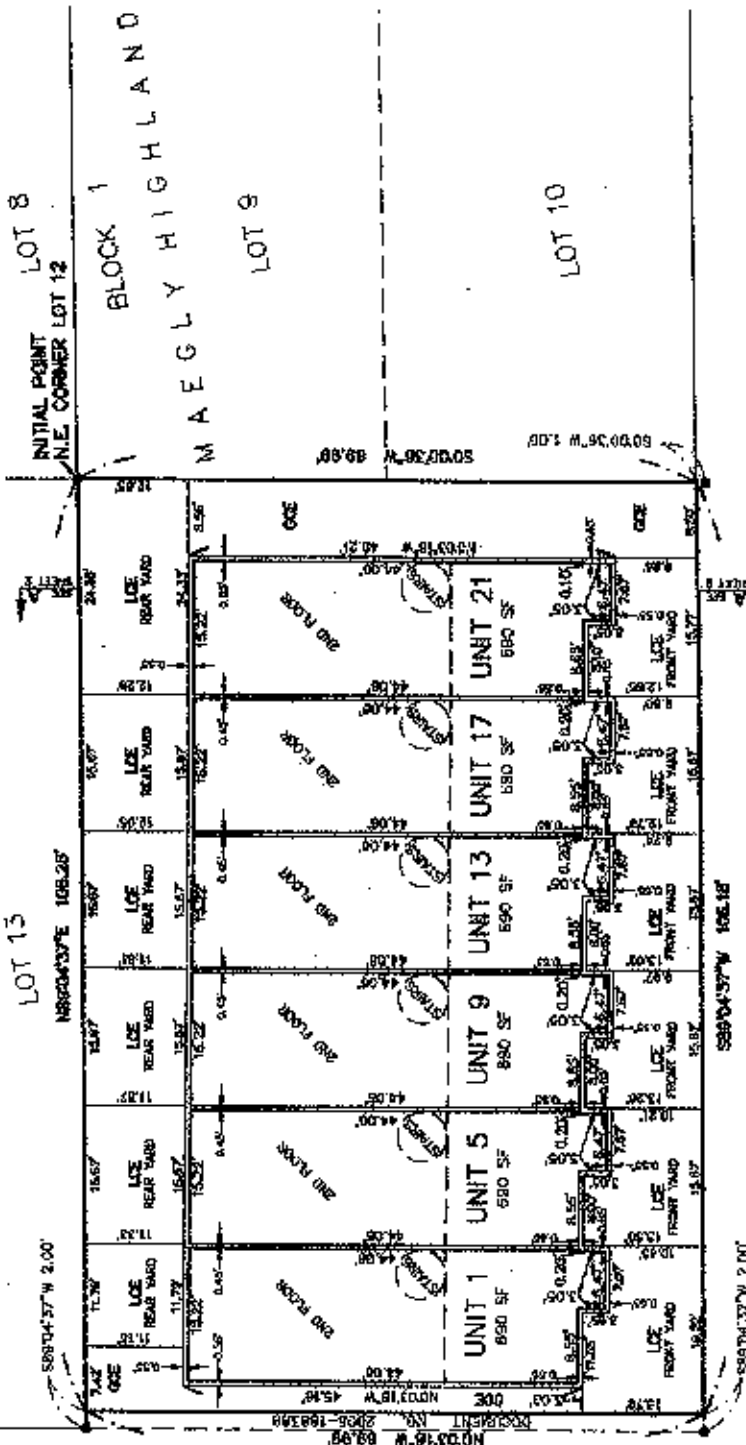


WYGANT LOFTS CONDOMINIUMS

PORTION OF LOTS 11 & 12, BLOCK 1, "MAEGLY HIGHLAND",
SITUATED IN THE NE 1/4 OF SECTION 22, T. 1 N., R. 1 E., W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
DATE: JULY 24, 2008

SCALE: 1" = 10'



N. WILLIAMS AVE. (MULTNOMAH)

LEGEND

- FOUND 5/4" IRON ROD WITH YELLOW PLASTIC CAP MARKED "WESTLAKE CONSULTANTS" SET IN ELEVATION NUMBER (84) 6000
- DENOTES GENERAL COMMON ELEMENT
- LOE DENOTES -JAYED COMMON ELEMENT
- # SF DENOTES AREA IN SQUARE FEET

