



## Real Estate Agency

CONDOMINIUM DISCLOSURE STATEMENT  
ADOPTED & ISSUED 01-06-2005

FILE NO. CO-26-1204--571

FOR

SILVER MAPLE TOWNHOMES A CONDOMINIUM  
(A PROPOSED CONDOMINIUM)

DECLARANT

SILVER MAPLE L.L.C  
12655 NORTH DAKOTA  
TIGARD OR 97223

THIS CONDOMINIUM HAS BEEN FILED WITH THE REAL ESTATE COMMISSIONER OF THE STATE OF OREGON IN ACCORDANCE WITH THE OREGON CONDOMINIUM ACT (ORS 100.005 TO 100.910 AND 100.990). ISSUANCE OF THE ATTACHED DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE CONDOMINIUM BY THE COMMISSIONER.

THE SIZE OF THE INDIVIDUAL UNIT, THE DRAINAGE, SANITATION, DOMESTIC WATER SUPPLIES, IMPROVEMENTS AND THE PHYSICAL DEVELOPMENT AND THE OPERATION OF THE UNIT OWNERS ASSOCIATION OF THE CONDOMINIUM PROJECT ARE NOT REGULATED BY THE REAL ESTATE COMMISSIONER. THIS DISCLOSURE STATEMENT DOES NOT RELIEVE ANY PERSON FROM THE RESPONSIBILITY OF COMPLYING WITH THE REQUIREMENTS OF ANY FEDERAL, STATE, COUNTY OR MUNICIPAL AGENCY WITHIN WHOSE JURISDICTION THE CONDOMINIUM IS LOCATED.

THE REAL ESTATE AGENCY HAS NOT PHYSICALLY INSPECTED THE CONDOMINIUM AND THE INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT WAS PREPARED BY AND IS A REPRESENTATION OF THE DECLARANT.

THIS DISCLOSURE STATEMENT MUST BE GIVEN TO EACH PURCHASER NOT LATER THAN THE DATE THE UNIT SALES AGREEMENT IS FULLY EXECUTED BY ALL PARTIES AND RECEIPT THEREFORE MUST BE TAKEN.

**PROSPECTIVE PURCHASERS SHOULD READ THIS DISCLOSURE STATEMENT  
BEFORE BUYING**

**CONDOMINIUM DISCLOSURE STATEMENT  
FOR  
SILVER MAPLE TOWNHOMES, A CONDOMINIUM**

This Disclosure Statement discloses certain pertinent information about Silver Maple Townhomes, a Condominium (the "Condominium"), located at 10611 NE Fremont, in the City of Portland, Multnomah County, Oregon. This Disclosure Statement has been prepared by Silver Maple, LLC, referred to as "Declarant" herein. Declarant's telephone number is (503) 608-5150. Declarant's address is 12655 SW North Dakota, Tigard, Oregon 97223.

Declarant owns fee title to the property. Purchasers will receive fee title to the units that are described below. Declarant submitted to the Oregon Real Estate Agency for approval, and received approval for, a Declaration submitting the Condominium to condominium ownership, and Bylaws of the Association of Unit Owners of the Condominium. All references in this Disclosure Statement to the "Declaration" and the "Bylaws" refer to the Declaration and Bylaws described in this paragraph.

**GENERAL DESCRIPTION OF THE CONDOMINIUM**

The condominium consists of four buildings. Two of the buildings contain four units each, and two of the buildings contain five units each, for a total of eighteen units. The buildings are designated with the street address assigned to the building by the postal service. If one stands at the entrance to the Condominium, the buildings are designated counterclockwise from NE Fremont Street as follows: Building 10637, Building 10623, Building 10611, and Building 10545. Each building is two stories with no basement. Each building is of wood frame construction with a concrete foundation, composition roof, and vinyl siding.

The eighteen units are designated 1 through 18, counterclockwise from Fremont Street, and are also designated with reference to the building in which they are located. Thus, Units 10637-1, 10637-2, 10637-3, and 10637-4 are the four units located in Building 10637. Units 10623-5, 10623-6, 10623-7, 10623-8, and 10623-9 are the five units located in Building 10623. Units 10611-10, 10611-11, 10611-12, 10611-13, and 10611-14 are the five units located in Building 10611. Units 10545-15, 10545-16, 10545-17, and 10545-18 are the four units located in Building 10545. Each unit has two stories, "townhome" style. Each unit includes a single-car garage.

The following items and areas are reserved to each unit as a limited common element. Although technically not part of the unit, a limited common is used exclusively by the unit to which it is reserved. More specific location of the following limited common elements is shown on the plat.

To each unit is reserved a portion of the concrete apron/driveway adjacent to the garage for parking automobiles. To each unit is reserved a porch adjacent to the front door of the unit. To each unit is reserved a rear yard area adjacent to the rear of the unit. There are concrete slab patios in each of the rear yard areas.

Exhibit B of the Declaration sets forth the square footage enclosed by the units; the

square footage of each unit includes the square footage of the garage. In a "proposed" declaration, the square footage is only an estimate and may be adjusted after the plat has been completed. Purchasers should note that the square footage of the units is measured by the unit boundaries set forth in Section 5(b) of the Declaration, which boundaries generally consist of the interior structural elements at the perimeter and bearing walls, floors, and ceilings of the entire unit, including the garage. In contrast, square footage of houses typically is computed by using measurements of the exterior walls, and often does not include the garage. Thus, it is difficult to accurately compare the square footage of units and houses.

