases, sentences, clauses, paragraphs and articles are inserted conditionally on their being held valid in law, and if one or more of the phrases, sentences, clauses, paragraphs

or articles should be invalid or should operate to render this Declaration invalid, this Declaration shall be construed as if the invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, articles or articles had not been inserted.

ARTICLE XXIV

Gender

In this Declaration the singular shall be construed to mean the plural, when applicable, and the necessary grammatical changes required in order to make provisions apply equally, either to corporations or individuals or to men or women, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF the undersigned Declarant hereunto set their hands and seals this 20th day of JUNE, 1979.

BAUNACH & SON CONSTRUCTION, INC.

By

John R. Baunach, President

By

Dennis G. Baunach, Secretary

STATE OF OREGON)

County of Multnomah) ssJUNE 20, 1979

Personally appeared John R. Baunach and Dennis G. Baunach who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of Baunach & Son Construction, Inc., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Barbara S. Kelly
Notary Public for Oregon
My commission expires: 12/12/82

BOOK 1361 PAGE 848

APPROVED this 21st day of June, 1979.

DEPARTMENT OF ASSESSMENT AND TAXATION
(ASSESSOR) - MULTNOMAH COUNTY

By Ernest M. Pearl

The foregoing Declaration is approved pursuant to
O.R.S. 91.512 this 21st day of June, 1979.

OREGON REAL ESTATE COMMISSIONER

By: 

EXHIBIT A

BOOK 1361 PAGE 849

**Block 19, MOUNTAIN PARK, Blocks 10-31 in the City of
Lake Oswego, County of Multnomah and State of Oregon**

EXHIBIT B

BY-LAWS

BOOK 1361 PAGE 850

OF

RIDGECREST CONDOMINIUM OWNERS' ASSOCIATION

ARTICLE I

GENERAL

1. Application. These By-Laws govern the Ridgecrest Condominium Owners' Association and the administration of the property known as Ridgecrest Condominium located in the City of Lake Oswego, County of Multnomah, State of Oregon, and more particularly described in the Declaration dated _____, 19____, and recorded in Deed Records, Multnomah County, in Book _____ at Pages _____ to _____.

2. Definitions. The terms used in these By-Laws, which are defined in the Declaration, shall have the meanings given to them by the Declaration, unless the context in which they are used in the By-Laws otherwise requires.

3. Incorporation. The Association is a non-profit corporation organized and existing under and by virtue of the laws of the state of Oregon. The "President" of the Association is ex-officio "Chairman" for the purposes of the Oregon Unit Ownership Law.

4. Principal Office. The principal office of the Association shall be maintained in Multnomah County, Oregon, at Condominium Management, Inc., Camelot Court, 278 S.W. Arthur Street, Portland, Oregon 97201, phone--(503) 224-2295.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

1. Membership. Each person who is a record owner of a fee or undivided fee interest in a unit is a member of the Association, except that a person who holds an interest merely as a security for performance of an obligation is not a member. Membership in the Association means membership in the corporation for the purposes of the Oregon Non-Profit Corporation Law.

2. Suspension of Membership. During a member's default in payment of any annual or special assessment levied by the Association against the unit in which the member owns a fee interest, the member's voting rights and right to use of recreational facilities

may be suspended by the Board. Suspension, if ordered, may be continued until the assessment is paid. Those rights of a member may also be suspended after notice and hearing, for a period not to exceed 30 days for each violation of any rule or regulation established by the Board governing use of common elements.

3. Proxies. At any meeting of members each member may vote in person or by proxy. A proxy given by a unit owner to any person who represents the owner at meetings of the Association shall be in writing signed by the owner and shall be filed with the Board. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Subject to the immediately preceding sentence and subject to limitation by the terms of the proxy, a proxy shall be deemed valid until revoked in writing. An executor, administrator, guardian, conservator or trustee may vote, in person or by proxy, at any meeting of Association with respect to any unit owned or held by him in fiduciary capacity, whether or not the unit has been transferred to his name, if he satisfies the Secretary of the Association that he is the executor, administrator, guardian, conservator or trustee holding the unit in that fiduciary capacity. When a unit is owned by two or more jointly, according to records of Association, the vote for the unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. If a co-owner protests, no one co-owner shall be entitled to vote without approval of other co-owners.