NOTES

1. ALL UNIT AND YARD LINES ARE PARALLEL OR PERPENDICULAR TO THE WEST PROPERTY LINE (NORTH ON THE WEST END OF THE EAST LINE OF N. WILLIAMS AVE.) EXCEPT ALONG PROPERTY LINES AS SHOWN ON THE WEST END OF THE EAST LINE OF N. WILLIAMS AVE. (SECTION 22, T. 1 N., R. 1 E., W.M.)
2. AREAS UNMARKED BETWEEN UNITS ARE GENERAL COMMON ELEMENTS (GCE).
3. ALL UNITS ARE TO BE BUILT ON A 12' DIA. CIRCULAR FOUNDATION (CONCRETE) WITH A 12' DIA. CIRCULAR REINFORCED CONCRETE BEARERMARK NO. 416, FOUND 2'-1 1/2" DIAMETER BRASS IRON IN TOP OF CURB, SOUTHWEST CORNER OF CLEVELAND AVENUE AND 6000 G STREET, ELEVATION = 187.87'

SURVEYOR'S CERTIFICATE

I, GARY E. ANDERSON, REGISTERED PROFESSIONAL LAND SURVEYOR, HAVE CONDUCTED AND MARKED WITH READER INFORMATION TAG LOTS 11 & 12, BLOCK 1, MAEGLY HIGHLAND, (BOOK 114, PAGE 1), MULTNOMAH COUNTY PLAT RECORDS, AND HAVE RECORDED THE SAME IN PLAT RECORDS, MULTNOMAH COUNTY, OREGON, AND HAVE THESE PARTICULARS RECORDED AS FOLLOWS: BEARING AT THE INITIAL POINT, A 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "WESTLAKE CONSULTANTS" FOUND AT THE WEST END OF THE EAST LINE OF N. WILLIAMS AVE. (SECTION 22, T. 1 N., R. 1 E., W.M.) IS 187.87' ALONG THE WEST PROPERTY LINE (NORTH ON THE WEST END OF THE EAST LINE OF N. WILLIAMS AVE.) EXCEPT ALONG PROPERTY LINES AS SHOWN ON THE WEST END OF THE EAST LINE OF N. WILLIAMS AVE. (SECTION 22, T. 1 N., R. 1 E., W.M.)

SURVEYED BY:

WESTLAKE CONSULTANTS, INC.
1515 S. SEQUOIA PARKWAY, SUITE 150
PORTLAND, OREGON 97224
(503)784-0852



N.E. WYGANT ST. (MAEGLY)

WYGANT LOFTS CONDOMINIUMS

PORTION OF LOTS 11 & 12, BLOCK 1, MAEBLY HIGHLAND,
SITUATED IN THE NE 1/4 OF SECTION 22, T. 1 N., R. 1 E., W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
DATE: JULY 24, 2006

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS, THAT WYGANT LOFTS, L.L.C. AN OREGON LIMITED LIABILITY COMPANY, AS OWNER OF THE LAND DESCRIBED IN THE ACCOMPANYING SUBDIVISION, RESOLVES TO ESTABLISH THE WYGANT LOFTS CONDOMINIUMS, AND THAT THE WYGANT LOFTS CONDOMINIUMS WILL BE OPERATED AND MAINTAINED AS A WYGANT LOFTS CONDOMINIUM TO BE OPERATED AND MAINTAINED AS SUCH BY THE MEMBERS OF THE WYGANT LOFTS CONDOMINIUMS, AND THAT THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF OREGON REVISED STATUTES 100.000 TO 100.040.

WYGANT LOFTS L.L.C. AN OREGON LIMITED LIABILITY COMPANY

BY: [Signature]
TARA NAKAGAWA MEMBER

ACKNOWLEDGMENT

STATE OF OREGON }
COUNTY OF MULTNOMAH }
THIS CERTIFICATE THAT ON THIS 24th DAY OF July, 2006, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, TARA NAKAGAWA, AND TARA NAKAGAWA, NEW MEMBERS OF THE WYGANT LOFTS CONDOMINIUMS, AND THAT THE OREGON REVISED STATUTES 100.000 TO 100.040, AND THAT THE WYGANT LOFTS CONDOMINIUMS WILL BE OPERATED AND MAINTAINED AS A WYGANT LOFTS CONDOMINIUM TO BE OPERATED AND MAINTAINED AS SUCH BY THE MEMBERS OF THE WYGANT LOFTS CONDOMINIUMS, AND THAT THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF OREGON REVISED STATUTES 100.000 TO 100.040.