The Condominium is located within the Parkrose School District. As of the date of this Disclosure Statement, the applicable schools are Prescott Elementary School, Parkrose Middle School, and Parkrose High School.

Declarant is offering a fee simple ownership interest in the unit to prospective purchasers. As provided in Section 6.3 of the Declaration, an undivided 1/18th ownership interest in the common elements is allocated to each unit. This allocation is based on the units being approximately equal in square footage. A unit's undivided interest shall be deemed to be conveyed or encumbered with conveyance of the unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the unit.

### CONSTRUCTION

Declarant expects to complete construction of the Condominium by January 2005, unless prevented from doing so by causes beyond Declarant's reasonable control.

### FINANCING

There is no financing offered by Declarant to prospective purchasers of the unit. Prospective purchasers must either pay the purchase price in cash or obtain financing from a responsible mortgage lender.

As of the date of this Disclosure Statement, the unit is encumbered with a trust deed encumbering all units as collateral. The trust deed is a "blanket encumbrance" or "blanket loan". Declarant legally cannot sell any unit until the unit is no longer encumbered by the trust deed. Declarant has provisions in the blanket loan for release of a unit from the lien of the trust deed to permit a sale.

### WARRANTY

Declarant warrants against defects in the plumbing, electrical, mechanical, structural, and all other components of the newly-constructed units and common elements. This warranty shall exist on the unit and the related limited common elements for one (1) year from the date of delivery of possession of that unit by Declarant to its first owner other than Declarant, and shall exist on the general common elements for one (1) year from the initial conveyance of title to any unit by

Declarant to a unit owner other than Declarant or one (1) year from completion of construction of the specific general common element, whichever is later. A written claim reasonably specifying a breach of the warranty on the unit and the related limited common elements must be delivered to Declarant before the expiration of such warranty. A written claim reasonably specifying a breach of the warranty on the general common elements must be delivered to Declarant within two (2) years of expiration of such warranty, but the claim must be for a defect existing prior to the expiration of such warranty. An action to enforce such warranty shall not be commenced later than four (4) years after expiration of such warranty. The Association of Unit Owners of Silver Maple Townhomes, a Condominium, is the beneficiary of the foregoing warranty on the general common elements.

In the event of defects covered by this warranty, Declarant shall have the right to elect whether to repair or replace the defective item. These warranties are in lieu of any and all implied warranties by Declarant. There are no additional warranties, express or implied, on the Condominium, and there are no warranties of any kind, express or implied, except the manufacturer's warranty, if any, on consumer products conveyed with the units.

### PROJECTED BUDGET

**Notice to prospective purchasers:** the projection of the budget of the Association of Unit Owners for the operation and maintenance and other common expenses of the Condominium is only an estimate, prepared with due care.

The Declarant has prepared an initial projected budget of the Association and estimated assessment for the operation and maintenance and other common expenses of the Condominium. A copy of the projected budget is attached to this Disclosure Statement.

As set forth in the projected budget, water and sewer for all units in the Condominium is a common expense. Each unit owner will establish his own account with the utility provider for electricity, telephone, trash collection, natural gas, and cable television (if available).

Each unit owner's liability for common expenses and right to common profits is equal to that unit's undivided ownership interest in the common elements (1/18th for each unit). This method of allocation is based on the units' approximately equal square footage. Notwithstanding the foregoing, no common profits shall be distributed among the unit owners but shall be used solely for purposes of maintaining, repairing and replacing the common elements or other expenses of the Association. Unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction or through his tenant's fault or direction. Further, unit owners may be assessed additional amounts individually for fines, charges and expenses in the process of collection of assessments and enforcement of the Declaration, Bylaws and rules and regulations pursuant to Article VIII of the Bylaws and as otherwise provided in the Bylaws.

Provisions have been made in the projected budget for a reserve account for replacement of those general common elements in the Condominium which would normally require

replacement in more than three (3) and less than thirty (30) years. Specific provisions for this reserve account are set forth in Article VII, Section 5, of the Bylaws. The information constituting the basis for the reserve assessment is a reserve study, a copy of which is attached to this Disclosure Statement.

Declarant does not guarantee that the information contained in the reserve study is accurate; the report only represents a good faith estimate, as of the date of this Disclosure Statement, of the information contained therein. The actual remaining useful life of various components will partly depend on the level of use by the unit owners, the level of maintenance by the Association, changes in climate, and other factors beyond the Declarant's control.

As provided in Article VII, Section 2 of the Bylaws, the Declarant may exercise its right to defer commencement of assessments for common expenses and simply pay the expenses as they accrue; and the reserve portion of the assessment does not begin to accrue until the first unit in the Condominium is conveyed to a unit owner other than Declarant. At the time of the initial unit sale, assessments may not have commenced, and there will be no reserves.

Article VII, Section 5 of the Bylaws, provides that following turnover, the Association may elect not to fund the reserve account or elect to reduce assessments for the reserve account. Thus, even if some or all of the units have previously been sold or conveyed by Declarant, there may be little or no reserves. Prospective purchasers should inquire as to the status of the assessments in general, and the status of the reserve assessment and reserves in particular, if this issue is of concern to them.