ARTICLE III

MEETINGS

1. Annual Meeting. The annual meeting of the Association shall be held on the 1st Wednesday in August of each year at 7:30 o'clock p.m., unless otherwise determined by resolution of the Board. The annual meeting shall be for the purpose of electing directors and for the transaction of any other business brought before the meeting. The parliamentary authority for each annual or special meeting shall be "Roberts Rules of Order Newly Revised."

2. Special Meetings. A special meeting of the Association may be called at any time by the Chairman, by the Board of Directors or upon request of 30% of unit owners. At any such special meeting only business which is specifically or generally described in the notice for the meeting shall be transacted.

3. Notice. Written or printed notice stating the place, day and hour of each annual or special meeting of the Association and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) nor more than fifty (50) days before the date of the meeting,

either personally or by mail, by or at the direction of the Chairman, or the Secretary, or the persons calling the meeting, to each member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States Mail, with postage fully prepaid, addressed to the member at the member's most recent address as it appears on the records of the Association. Notice of each annual or special meeting shall also be given by posting the notice in at least one conspicuous location within the common elements not fewer than seven (7) nor more than fourteen (14) days before the meeting. No notice of a meeting need be given to any owner who waives the notice in writing or who is present at the meeting, in person or by proxy. Written ratification by an owner of any action taken at a meeting is equivalent to waiver of notice of the meeting by the one so ratifying.

4. Majority. As used in these By-Laws, "majority" or "majority of the unit owners" means the owners of more than 50% in the aggregate of the undivided ownership interests appertaining to each unit as expressed in the Declaration. Whenever a percentage of unit owners is specified, percentage means the percentage in the aggregate of such undivided ownership.

5. Quorum. At any meeting of the unit owners, a majority of the unit owners shall constitute a quorum for any and all purposes except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum, the Chairman may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until the holders of the amount of interest required to constitute a quorum shall attend. At any adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

6. Voting. Each unit owner shall have the number of votes for election of directors and on all matters coming before the Association equal to the percentage for the unit expressed in Declaration Exhibit D. When a quorum is present at any meeting, the vote of the unit owners representing more than 50% of the undivided ownership of common elements, present in person, or represented by proxy, shall decide any questions of business before the meeting, including election of directors, unless the question is one upon which, by express provision of the Oregon Unit Ownership Law, the Declaration or these By-Laws, a different vote is required, in which case the express provisions shall govern and control the decision of the question. All votes may be cast either in person or by proxy. All proxies shall be in writing and, in the case of proxies for the annual meeting, shall be delivered to the Secretary at least five (5) days before the annual meeting.

Proxies for a special meeting of the Association shall be delivered to the Secretary at least two days before the special meeting.

7. Designation of Voting Owners. There shall be one "voting owner" of each unit. The voting owner shall be designated by the record owner or owners of each unit by written notice to the Association and need not be a unit owner. If the designation is to a first mortgagee or a trust deed beneficiary of a unit, it may be in the form of an irrevocable proxy. If the designation is otherwise, it shall be in the form of a proxy revocable at any time by actual notice to the Association of the death or judicially declared incompetency of any unit owner or by written notice to the Association signed by the record owner or owners of any unit. Such powers of designation and revocation may be exercised by the guardian of a record owner's estate or by his conservator, or in the case of a minor having no guardian, by the parent entitled to his custody, or during the administration of a record owner's estate, by his executor or administrator where the latter's interest in the property is subject to administration in his estate. Where no designation is made and where a designation has been made but is revoked and no new designation has been made, the voting owner of each unit shall be the group composed of all of its record owners. Any or all of such owners may be present at any meeting of the voting owners in person or by proxy. If those present act unanimously, they may vote or take any other action as a voting owner. A vote by one co-owner constitutes a unanimous vote of all members of the group of owners if no member present protests.