[Signature]
NOTARY PUBLIC FOR OREGON
COMMISSION NO.: 3100015
EXPIRES: September 20, 2006

APPROVALS

APPROVED THIS 17th DAY OF July, 2006.
COUNTY SURVEYOR MULTNOMAH COUNTY, OREGON
BY: [Signature]
DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION
MULTNOMAH COUNTY, OREGON
BY: [Signature]
DEPUTY

STATE OF OREGON }
COUNTY OF MULTNOMAH }
I, BO HERBERT, COUNTY CLERK, DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RETURNED TO THE SURVEYOR AT DIVISION IN BOOK 17379, PAGE 56, ON PAGES 53-55, COUNTY OF MULTNOMAH, OREGON, ON JULY 24, 2006.
RECORDED OFFICE

BY: [Signature]
DEPUTY
DOCUMENT NO. 2006-1912738



CROSS SECTION "A" (TYPICAL) SCALE: 1" = 10'

BENCHMARK

FLAAR ELEVATION IS TYPICAL AT 224.86 BARS ON CITY OF PORTLAND BENCHMARK NO. 445, BEING 2-1/2" DIAMETER BENCH MARK IN TOP OF CURB, SOUTHWEST CORNER OF SCLANDLAND AVENUE AND TERRY STREET, ELEVATION = 187.847

SURVEYOR'S CERTIFICATE OF COMPLETION

I, GARY R. ANDERSON, A REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THE PLAT OF "WYGANT LOFTS CONDOMINIUMS" FULLY AND ACCURATELY REFLECTS THE LOCATIONS OF THE CURBS AND THE BUILDING AND THE CONSTRUCTION OF THE UNITS AND BUILDING, AS DEPICTED ON SAID PLAT, HAS BEEN COMPLETED.
DATED THIS 24th DAY OF July, 2006.
GARY R. ANDERSON, P.L.S., 2006



HEAVY DUTY, 1/2" X 1/2" BLUE INK AND
BLACK COPY OF THE ORIGINAL PLAT
GARY R. ANDERSON P.L.S. NO. 2006
SURVEYED BY
WESTLAKE CONSULTANTS, INC.
1001 S. ALGONQUIN PARKWAY, SUITE 100
PORTLAND, OREGON 97224
(503)994-0882
12-28-07
1983-01
SHEET 2 OF 2

After Recording Return To:
Rebecca Biermann Tom
Ball Janik LLP
101 SW Main Street, Suite 1100
Portland, Oregon 97204-3219

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
E41 77
Total : 401.00
ATVLM
2006-190679 10/13/2006 12:10:47pm

**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
WYGANT LOFTS CONDOMINIUMS**

Dated: July 31st, 2006

**Declarant: Wygant Lofts, LLC,
an Oregon limited liability company**

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Exhibits to Declaration

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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
WYGANT LOFTS CONDOMINIUMS
MADE PURSUANT TO THE OREGON CONDOMINIUM ACT**

This Declaration, to be effective upon its recording in the deed records of Multnomah County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 31st day of July, 2006, by Wygant Lofts, LLC, an Oregon limited liability company ("Declarant").

Declarant proposes to create a residential condominium to be known as Wygant Lofts Condominiums, located in the City of Portland, Multnomah County, Oregon, to be composed of six (6) Units. The purpose of this Declaration is to submit the Property (as defined below) to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

1. Definitions and Interpretation.

1.1 Definitions. As used in this Declaration, the Articles of Incorporation of Wygant Lofts Condominiums Owners' Association, its Bylaws, its Rules and Regulations, and any exhibits hereto and thereto, unless the context shall otherwise require, the following definitions shall be applied:

1.1.1 Act shall mean the Oregon Condominium Act, currently ORS 100.005 to 100.990, as amended from time to time.

1.1.2 Association shall mean Wygant Lofts Condominiums Owners' Association, the nonprofit corporate entity responsible for the administration, management, and operation of the Condominium.

1.1.3 Association Property shall mean real property or an interest in real property acquired, held or possessed by the Association pursuant to ORS 100.405.