Section 4.3 of the Unit Sale Agreement refers to a special "working capital" assessment equal to two estimated monthly assessments which will be collected from each purchaser at the closing of the unit purchase. The funds collected from this special assessment will be turned over to the Association at the turnover meeting, and may be used by the Board of Directors elected by the unit owners for special projects or for any other purpose as determined by the Board.

In the case of any duly authorized capital improvements to the common elements, the Bylaws provide that the Board of Directors may establish separate assessments for the same and maintain the proceeds from such assessments in separate accounts.

### OPERATION AND MANAGEMENT OF THE CONDOMINIUM

Prospective purchasers should carefully review all of the sections of the Declaration and Bylaws, including those identified below which relate to the method of apportionment of voting rights to members of the Association, the general power and authority of the Board of Directors, and the nature and extent of Declarant's initial control of the Board of Directors. As provided in Section 11 of the Declaration, an Association of Unit Owners has been formed and Bylaws have been adopted to govern the operation and management of the Condominium.

Upon becoming the legal owner or contract purchaser of a unit, said owner shall automatically be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason. A unit owner's participation in the operation and management of the Condominium is generally limited to the right to vote at meetings of the

Association, including election of three directors to the Board of Directors after the turnover meeting. As provided in Section 10 of the Declaration and in Article II of the Bylaws, the owners of each unit shall have one vote.

Article III, Sections 2-4 of the Bylaws provide that the initial meeting of the Association shall be either the first annual meeting, to be held approximately twelve months after the sale of the first unit, or the turnover meeting, whichever comes sooner. Prior to such meeting, the Declarant may call meetings of the unit owners, formally or informally, for such purposes as Declarant deems necessary or appropriate.

Section 11 of the Declaration and Article IV, Section 2, of the Bylaws state that the Declarant has appointed an interim board of directors for the Association to serve until replaced by Declarant or until the turnover meeting is held. In this manner, the Declarant has reserved the right to control the Association until the turnover meeting. The turnover meeting will be held within ninety (90) days of the earlier of: a) the date of conveyance to persons other than the Declarant of seventy-five percent (75%) of the units; or b) three years from the date the first unit is conveyed; Declarant may hold the turnover meeting sooner than the foregoing deadline, at Declarant's option. At the turnover meeting, the interim directors will resign and the unit owners will elect three directors as provided in Article IV, Section 3, of the Bylaws.

Article V of the Bylaws sets forth the responsibilities of the Association and the powers and duties of its Board of Directors. Section 11.5 of the Declaration provides that the Board of Directors, including the interim Board of Directors, has the right to contract with a professional manager or management firm to manage the affairs of the Association. The Declarant does not intend to contract with a professional management firm and assumes that the Association will be self-managed. For this reason, the estimated budget for common expenses attached to this Disclosure Statement does not include management fees.

Articles VII and VIII of the Bylaws provide for the manner in which common expenses will be determined and assessed to the unit owners and the authority of the Board of Directors to collect assessments and otherwise enforce the provisions of the Declaration, Bylaws and rules and regulations of the Association.

Article IX of the Bylaws sets forth the obligations of the unit owners with respect to maintenance and use of the units, limited common elements, and general common elements. Section 4 of Article IX sets forth use and occupancy restrictions, including limitation on commercial activities and provisions regarding pets. Section 5 of that Article provides for additional rules and regulations that may be adopted by the Board of Directors from time to time.

Article X of the Bylaws describes the insurance policies to be obtained and maintained by the Association. These policies are not intended to cover all of the property owned by a unit owner or to cover all of the potential liability of a unit owner. In addition, unit owners may be required to pay for damage caused by the unit owner or his tenant or invitee that is not covered by the Association's insurance policy, including the deductible amounts under that policy. Unit owners are responsible for obtaining such additional insurance as they deem necessary or desirable to protect them from the additional risks to which they may be exposed. The Declarant recommends

estimated remaining useful life exceeds 30 years. Therefore, no reserve has been established for these items at this time.

#### **Heating**

Each unit will have its own forced air gas furnace. Therefore all heating systems will be part of the units, and no reserves are required. Repair and maintenance of these items will be the responsibility of each unit owner.

#### **Fencing**

The fencing of certain perimeters of the project is cyclone. The estimated remaining useful life exceeds 30 years. Therefore, no reserve has been established at this time.

#### **Exterior Painting**

The current cost of labor and materials for exterior painted areas such as front doors and jambs, garage jambs, and porch post is \$3800. The estimated remaining useful life is 7 years. We allowed for approximately \$400 for inflation, and we did not account for any investment income from the reserve funds. Thus, the annual reserve for exterior painting is \$600.00 (\$4200 divided by 7) and would continue each year over the next 30 years.

#### **Decks**

The material used for decks is Sunwood .40 treatment Hem/Fir. With proper sealant maintenance, the estimated remaining useful life exceeds 30 years. Although no reserve is required for sealant maintenance, we are treating it like exterior painting and establishing an annual maintenance reserve. We estimate that the average annual cost for sealant maintenance will be \$500.00 and would continue each year over the next 30 years.