Place of Meetings. All meetings of the Association shall be held at its principal office, unless otherwise stated in the call and all meetings shall be held in the state of Oregon.

ARTICLE IV

BOARD OF DIRECTORS

1. Election. Upon filing of the Declaration, Declarant, as developer and owner of all units, shall appoint an interim Board of three directors who are officers or agents of developer and who shall serve until their successors have been elected by the owners at the first organizational meeting of the Association.

Within one hundred twenty (120) days after the filing of the Declaration and the adoption of these By-Laws the developer, as owner of all units, shall call the first meeting of owners to organize the Association. At that time the interim Board designated by the developer shall resign, and the owners shall elect a new Board as provided in these By-Laws. At that first organizational meeting of the Association, the owners shall elect five (5) directors. The term of office of three (3)

of these directors shall be fixed at one year and the term of office of two (2) of these directors shall be fixed at two years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve for a term of two (2) years so that the terms of at least two-fifths of the directors shall expire annually. Each director shall hold office until his respective successor has been elected by the unit owners.

2. Vacancies. Vacancies in the Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of a majority of remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until his successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose.

3. Powers and Duties. The Board shall have all powers and duties necessary for administration of affairs of the Association except powers and duties which by law, by the Declaration or by these By-Laws may not be delegated to the Board by the owners. The powers and duties to be exercised by the Board, directly or indirectly through a manager or managing agent, include, but are not limited to:

- (a) Operation, care, upkeep, maintenance and repair of the common elements;
- (b) Determination of amounts required for operation, maintenance and other affairs of the Association and making of such expenditures;
- (c) Collection of common expenses from owners;
- (d) Employment and dismissal of personnel necessary for efficient management, maintenance, upkeep and repair of the common elements;
- (e) Employment of legal, accounting or other personnel for reasonable compensation to perform services required for proper administration of the Association;
- (f) Opening and operating bank accounts on behalf of the Association and designating signatories required therefor;
- (g) Purchasing units of the development at foreclosure or other judicial sales in the name of the Association or its designee on behalf of all owners as provided in these By-Laws;
- (h) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for election of directors), or otherwise dealing with, units of the development acquired by the Association or its designee on behalf of all owners;
- (i) Obtaining insurance or bonds pursuant to provisions of the Declaration or these By-Laws;

(j) Making additions and improvements to or alterations of the common elements; provided, however, that no such project may be undertaken by the Board if the total cost will exceed the amount of \$1,000 unless the unit owners have enacted a resolution authorizing the project by a majority vote;

(k) Enforcement by legal means of the Declaration, these By-Laws and rules and regulations adopted under the Declaration or under these By-Laws;

(l) Performance of any duty or function required to be done by the Association as set forth in the Declaration.

4. Removal. Any elected director may be removed, without cause, at a meeting of the Association, upon the vote of a majority of the unit owners. The notice of the meeting shall state that the removal is to be considered. A successor director shall be elected at the same meeting for the then unexpired term of the director removed. With respect only to the interim Board of Directors, any director appointed by the Declarant, as developer, may be removed from office at any time without cause by the Declarant by delivering to the Secretary of the Association and to the director a written statement that the director is removed from office. Forthwith upon the removal, the Declarant shall appoint a successor interim director.

5. Compensation. The directors shall serve without compensation.

6. Regular Meetings. A regular meeting of the Board shall be held in the first six months of each calendar year and in the second six months of each calendar year at a time to be determined by the Board. After such determination of the time of the meeting, no further notice of the regular meeting shall be required. If the day for the regular meeting is a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

7. Special Meetings. A special meeting of the Board shall be held when called by the Chairman or by three directors after not fewer than five (5) days' notice to each director in writing.