1.1.4 Board shall mean the Board of Directors of the Association.

1.1.5 Building shall mean an individual building containing Units in the Condominium.

1.1.6 Bylaws shall mean the Bylaws of the Association, as amended from time to time.

1.1.7 Common Elements shall mean all those portions of the Condominium exclusive of the Units.

1.1.8 Condominium shall mean the Property that is hereby submitted to condominium ownership and all improvements thereon or to be located thereon and all easements and rights appurtenant thereto.

1.1.9 Declaration shall mean this Declaration of Condominium Ownership for Wygant Lofts Condominiums and any amendments hereto.

1.1.10 General Common Elements shall mean those Common Elements designated in Section 5.

1.1.11 Legal Requirements shall mean any and all laws, orders, rules, and regulations of any governmental entity.

1.1.12 Limited Common Elements shall mean those Common Elements designated in Section 6.

1.1.13 Mortgage shall include a mortgage, a deed of trust and a contract for the sale of real estate.

1.1.14 Mortgagee shall include a mortgagee, a deed of trust beneficiary and a vendor under a contract for the sale of real estate.

1.1.15 Owner shall mean the owner or owners of a Unit, but does not include a Mortgagee unless in possession of a Unit.

1.1.16 Plans shall mean the plat for the Condominium which is being recorded in the deed records of Multnomah County, Oregon, concurrently with this Declaration and any revisions of or supplements to such plat subsequently recorded.

1.1.17 Property shall mean the property submitted to the provisions of the Act, as described more particularly in Section 2.

1.1.18 Rules and Regulations shall mean those rules and regulations governing the use and enjoyment of the Condominium, as adopted from time to time by the Board pursuant to the Bylaws.

1.1.19 Turnover Meeting shall mean the meeting at which Declarant relinquishes control of the administration of the Association pursuant to Section 100.210 of the Act.

1.1.20 Unit Sales Agreement shall mean the purchase agreement pursuant to which Owner purchased his or her Unit(s).

1.1.21 Units shall mean those parts of the Condominium designated as such pursuant to Section 4 or any Supplemental Declaration; Unit shall mean any one of the Units.

1.2 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium under the provisions of Oregon law. The terms used herein are intended to

have the same meaning as may be given in the Act to such terms unless the context clearly requires otherwise or definition in this manner would have an unlawful consequence.

1.3 Mortgagee Approval. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Unit, such Mortgagee shall be deemed a separate Mortgagee as to each such Unit.

1.4 Original Owner of Units. Declarant is the original Owner of all Units and will continue to be deemed the Owner of each Unit until conveyances or other documents changing the ownership of specifically described Units are filed of record.

1.5 Captions and Exhibits. The captions given herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

1.6 No Fiduciary Standard. In no event shall Declarant be deemed to be a fiduciary of the Owners or be held to a fiduciary standard with respect to activities hereunder. The foregoing language does not apply to fiduciary responsibilities that the appointed and/or elected officers or directors of the Association may otherwise have.

1.7 Miscellaneous. All terms and words used in this Declaration, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. "And/or" when applied to two or more matters or things shall be construed to apply to any one or more or all thereof, as the circumstances then warrant. "Herein," "hereof," "hereunder," and words of similar import shall be construed to refer to this Declaration as a whole, and not to any particular section, unless expressly stated otherwise.

2. Property Submitted. The Property hereby submitted to the provisions of the Act is the land owned in fee simple by Declarant and described on the attached Exhibit A, together with all easements, rights, and appurtenances belonging thereto and all improvements now existing or hereafter constructed on such land.

3. Name. The name by which the Property is to be identified is "Wygant Lofts Condominiums."

4. Units.

4.1 General Description of Buildings. The Condominium shall include one (1) two-story Building, as shown on the Plans. The Building shall contain six (6) Units. The Building is situated on a generally level site. The Building is of wood construction and has a composition roof and no basement.

4.2 General Description, Location, and Designation of Units. The Condominium shall consist of a total of six (6) Units. The designation and location of each Unit are shown below and on the Plans. The Units are designated numerically as numbers 1, 5, 9, 13, 17 and 21.