### **Reserve Assessment**

Based on the foregoing, and on the attached chart, the reserve assessment is as follows:

Total <u>annual</u> reserve assessment:	(600 plus 500)	\$1100.00
Total <u>monthly</u> reserve assessment:	(\$1100 divided by 12 months)	92.00
Monthly reserve assessment per unit:	(\$92 divided by 18 units)	\$5.11

## **Reserve Study**

### **Silver Maple Townhomes, a Condominium**

**December 2004**

The Reserve Study is comprised of two pages (including this page). The Reserve Study is based on estimations compiled with reasonable care and in good faith, and information supplied by the manufacturer where applicable. Estimations are based on opinions, and opinions can differ. The Declarant cannot (and does not) guarantee the accuracy of this Reserve Study.

The Reserve Study does not include amounts that the Association may or should spend in reasonable maintenance and repair of the various common elements. The estimations of remaining useful life will be affected by the level of use by the unit owners, the level of maintenance by the Association, changes in climate, and other factors beyond the Declarant's control.

#### **Roofing**

The material used for the roof is an architecture composition roofing material that comes with a prorated 30-year warranty. With proper care (i.e., avoidance of moss or leaf buildup), it should perform to or beyond its warranted life. Therefore, no reserve has been established for roof replacement at this time.

#### **Siding, Structural Beams and Joists**

The material used for the exterior siding is a vinyl siding product that is delivered to the site with a factory applied primer protection. It comes with a manufacturer's warranty of 30 years. The structural parts of the walls and the floor and ceiling joists are made from green Douglas fir. With reasonable maintenance to prevent moisture or insects from causing damage, the estimated remaining useful life exceeds 30 years. Therefore, no reserve has been established for replacement of siding or structural beams and joists at this time.

#### **Foundations, Driveways and Flat Concrete**

The foundations, sidewalks, driveways, and patios are all poured in place concrete with an estimated remaining useful life exceeds 30 years. Therefore, no reserve has been established for these items at this time.

#### **Plumbing**

The common element plumbing (drains, conduits and lines) consists of CPVC and ABS plastic; the estimated remaining useful life exceeds 30 years. Therefore no reserve has been established for these items at this time.

#### **Electric**

Each unit will have its own individual meter. All electrical cable and conduits to the buildings and within the buildings to the units are copper coaxial cables and conduits; the



# SILVER MAPLE TOWNHOMES, A CONDOMINIUM

18 Units

## ESTIMATED OPERATING BUDGET and MONTHLY ASSESSMENT

<u>BUDGET ITEM</u>	<u>ESTIMATED ANNUAL COST</u>
Water and Sewer	\$9450 - 727 <sup>00</sup>
Insurance	4000 - 133
Maintenance and Repair of Common Elements, including Grounds and Landscaping	← 3500 - 291 <sup>00</sup>
Operations and Maintenance Plan Compliance	500 - 42 <sup>00</sup>
Administrative, Legal, Accounting, and Reserve Study	1000 - 83
Reserve for Replacement of Common Elements	1100 *
<b>ESTIMATED TOTAL ANNUAL BUDGET</b>	<b><u>\$19,550.00</u></b>
<b>ESTIMATED MONTHLY BUDGET</b>	<b><u>\$1630.00</u></b>
<b>ESTIMATED MONTHLY ASSESSMENT PER EACH UNIT</b>	<b>\$90.50</b>

Note: These projections are only an estimate, prepared with due care. These projections are subject to increase or decrease to reflect changes in operating policies and/or level of service, inflation, or other causes. It is anticipated that the annual amount for the replacement reserve will increase as the age of the common elements increases and the estimated remaining useful life of some of the common elements decreases.

Note: These projections are not intended to forecast all of the costs of owning or residing in the unit. For example, this budget does not include the costs of some utilities for the unit, maintenance and repair of the unit, property taxes, or insurance for personal property and liability not covered by the Association's policy.

that prospective purchasers discuss the insurance provisions in the Bylaws, and additional coverage that may be desired, with their insurance agents before the unit sale closes, and to review their individual coverage with their agents from time to time, particularly if the Association adjusts its coverage.

### DOCUMENTS BY WHICH PURCHASERS WILL BE BOUND

Prospective purchasers should carefully read all documents pertaining to the Condominium by which they will be bound. These documents include the following:

(1) Declaration Submitting Silver Maple Townhomes, a Condominium, to Condominium Ownership. The Declaration contains, among other things, provisions describing the units, limited and general common elements, rights of mortgagees, easements, and Declarant's rights.

(2) Bylaws of the Association of Unit Owners of Silver Maple Townhomes, a Condominium. This document contains, among other things, provisions on the management and operation of the Association and the rights and obligations of the owners of units.

(3) Unit Sales Agreement. This document sets forth rights and obligations of the purchaser and the seller of the units, and includes a notice to purchaser of his statutory right to cancel the transaction within five (5) business days.

(4) Escrow Instructions between Declarant and Pacific Northwest Title. This document provides for deposit of funds into escrow and outlines a general procedure for closing the sale transactions of the units.

(5) In addition, purchasers may be bound by financing instruments, escrow instructions and provisions of the Oregon Condominium Act; prospective purchasers should also inquire regarding management contracts and rules and regulations, if any, that may have been adopted by the Board of Directors since the date of this Disclosure.