8. Waiver of Notice. The transaction of any business at any meeting of the Board of Directors, however called or noticed, or wherever held, shall be valid as though done at a meeting duly held after regular call and notice if a quorum is present and if either before or after the meeting each director not present signs a written waiver of notice, a consent to the holding of the meeting or an approval of the minutes. The Secretary shall file each such waiver, consent or approval with the records of the Association, and each such waiver, consent or approval shall be made part of the minutes of the meeting.

9. Quorum. A majority of the directors shall constitute a quorum for the transaction of business, and an affirmative vote of a majority of the Board shall be necessary to the validity of any act. No expenditure which over any annual period would exceed \$1,000 shall be made unless approved by an affirmative vote of a majority of the whole Board or detailed in the annual budget.

10. Action Taken Without Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

11. Rules and Regulations. Subject to Article VII, the Board by resolution may adopt and establish rules and regulations which the Board deems necessary for management, maintenance, operation and control of the property. The rules and regulations shall have the binding force of and shall be enforceable as these By-Laws. The Board from time to time by resolution may alter, amend or repeal the rules and regulations. When a copy of any alteration, amendment or repeal has been furnished to unit owners, the alteration, amendment or repeal takes effect as and shall be a part of the rules and regulations. Unit owners at all times shall obey the rules and regulations and shall see that they are faithfully observed by those persons over whom they have or may exercise control and supervision. The rules and regulations apply to and are expressly binding upon all unit owners and occupants of Ridgcrest Condominium.

ARTICLE V

OFFICERS

1. Office, Election and Approval. The Board shall elect annually, at its first meeting after the annual meeting of the Association, a Chairman (ex-officio President for purposes of Oregon Non-Profit Corporation Law), a Vice-Chairman, a Secretary and a Treasurer, all of whom shall be elected by and from the Board and each of whom shall serve for the ensuing year and until his successor is elected. The Board may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. Any officer shall be subject to removal at any time by the affirmative vote of a majority of the Board. If the office of any officer becomes vacant for any reason, the Board shall elect a successor to fill the unexpired term.

2. Chairman. The Chairman shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the chief executive officer of an Association, including, but not limited to, the power

to appoint committees from among the owners from time to time as he may at his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

3. Vice-Chairman. The Vice-Chairman shall take the place of the Chairman and perform his duties whenever the Chairman is absent or unable to act. If neither the Chairman nor the Vice-Chairman is able to act, the Board shall appoint some other members of the Board to act in the interim. The Vice-Chairman also shall perform other duties which from time to time are imposed upon him by the Board.

4. Secretary. The Secretary shall keep the minute books in which all resolutions duly passed and all other action taken at any meeting by the Association and by the Board shall be recorded. The Secretary shall give notice of all meetings of the Association and of special meetings of the Board. The Secretary shall have the powers and perform the duties customarily assigned to him from time to time by the Board.

5. Treasurer. The Treasurer shall keep all the Association's financial records and books of account and have custody of all funds and securities of the Association and be responsible for the safekeeping of all monies, notes, bonds and other money instruments belonging to the Association. The Treasurer shall be bonded and, if directed by a vote of a majority of the Board, he shall cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statements shall be presented to the membership at its regular annual meeting. The Treasurer shall have the powers and perform the duties customarily incidental to his office and other powers and duties assigned to him by the Board.

6. Compensation. No officer who is a member of the Board shall receive compensation from the Association for acting as officer unless compensation is authorized by resolution adopted by the owners. The Board may fix compensation to be paid to any officer who is not a member of the Board.

ARTICLE VI

COMMITTEES

The standing committees of the Association shall be established by the Board.

ARTICLE VII

RULES AND REGULATIONS

To assure peaceful and orderly use and enjoyment of the property and particularly of common elements, the Association from

time to time may adopt, establish, alter, amend or repeal, in whole or in part, rules and regulations governing the conduct of persons in and upon the property and the use of common elements as the Association deems necessary or appropriate by a vote of a majority of unit owners, in person or by proxy, at any meeting, the notice of which states that the adoption, establishment, alteration, amendment or repeal will be considered. A copy of the rules and regulations, upon adoption and establishment, and a copy of each alteration, amendment or repeal, shall be delivered by the Secretary promptly to each unit owner and shall be binding on all unit owners and occupants of all units from the date of delivery. Rules and regulations shall not be inconsistent with existing contracts for commercial renting of any unit used for residential purposes only.