4.3 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors and ceilings, and the interior surfaces of windows and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described (including the unexposed face of the sheetrock and the underside of the finished floor or top surface of any concrete slab, as applicable) and the air space so encompassed and shall exclude those portions of the walls, floors or ceilings that materially contribute to the structural or shear capacity of the Condominium. In addition, each Unit shall include the staircase located within each Unit, the nonbearing interior partitions, fixtures and improvements within the boundaries of the Unit and the outlet of any utility service lines, including water, sewer, electricity, or cable television, and of ventilating or air conditioning ducts, but shall not include any part of such lines or ducts themselves. The area in square feet of each Unit is listed on Exhibit B and shown on the Plans.

5. Interest in Common Elements: General Common Elements. Each Owner shall be entitled to an equal undivided fractional ownership interest in the Common Elements, as shown on the Plans and as set forth on Exhibit B. The General Common Elements consist of all parts of the Condominium other than the Units and the Limited Common Elements and include, without limitation, the following:

5.1 The land on which each Unit is located.

5.2 All floor slabs, foundations, exterior windows and window frames, exterior doors and door frames, crawl spaces, roofs, columns, beams, girders, supports, and bearing walls.

5.3 Pipes, ducts, conduits, wires, sewer and water lines, drainage and irrigation systems and other utility installations, in each case to their respective outlets and regardless of whether or not such installation is located in a front yard area or rear yard area designated as a Limited Common Element in Section 6 below.

5.4 The side yard areas located along the eastern and western sides of the Building, as shown on the Plans.

5.5 Perimeter fencing and entry monumentation for the Condominium (if any).

5.6 The air space containing the elements described in Sections 5.2, 5.3, 5.4 and 5.5

6. Limited Common Elements. The Limited Common Elements shall consist of (a) front yard areas, including entry walkways and stairways, front porches and yard areas, the use of which is reserved for the Unit that each front yard area adjoins, as shown on the Plans; and (b)

rear yard areas, including patios and yard areas, the use of which is reserved for the Unit each rear yard area adjoins, as shown on the Plans.

7. Allocation of Common Profits and Expenses; Enforcement of Assessments.

7.1 Method of Allocation.

7.1.1 The common profits of the Condominium shall be allocated in proportion to each Owner's interest in the Common Elements, as set forth on Exhibit B.

7.1.2 The common expenses of the Condominium shall be allocated in proportion to each Owner's interest in the Common Elements, as set forth on Exhibit B. In the event an Owner of a Unit shall use an unreasonably disproportionate amount of a service included in the common expenses, as determined by the Board in its reasonable discretion, then such Owner shall be required to bear the expense of such service individually (as, for example, by separate metering facilities) and the common expenses incurred by the other Owners shall thereupon be adjusted accordingly.

7.1.3 Assessments for common expenses shall commence upon the closing of the first sale of a Unit, provided that Declarant may elect to defer the commencement of assessments for common expenses (other than assessments for reserves pursuant to Section 5.2 of the Bylaws) for a period not exceeding 60 days from such closing. Assessments for reserves pursuant to Section 5.2 of the Bylaws shall commence upon closing of the first sale of a Unit, subject to the right of Declarant to defer the payment of assessments for reserves pursuant to Section 5.2 of the Bylaws. If Declarant elects to defer the commencement of assessments for common expenses pursuant to this Section 7.1.3, then Declarant shall give not less than ten (10) days prior written notice to all Owners of the date on which the common expense assessments shall commence. Until the commencement of assessments for all common expenses, Declarant shall be responsible for payment of all common expenses of the Association (other than assessments for reserves pursuant to Section 5.2 of the Bylaws).

7.2 No Exception and No Offset. No Owner may claim exemption from liability for contribution toward the common expenses by waiver by the Owner of the use or enjoyment of any of the Common Elements or by abandonment by the Owner of the Owner's Unit. No Owner may claim an offset against assessment for common expenses for failure or alleged failure of the Board or the Association to perform its obligations.

7.3 Default in Payment of Common Expenses. In the event of default by any Owner in paying to the Association the assessed common expenses (including, but not limited to, reserve assessments or any other special assessments), or any other charge imposed or levied by the Association pursuant to the provisions of this Declaration, the Bylaws or the Act, such Owner shall be obligated to pay interest on such delinquent amount from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid amount, or any appeal therefrom. No interest or late charges will be assessed on amounts paid within ten (10) days after the due date therefor. Delinquent