DATE: November 26, 2004

SILVER MAPLE, LLC, an Oregon limited liability company

By:   
Robert M. Law, member

AFTER RECORDING  
RETURN TO:  
Pacific NW Title  
9020 SW Washington Sq Rd #120  
Tigard, OR 97224

Recorded in MULTNOMAH COUNTY, OREGON  
C. Swick, Deputy Clerk  
E41 14 ATKLM  
Total : 86.00

2005-046924 03/18/2005 12:23:14pm

**DECLARATION SUBMITTING  
SILVER MAPLE TOWNHOMES, A CONDOMINIUM,  
TO CONDOMINIUM OWNERSHIP**

THIS DECLARATION is made and executed by Silver Maple, LLC, an Oregon limited liability company, hereinafter called "Declarant."

Declarant desires to create a condominium to be known as Silver Maple Townhomes, a Condominium, which will be located in the City of Portland, Multnomah County, Oregon. The purpose of this declaration is to submit the property to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

1. **DEFINITIONS.** When used herein the following terms shall have the following meanings:

1.1 "Act" means the Oregon Condominium Act.

1.2 "Association" means the Association of Unit Owners of Silver Maple Townhomes, a Condominium.

1.3 "Board of Directors" means the directors selected pursuant to the provisions of this declaration and the bylaws to govern the affairs of the Association.

1.4 "Bylaws" means the bylaws of the Association adopted as provided herein, as the same may be amended from time to time.

1.5 "Declarant" means Silver Maple, LLC, an Oregon limited liability company.

1.6 "Plat" means the plat of Silver Maple Townhomes, a Condominium, recorded simultaneously with the recording of this declaration.

1.7 "Incorporation by Reference." Except as otherwise provided in this declaration, each of the terms used herein shall have the meaning set forth in ORS 100.005, a part of the Act.

2. **PROPERTY SUBMITTED.** Declarant owns a fee simple interest in the land and is submitting a fee simple interest hereunder. It is located in the City of Portland, Multnomah County, Oregon, and is more particularly described in Exhibit A attached hereto. The property submitted hereunder includes the land so described, all buildings, improvements and structures

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thereon, and all easements, rights and appurtenances belonging thereto.

3. NAME. The name by which the property submitted hereunder shall be known is "Silver Maple Townhomes, a Condominium."

4. GENERAL DESCRIPTION OF BUILDINGS. The condominium consists of four buildings, designated Building 10637, Building 10623, Building 10611, and Building 10545. Each Building is two stories with no basement. Each Building is of wood frame construction with a concrete foundation, composition roof, and vinyl siding.

5. UNITS.

5.1 General Description of Units. There are 18 units, designated as follows: Unit 10637-1, Unit 10637-2, Unit 10637-3 and Unit 10637-4 are located in Building 10637; Unit 10623-5, Unit 10623-6, Unit 10623-7, Unit 10623-8, and Unit 10623-9 are located in Building 10623; Unit 10611-10, Unit 10611-11, Unit 10611-12, Unit 10611-13, and Unit 10611-14 are located in Building 10611; and Unit 10545-15, Unit 10545-16, Unit 10545-17, and Unit 10545-18 are located in Building 10545. Each unit has two stories (townhome style). Each unit includes a single-car garage. Each unit contains the square footage set forth on Exhibit B attached hereto.

The dimensions, designation, and location of each unit are shown in the plat filed simultaneously herewith and made a part of this declaration as if fully set forth herein.

5.2 Boundaries of Units. Each unit shall be bounded by the interior structural elements at the perimeter and bearing walls, floors, and ceilings. All wall board, sheet rock, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be a part of the unit, and all other portions of said walls, floors, or ceilings shall be part of the common elements. The unit shall include windows, window frames, exterior and interior doors, door frames, air space, nonbearing interior partitions, and all other appliances, fixtures, and improvements contained therein. With respect to the gas fireplaces, the equipment comprising the fireplace and the firebox itself shall be part of the unit, but the vent shall be part of the common elements. In addition, each unit shall include the outlet of any utility service lines, including but not limited to water, sewerage, gas, electricity, coaxial cable, and ventilating ducts within the unit, but shall not include any part of such lines or ducts themselves.

5.3 Use of Units. The units shall be occupied and used by the respective owners only for residential purposes for the owner, family, tenant and social guests and for no other purposes. The owners of the respective units shall have the right to lease or rent the unit; provided, that any such lease or rental agreement shall be subject to the covenants and restrictions contained in this declaration, the bylaws, and the rules and regulations of the Association.

**6. COMMON ELEMENTS.**

**6.1 General Common Elements.** The general common elements consist of the following, to the extent they exist on the property, and except as portions thereof are expressly designated in this declaration as part of a unit or limited common element:

- (a) The land, landscaping, grounds, fences, sidewalks, retaining walls, exterior walkways, exterior steps, driveways, and storm water facilities;
- (b) The foundations, columns, girders, beams, supports, bearing and shear walls, perimeter walls, main walls, and roofs of the buildings;
- (c) Installations of central services (if any), such as electricity, gas, hot and cold water, heating, and air conditioning, up to the outlets within any unit;
- (d) The installations, if any, existing for common use; and
- (e) All other elements of the buildings and the condominium necessary or convenient to their existence, maintenance, and safety, or normally in common use.

**6.2 Limited Common Elements.** The limited common elements consist of the items described below, the use of which shall be restricted to the units to which they are reserved or assigned. The limited common elements appertain to the unit to which they are reserved or assigned. The more specific locations of the limited common elements are shown on the plat.