ARTICLE VIII

INSTITUTIONAL HOLDER'S RIGHTS

1. Abandonment or Termination. Before Ridgecrest Condominium can be abandoned or terminated by vote of the Association, the Association shall first obtain the written approval of each institutional holder of a first mortgage or deed of trust.

2. Amendments. Before any material amendments to the Declaration, the Articles of Incorporation or the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage interests of the unit owners in Ridgecrest Condominium can be made, the Association shall first obtain written approval of each institutional holder of a first mortgage or deed of trust.

3. Termination of Professional Management. Before Ridgecrest Condominium or the Association can terminate professional management and assume self management of Ridgecrest Condominium, the Association shall first obtain written approval of each institutional holder of a first mortgage or deed of trust.

ARTICLE IX

ASSESSMENTS

1. Expenses and Assessments. Each unit owner shall contribute money for the common expenses of the Association in accordance with the percentage of such expenses assigned in the Declaration of Unit Ownership for the condominium unit. Such expenses shall include, but not be limited to, the cost of operation, landscaping, maintenance and repair, and replacement of all common elements, and the cost of insurance, in the proportion to the unit owner's interest in the common elements. Notwithstanding the foregoing provisions, the portion of premium for casualty and fire insurance with extended coverage, if any, payable by the unit owner, shall be

that percentage of the total premium expense which is directly proportionate to the value which the value of the unit owner's unit bears to the total value of units covered by such insurance. For example, if the total value of all insured units is \$1,000,000 and the value of Unit No. 1 is \$100,000, the portion of insurance premium expense payable by the unit owner of Unit No. 1 is 10% of the total premium expense. The Board shall fix a monthly assessment in an amount sufficient to provide for all current expenses, a reasonable reserve for future expenses and such other expenses as the Board may deem necessary. Such monthly assessments shall be due and payable monthly in advance on the first day of every calendar month without demand, and delinquent accounts shall bear interest at the rate of ten (10) percent per annum from the due date until paid. The amounts received shall be held by the Treasurer in trust at or not at interest, as the Board shall determine, until expended for the purposes for which they were assessed.

2. Lien and Foreclosure. Each assessment under paragraph 1 of this Article IX and interest on the assessment shall constitute a lien upon the unit assessed and shall be collected as provided in ORS 91.546. Upon foreclosure of the lien, the unit owner shall be required to pay a reasonable rental for the unit from the date of filing of the suit until the date of foreclosure sale of the unit. Plaintiff in the foreclosure shall be entitled to appointment of a receiver to collect the rent. A suit to recover a money judgment for an unpaid assessment and interest shall be maintainable against any unit owner without either foreclosing or waiving the lien securing the assessment or the interest.

3. Supremacy of Declaration. All provisions of this Article IX are expressly subject to the provisions of the Declaration for protection and priority of mortgagees or other encumbrancers.

4. Initial Working Capital Fund. Each first unit owner who purchases from Declarant shall, upon purchase, pay to Ridgecrest Condominium Owners' Association the unit's share of the unexpired portion of initial casualty and fire insurance premium, and shall, upon purchase, contribute to the Association's initial working capital and reserves a sum equal to two month's estimated common expenses apportioned to the unit, and shall contribute to the Association the first month's apportionment of common expenses. The initial working capital and reserves shall not be applied or credited to future monthly apportionments of common expenses for the unit.

ARTICLE X

MISCELLANEOUS

1. Execution of Instruments. All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts and other instruments

shall be signed by the person or persons designated by general or special resolution of the Board and, in the absence of any such general or special resolution applicable to any instrument, the instrument shall be signed by the Chairman.