To each unit is reserved a portion of the concrete apron/driveway adjacent to the garage for use as a parking space for automobiles. To each unit is reserved a porch adjacent to the front door of the unit. To each unit is reserved a rear yard area adjacent to the rear of the unit.

**6.3 Undivided Interest in Common Elements.** Each unit is allocated an undivided one eighteenth (1/18) interest in the common elements. The allocation is based on the units being approximately equal in square footage. Each unit's undivided interest shall be deemed to be conveyed or encumbered with conveyance of said unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the unit.

**6.4 Use of Common Elements.** No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with this declaration, the bylaws or such rules and regulations pertaining thereto which from time to time may be promulgated by the Board of Directors.

**6.5 Maintenance, Repair, and Replacement.** Except to the extent it is

imposed on the unit owners by this declaration or the bylaws, the necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the bylaws. Nothing herein, however, shall be construed so as to preclude the Board of Directors from delegating such duties to individuals or entities.

7. COMMON PROFITS AND COMMON EXPENSES. The common profits shall be allocated among the unit owners according to the allocation of undivided interest of each unit in the common elements; provided, however, that no such profits shall be distributed among the unit owners and shall be used solely for purposes of maintaining, repairing, and replacing the common elements or other expenses of the Association. The common expenses shall be assessed to the unit owners according to the allocation of undivided interest of each unit in the common elements; provided, however, that unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction or as otherwise provided in the bylaws.

8. SERVICE OF PROCESS. The designated agent to receive service of process in cases provided in subsection (1) of ORS 100.550 is named in the Condominium Information Report which has been filed with the Oregon Real Estate Agency in accordance with the Act.

9. EASEMENTS, COVENANTS, AND ENCROACHMENTS.

9.1 Right of Access. The Association, through its Board of Directors, shall have the right to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, or to make emergency repairs therein necessary for the public safety or to prevent damage to the common elements or to another unit. In case of an emergency originating in or threatening his unit, or other portion of the condominium, each unit owner hereby grants the right of entry to any person authorized by the Board of Directors or the owner of the other unit, whether or not the unit owner is present at the time. Each unit owner shall, upon request, leave a key to his unit with the Board of Directors to be used in such emergencies; the Board may allow the property manager to have access to the keys for emergency use.

9.2 Encroachments. Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and except as otherwise provided in the Act the rights and obligations of owners shall not be altered in any way by the encroachment, nor shall the encroachments be construed to be encumbrances affecting the marketability of title to any unit.

9.3 Granting of Interest Affecting Common Elements. The Association shall have the authority to grant, execute, acknowledge, deliver, and record on behalf of the unit owners leases, easements, rights of way, licenses or other similar interests affecting the general and limited common elements, and to consent to vacation of roadways within and adjacent to the condominium, pursuant to ORS 100.405(5), (6), (7), and (8).

9.4 Utility Easement. Each unit shall have an easement through each other unit and through the common elements for utility, wiring, heat, plumbing and other service elements, and for reasonable access required to effectuate and continue proper operation of the condominium.

10. VOTING RIGHTS. The owner or co-owners of each unit shall be entitled to a total of one vote for the unit.

11. ASSOCIATION OF UNIT OWNERS.

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

11.2 Membership; Board of Directors. Each unit owner shall be a member of the Association, and membership therein shall be limited to unit owners only. The affairs of the Association shall be governed by a Board of Directors as provided in the bylaws. The Board of Directors may act on behalf of the Association except as limited by the declaration or bylaws. In the performance of their duties, officers and members of the Board of Directors shall be governed by the Act and by ORS 65.357, 65.361, 65.367, 65.369 and 65.377 which set forth standards of conduct of directors and officers, provisions on director conflict of interest, and provisions on liability of directors for unlawful distributions and for performance or nonperformance of duties.

11.3 Power and Duties of the Association. The Association shall have such powers and duties as may be granted to it by the Oregon Condominium Act, together with such additional powers and duties contained in this declaration and the bylaws.

11.4 Declarant Control of Association; Interim Board of Directors. Declarant will appoint an interim Board of Directors for the Association. Declarant hereby reserves the right to control the Association until the earlier of a) the date of conveyance to persons other than Declarant of seventy five percent (75%) of the units, or b) three years from the date the first unit is conveyed. Accordingly, upon the recording of the declaration and bylaws, the interim directors shall serve until the turnover meeting is held as provided in the bylaws.

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

12. MORTGAGEES.

12.1 Definitions. As used herein, the following terms shall have the following meanings:

(a) "Mortgage" means a recorded mortgage or trust deed creating a lien against a unit; and

(b) "Eligible mortgage holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 12.3 below.

12.2 Notice to Association. At the request of the Board of Directors, each owner shall promptly supply to the Board the name and address of the mortgagee or mortgagees of his unit.

12.3 Notice to a Holder, Insurer, or Guarantor of a Mortgage. A holder, insurer, or guarantor of a mortgage on a unit, who submits a written request to the Association stating the name and address of the holder, insurer, or guarantor and the unit number or address of the mortgaged unit shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the condominium or the unit securing its mortgage;

(b) Any sixty-day (60-day) delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;

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

(d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

12.4 Consent to Termination of the Condominium. Except with respect to



termination of the condominium as a result of destruction, damage, or condemnation, any termination of the condominium shall require the approval of eligible mortgage holders representing at least two thirds of the votes of units that are subject to mortgages held by eligible mortgage holders. This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

**12.5 Consent to Amendment of Documents.** Except as otherwise provided in the Act, the approval of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders shall be required for any amendments of a material nature to the declaration or bylaws. Any amendment to the declaration or bylaws which changes any of the following would be considered as material:

- (a) Voting rights;
- (b) Assessments, assessment liens, or the priority of assessment liens;
- (c) Reserves for maintenance, repair and replacement of the common elements;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or limited common elements, or rights to their use;
- (f) Redefinition of any unit boundaries;
- (g) Convertibility of units into common elements or of common elements into units;
- (h) Expansion or contraction of the condominium or the addition, annexation, or withdrawal of property to or from the condominium;
- (i) Insurance or fidelity bonds;
- (j) Leasing of units;
- (k) Imposition of any restriction on a unit owner's right to sell or transfer his or her unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by eligible mortgage holders;

(m) Restoration or repair of the condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the declaration, bylaws, or Act;

(n) Any action to terminate the legal status of the condominium after substantial destruction or condemnation occurs; or

(o) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

**12.6 Request for Approval of Eligible Mortgage Holders.** Any eligible mortgage holder or other mortgagee who receives a written request to approve additions or amendments to the declaration, bylaws, or other action to be taken by the Board of Directors, Association, or unit owners, shall be deemed to have given such approval unless a negative response is delivered or posted to the requesting party within thirty (30) days after such request has been received, provided that the written request was delivered by certified mail with "return receipt requested."

**12.7 Mortgagee's Request for Professional Management.** Upon written request of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall be consistent with Section 11.5.

**12.8 Discharge of Lien Upon Foreclosure.** Where the purchaser of a unit obtains title to a unit as a result of foreclosure of the first mortgage or first trust deed, such purchaser, his successors and assigns, shall not be liable for any of the assessments against such unit or its owner which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid assessments shall be a common expense of all the unit owners including such purchaser, his successors and assigns.

**12.9 Right to Receive Written Notices of Meetings.** A holder of a first mortgage shall, upon written request to the Association, be entitled to receive notice of all meetings of the Association and shall be entitled to designate a representative to attend all such meetings.

**12.10 Additional Approvals.** Unless fifty-one percent (51%) of the holders of first mortgages of individual units have given their prior written approval, the Association shall not:

- (a) Change the pro rata interest or obligations of any unit for (1)

purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards, and (2) determining the pro rata share of ownership of each unit in the common elements;

(b) Partition or subdivide any unit;

(c) By act or omission, seek to abandon or terminate the condominium status of the project except as provided by statutes in case of substantial loss to the units and common elements of the condominium project;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause; or

(e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute and the bylaws in case of substantial loss to the units and/or common elements of the condominium project.

12.11 Right to Examine Books and Records. All mortgagees (including insurers and guarantors of mortgages) shall have the right to examine the books and records (including the declaration, bylaws, rules, and regulations and financial statements) of the Association upon written request. Such books and records shall be available for duplication at reasonable times; a mortgagee shall be entitled to have an audited financial statement prepared at his own expense if such audited statement is not otherwise available; the Association, its Board of Directors and its officers shall cooperate to facilitate the necessary auditing and review process.

### 13. AMENDMENT.

13.1 Approval Required. An amendment to the declaration may be proposed by a majority of the Board of Directors or by at least 30 percent of the unit owners. Except as may otherwise be provided in this declaration or by the Act, including ORS 100.135, the declaration may be amended if such amendment is approved by seventy-five percent (75%) or more of all votes of the unit owners. An amendment may not change the allocation of undivided interest in the common elements, the method of determining liability for common expenses, the method of determining the right to common profits, or the method of determining the voting rights of any unit unless such amendment has been approved by the owners of the affected units and the holders of any mortgage or trust deed on such unit. No amendment may limit or diminish any right of Declarant reserved in accordance with the Act or any other special declarant right without the consent of Declarant. No amendment may reduce or eliminate the rights of first mortgagees set forth herein without the written

consent of fifty-one percent (51%) of all such first mortgagees.

**13.2 Recordation.** The amendment shall be certified by the chairperson and secretary of the Association as being adopted in accordance with the declaration and the provisions of ORS 100.005 to 100.910 and 100.990 and acknowledged in the manner provided for acknowledgment of deeds. If required by the Act, the amendment shall be approved by the Real Estate Commissioner and county assessor according to ORS 100.110. The amendment shall be effective when recorded in the Deed Records of Multnomah County; if the amendment is not recorded within two years from the date of approval by the Real Estate Commissioner, the approval shall automatically expire and the amendment must be resubmitted for approval.

**13.3 Restated Declaration.** The Board of Directors, by resolution and without the further approval of the unit owners, may cause a restate declaration to be prepared and recorded to codify individual amendments that have been adopted in accordance with this Section 13, so long as the restated declaration complies with ORS 100.135.

#### **14. DECLARANT'S RIGHTS.**

Notwithstanding any provision to the contrary in this declaration or the bylaws, Declarant shall have the following special rights:

**14.1 Amendment to Declaration and Bylaws.** No amendment to the declaration and bylaws shall be effective without the written consent of Declarant until the earlier of the following dates: (a) five (5) years from the date this declaration is recorded, or (b) the date on which seventy-five percent (75%) of the units have been conveyed to persons other than Declarant.