2. Persons Affected. All unit owners, tenants of such owners, employees of owners or tenants and any other persons who may in any manner use the property shall be subject to the Declaration and these By-Laws and all rules and regulations made under the Declaration and these By-Laws.

3. Adoption of Initial By-Laws. Declarant may adopt, on behalf of all unit owners, these By-Laws as the initial By-Laws of the Association.

4. Authorization for Payment of Vouchers. Notwithstanding any other provision of these By-Laws, the Treasurer shall be authorized to approve and pay all vouchers submitted to the Association for payment in an amount less than \$50.00. Each voucher or obligation of the Association in excess of the sum of \$50.00 shall be approved, prior to payment, by the Board or by a committee or agent of the Board.

ARTICLE XI

AMENDMENT

These By-Laws may be amended at any annual or special meeting of the Association in the notice of which meeting the proposed amendment is announced. Amendments shall not be effective unless approved by 75% of the unit owners and until a copy of the By-Laws as amended or of the amendment, certified by the Chairman and Secretary of the Association, is recorded with the Recording Officer of Multnomah County, Oregon.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Association begins on the first day of January of each year.

CERTIFICATION

We, John R. Baunach and Dennis G. Baunach, President and Secretary of Baunach & Son Construction, Inc., an Oregon corporation, certify that these By-Laws were duly adopted by the Board of Directors of the Association at a meeting on the 20 day of June, 1971.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 20th day of JUNE, 1979.

BAUNACH & SON CONSTRUCTION, INC.

By John R. Baunach

John R. Baunach, President

By Dennis G. Baunach

Dennis G. Baunach, Secretary

STATE OF OREGON

County of Multnomah) ss JUNE 20 . 1979

Personally appeared John R. Baunach and Dennis G. Baunach who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of Baunach & Son Construction, Inc., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Barbara S. Keley
Notary Public for Oregon
My commission expires: 12/12/82

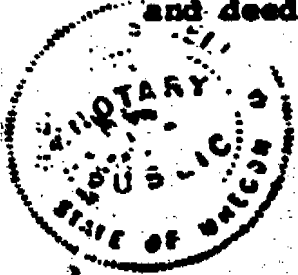


EXHIBIT D

BOOK 1361 PAGE 862

<u>Unit No.</u>	<u>Bldg.</u>	<u>Floor</u>	<u>Percentage Of Ownership Common Elements</u>	<u>Wooden Deck</u>	<u>Parking Space</u>
1	A	1st	2.439024390	1	1
2	A	1st	1.995565411	2	2
3	A	1st	2.882483370	3	3
4	A	1st	2.439024390	4	4
5	A	2nd	2.439024390	5	5
6	A	2nd	1.995565411	6	6
7	A	2nd	2.882483370	7	7
8	A	2nd	2.439024390	8	8
9	B	1st	2.439024390	9	9
10	B	1st	1.995565411	10	10
11	B	1st	2.882483370	11	11
12	B	1st	1.995565411	12	12
13	B	1st	2.882483370	13	13
14	B	2nd	2.439024390	14	14
15	B	2nd	1.995565411	15	15
16	B	2nd	2.882483370	16	16
17	B	2nd	1.995565411	17	17
18	B	2nd	2.882483370	18	18
19	B	2nd	2.439024390	19	19
20	C	1st	2.439024390	20	20
21	C	1st	1.995565411	21	21
22	C	1st	2.882483370	22	22
23	C	1st	1.995565411	23	23
24	C	1st	2.582483370	24	24
25	C	1st	2.439024390	25	25
26	C	2nd	2.439024390	26	26
27	C	2nd	1.995565411	27	27
28	C	2nd	2.882483370	28	28
29	C	2nd	1.995565411	29	29
30	C	2nd	2.882483370	30	30
31	C	2nd	2.439024390	31	31
32	D	1st	2.439024390	32	32
33	D	1st	1.995565410	33	33
34	D	1st	2.882483370	34	34
35	D	1st	2.439024390	35	35
36	D	1st	2.439024390	36	36
37	D	2nd	2.439024390	37	37
38	D	2nd	1.995565410	38	38
39	D	2nd	2.882483370	39	39
40	D	2nd	2.439024390	40	40
41	D	2nd	2.439024390	41	41

100.000000000

Recorded in the County of Multnomah, Oregon
C. Suick, Deputy Clerk



23.00

98118660 1:52pm 08/06/96

After Recording Return To:
COPELAND, LANDYE, BENNETT and WOLF, LLP
1500 First Interstate Tower
Portland, OR 97201

813 10001111 81 13
CS 4 6.00 20.00 6.00 3.00 6.00

AMENDMENT TO DECLARATION OF UNIT OWNERSHIP
FOR RIDGECREST CONDOMINIUM

RECITALS

The Association members are concerned about the ability to obtain financing for individual units because a large number of units are currently being rented out by the owners. The members voted on and approved the following amendment to the Declaration of Unit Ownership for Ridgcrest Condominium (the "Declaration") to restrict the number of units which may be occupied by tenants.

The Declaration was recorded on June 22, 1979 in the deed records for Multnomah County, Oregon in Book 1361, Page 813.

In order to maintain the value of the units, financing options and stability, the following Declaration amendment has been adopted to restrict the leasing and renting of units.

AMENDMENT

Article VII, B.(1) of the Declaration is deleted in its entirety and replaced with the following:

Article VII

B. Restriction on Use.

[The preamble to paragraph B has not been changed.]

* * * * *

"(1) No part of the property shall be used for other than residential housing and related common purposes for which the property is designated. Each unit shall be used and occupied exclusively as a private residence and for no other purpose. With the exception of a lender in possession of a unit following default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall lease his unit for transient or hotel purposes.

Except as elsewhere provided herein, a unit owner shall not rent or lease his unit for a period of less than twelve (12) months. Occupancy shall be limited to the lessees, their household members, visitors and guests. Provided however, the maximum number of units

1 of 4

that may be occupied by tenants shall not exceed twenty percent (20%). Except as provided in this Paragraph, as of the date this amendment is adopted, no unit owner not currently renting his or her units may enter into a new rental arrangement for such unit until the percentage of rentals has decreased below the twenty percent (20%) threshold.

Existing tenancies. The restriction on renting/leasing units shall not apply to or restrict any unit owner who, as of the date of the adoption of this amendment, is customarily leasing or renting his or her unit, hereinafter referred to as "exempt unit owner." Such exempt unit owner shall be permitted to continue to rent his or her unit, provided that, if for any period exceeding thirty days the unit becomes owner occupied, the unit and the owner thereof shall no longer be entitled to the exemption.

Exempt Units Held for Sale. An exempt unit owner shall be exempt from the twelve month lease requirement and shall be permitted to lease his or her unit on a month-to-month basis if, and only if, the unit is being held for sale.

The rental restrictions provided in this Paragraph B(1) do apply to any other units owned by an exempt unit owner and to such owner's successors and assigns, including, but not limited to, persons who acquire the unit through inheritance or gift.

Prior to entering into any lease agreement, a unit owner shall notify the Board of Directors of his/her intent to lease/rent such owner's unit, the name and address of the proposed tenant, and the circumstances of the proposed arrangement. Within fifteen (15) days of such notification, the Board will advise the unit owner if such proposed tenancy will exceed the twenty percent (20%) restriction, and if so, the unit owner shall be placed on a waiting list and notified when such owner's unit may be rented. Once a unit owner is notified that his/her unit may be rented, such owner must within six months from the date of such notice, enter into a twelve month lease with a tenant. If such owner has not done so within the required time period, that unit owner shall be placed at the end of the waiting list and the next owner on the waiting list shall be notified of an open position. An owner who receives permission from the Board that he/she is permitted to rent his/her unit shall be permitted to continue to rent such unit at the expiration/termination of each tenancy, provided that, if for any period exceeding thirty days the unit becomes

owner occupied, the owner shall no longer be allowed to rent the unit and must reapply to the Board. "Owner occupied" shall mean anytime during which the unit is occupied by the owners, his/her spouse, children and/or secondary parents as their primary or secondary residence and no rent is charged such occupants.