**14.2 Assessments for Additional Capital Improvements.** No units owned by Declarant shall be assessed by the Association or the Board of Directors for the construction or acquisition of additional capital improvements or any other special assessment without the written consent of Declarant until the earlier of the following dates: (a) five (5) years from the date this declaration is recorded, or (b) the date on which Declarant owns less than two units.

**14.3 Development Easement.** Declarant and its agents shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of completing any portion of the condominium, discharging any obligation of Declarant, and/or carrying out sales and rentals of units and advertisements thereof, including posting signs on the property. Declarant shall have the right to use units owned by Declarant as model units and shall have the right to use a unit as a sales office.

**14.4 Other.** Declarant shall be entitled to any and all other special declarant rights, in addition to those specified herein, that are reserved for the benefit of or created by the Declarant under the declaration, bylaws, or the provisions of the Act.

15. SEVERABILITY.

Should any of the provisions herein conflict with the provisions of the Act, the statutory provisions shall apply. Each provision of this declaration and the bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this declaration or the bylaws.

16. CONFLICTING PROVISIONS.

In the event of a conflict between or among the declaration, bylaws, and any administrative rules and regulations, the provisions of the declaration shall be paramount to the bylaws and the rules and regulations, and the bylaws shall be paramount to the rules and regulations, except to the extent that the declaration or bylaws are inconsistent with the Act. For purposes of this section, the term "declaration" shall include all amendments and the term "bylaws" shall include all amendments.

IN WITNESS WHEREOF, Declarant has caused this declaration to be executed this 22nd day of February, 2005.

SILVER MAPLE, LLC, an Oregon limited liability company

By: [Signature]  
Robert M. Law, Member

State of Oregon            )  
  ) ss.  
County of Multnomah    )

On this 22 day of February, 2005, before me personally appeared Robert M. Law who, being duly sworn, did say that he is a member of SILVER MAPLE, LLC, an Oregon limited liability company, and did further say that he executed the foregoing instrument by authority of all of the members of said limited liability company, and acknowledged that said instrument is his free act and deed and the free act and deed of said limited liability company.



[Signature]  
Notary Public for Oregon  
My Commission expires: June 19, 2006

**EXHIBIT A**

Lot "C", Block 55, "PARKROSE", excepting that portion dedicated to the City of Portland by deed recorded March 5, 2004 in Document No. 2004-036567, situated in the Southwest quarter of Section 22, Township 1 North, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, State of Oregon, being more particularly described as follows:

Commencing at the Southwest corner of said Section 22, said point being marked by a 4-1/4 inch brass disc; thence North 86 degrees 56 minutes 08 seconds East, a distance of 1054.68 feet to the initial point, a set 5/8 inch x 30 inch iron rod with a yellow plastic cap marked "W.B. Wells & Assoc. Inc." being on the Northerly right-of-way line of N.E. Fremont Street (28 feet from the centerline thereof) and the West line of said Lot C; thence North 00 degrees 00 minutes 10 seconds East, along the West line of said Lot C, a distance of 294.42 feet to the Northwest corner of said Lot C; thence South 89 degrees 59 minutes 50 seconds East, along the North line of said Lot C, a distance of 129.94 feet to the Northeast corner of said Lot C; thence South 00 degrees 00 minutes 10 seconds West, along the East line of said Lot C, a distance of 265.22 feet to said Northerly right-of-way line; thence along said Northerly right-of-way line, along the arc of a 2295.40 foot radius curve concave to the South through a central angle of 03 degrees 19 minutes 29 seconds (chord bears South 77 degrees 20 minutes 20 seconds West, a distance of 133.18 feet), an arc distance of 133.20 feet to the initial point.

**SUBJECT TO AND TOGETHER WITH:**

1. The declaration, bylaws, and plat of Silver Maple Townhomes, a Condominium, and matters disclosed therein.
2. Operations & Maintenance Plan, including the terms and provisions thereof, recorded March 17, 2004, as Fee No. 2004-043652.

**EXHIBIT B**

**(Square Footage of Units)**

**Unit 10637-1 = 1424 square feet**

**Unit 10637-2 = 1424 square feet**

**Unit 10637-3 = 1428 square feet**

**Unit 10637-4 = 1428 square feet**

**Unit 10623-5 = 1422 square feet**

**Unit 10623-6 = 1428 square feet**

**Unit 10623-7 = 1428 square feet**

**Unit 10623-8 = 1428 square feet**

**Unit 10623-9 = 1428 square feet**

**Unit 10611-10 = 1428 square feet**

**Unit 10611-11 = 1428 square feet**

**Unit 10611-12 = 1428 square feet**

**Unit 10611-13 = 1428 square feet**

**Unit 10611-14 = 1422 square feet**

**Unit 10545-15 = 1428 square feet**

**Unit 10545-16 = 1428 square feet**

**Unit 10545-17 = 1424 square feet**

**Unit 10545-18 = 1424 square feet**

The foregoing declaration is approved this 18th day of March, 2005.

William A. Hill  
Assessor and Tax Collector for Multnomah County

The foregoing declaration is approved pursuant to ORS 100.110 this 16 day of MARCH, 2005, and in accordance with ORS 100.110(7), this approval shall automatically expire if this declaration is not recorded within two (2) years from this date.

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Real Estate Commissioner

By: Bruce D. Lewis