All tenants shall always be subject to the Declaration, Bylaws, Rules and Regulations of the Association and the Board of Directors. Each lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws, and Rules and Regulations and that any failure by a lessee to comply with the terms thereof shall be a default under the lease. The unit owner shall provide a fully executed copy of the lease to the Board of Directors.

If the unit owner fails to give notice to the Board of Directors of his or her intent to lease such owner's unit, and thereafter rents the unit, then at any time after receiving knowledge of a tenancy relationship, the Board of Directors may charge such owner an administrative fee as determined from time to time by Board resolution. The purpose of the fee is to reimburse the Association for time, costs and expenses of management time incurred to obtain information about the tenant and provide the tenants with copies of the Association documents. Provided, however, charging the owner an administrative fee and/or providing the owner's tenant with copies of Association documents shall not bar or limit the Association's remedies arising from such owner's violations of the provisions of the Declaration, Bylaws and Rules and Regulations, including, without limitation, filing suit to remove the tenant when the tenancy violates the twenty percent (20%) limitations.

[Paragraphs (2)-(18) have not been changed]

* * * * *

The following paragraph is added to the Declaration:

Article VII, B.(19) "Each owner shall be assigned one designated parking space for such owner's use. Owners must register all vehicles which they intend to park at the Condominium with the Board of Directors by providing the Board with the name of the registered owner, license plate number, vehicle color and make. The Board may impose fines, as may be adopted from time to time by resolution, on any owner who fails to properly

3 - DECLARATION AMENDMENT

31DEC96\AM\Declaration.AMD

3

AUG 6, 1996

resister any vehicle or parks more than two vehicles on the Condominium property. The fine may be imposed after giving the owner notice and an opportunity to be heard."

It is hereby certified that the foregoing amendment has been approved and adopted by the Association's members by the vote necessary to amend the Declaration.

DATED: 8-5-96

RIDGECREST CONDOMINIUM OWNERS' ASSOCIATION

By: [Signature]

President

By: [Signature]

Secretary

STATE OF OREGON

County of Multnomah

ss.

August 5, 1996 ink

Personally appeared before me the above-named Lynn M. Klackring and Mike Meade

who, being duly sworn, did say that they are the President and Secretary of Ridgecrest Condominium Owners' Association, and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and they acknowledged said instrument to be its voluntary act and deed.



[Signature]
Notary Public for Oregon

After Recording Return To:
COPELAND, LANDYE, BENNETT and WOLF, LLP
3500 First Interstate Tower
Portland, OR 97201

2/5/96
COPY
Amendment W6
recorded on
8/6/96
Doc # 9618666

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FOR RIDGECREST CONDOMINIUM

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[Paragraphs (2) - (18) have not been changed]

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resister any vehicle or parks more than two vehicles on the Condominium property. The fine may be imposed after giving the owner notice and an opportunity to be heard."

It is hereby certified that the foregoing amendment has been approved and adopted by the Association's members by the vote necessary to amend the Declaration.

DATED: 8-5-96

RIDGECREST CONDOMINIUM OWNERS' ASSOCIATION

By: Michael H. Meade
President

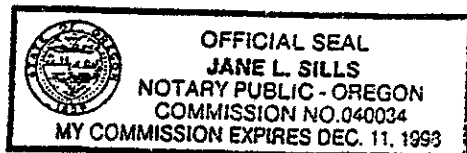
By: Lisa M. Klackring
Secretary

STATE OF OREGON

County of Multnomah) ss.

August 5, 1996 LMK

Personally appeared before me the above-named Lisa M Klackring and Mike Meade, who, being duly sworn, did say that they are the President and Secretary of Ridgecrest Condominium Owners' Association, and that said instrument was signed in behalf of said Association by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.



Jane L. Sills
Notary Public for Oregon