payments of common expense assessments or other charges shall bear interest from the date thereof at a rate of eighteen percent (18%) per annum, but in no event higher than the maximum rate permitted by law. The Board may also establish and impose charges for late payment of assessments, if the charge imposed is based upon a resolution adopted by the Board that is delivered to each Unit, mailed to the mailing address of each Unit, or mailed to the mailing address designated by the Owners in writing. If the assessment is not paid within thirty (30) days of its due date, the Board may declare any remaining installment of assessments for the balance of the fiscal year immediately due and payable and may terminate the right to receive utility services paid for out of assessments or the right to access to and use of recreational and service facilities of the Condominium (if any) until assessments have been brought current. The Board shall have the right and duty to recover for the Association such common expenses, together with interest thereon, late charges, if any, and expenses of the proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure of the lien which the Association shall have upon such Owner's Unit with respect to all such obligations.

7.4 Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Association to foreclose a lien on a Unit because of unpaid assessments or charges, the Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. An action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing any lien securing the same.

7.5 First Mortgages; Liability of Subsequent Owner.

7.5.1 Any lien of the Association against a Unit for assessments or other charges shall be subordinate to tax and assessment liens and any first Mortgage of record, unless there has been compliance with all requirements of Section 100.450(7) of the Act. Where the purchaser or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage or by deed in lieu of foreclosure, such purchaser or Mortgagee and his successors and assigns shall not be liable for any of the common expenses chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser or Mortgagee except to the extent provided in the Act; *provided*, in the case of a deed in lieu of foreclosure, that the Mortgagee complies with the requirements of Section 100.465(1) of the Act. Any sale or transfer of a Unit pursuant to a foreclosure shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit from the lien of, any common expenses thereafter becoming due.

7.5.2 In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit to the time of grant of conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of a prospective purchaser, the Board shall make and deliver a statement of the unpaid assessments against the prospective grantor of the Unit, and the grantee in such case shall not be liable for, nor shall the

Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amounts therein set forth.

7.6 Acceleration of Assessments. In the event any monthly assessment attributable to a particular Unit remains delinquent for more than sixty (60) days, the Board may, upon fifteen (15) days written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly assessments and other charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Unit.

7.7 Delinquent Assessment Deposit.

7.7.1 An Owner may be required by the Board, from time to time, to make and maintain a deposit of not less than one (1) month's nor in excess of three (3) months' estimated monthly assessments and charges, which may be collected in the same manner as other assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent assessments.

7.7.2 Resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his monthly or other assessments and charges. Such deposits shall not be considered as advance payments of regular assessments. In the event the Board should draw upon such deposit as a result of an Owner's delinquency in payment of any assessments, such Owner shall continue to be responsible for the immediate and full payment of such delinquent assessment (and all penalties and costs related thereto) and thus the full restoration of such deposit, and the Board shall continue to have all of the rights and remedies for enforcing such assessment payment and deposit restoration as provided by this Declaration and by law.

7.7.3 Upon the sale of a Unit, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, the Unit purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the purchaser appropriate compensation therefor.

8. Voting Rights. Subject to the provisions of Section 20 of this Declaration, one vote shall be allocated to each Unit.

9. Occupation and Use. The Units are intended for use and occupancy by the Owners as primary or secondary residences.

10. Service of Process. The designated agent to receive service of process in cases described in Section 100.550(1) of the Act is named in the Condominium Information Report which will be filed in accordance with Section 100.250(1)(a) of the Act.

11. Authority Regarding Easements and Other Property Rights. The Association has the authority, pursuant to Section 100.405(5) and (6) of the Act, to execute, acknowledge, deliver, and record on behalf of the Owners leases, easements, rights of way, licenses, and other similar interests affecting the Common Elements and to consent to vacation of roadways within and adjacent to the Condominium, in each case, which are reasonably necessary to the ongoing development and operation of the Condominium. The granting of any interest pursuant to this Section 11 (other than leases having a term of two (2) years or less) shall first be approved by the Owners holding at least seventy-five percent (75%) of the voting power of the Association unless otherwise allowed to be approved by the Board under 100.405(6)(a)(B).

12. No Restrictions on Alienation. The right of an Owner to sell, transfer, or otherwise convey his Unit shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to sell a Unit shall deliver a written notice to the Board, at least two weeks before closing, specifying: (i) the Unit to be sold; (ii) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (iii) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. It is understood, however, that a violation of this Section 12 shall not invalidate a sale, transfer, or other conveyance of a Unit which is otherwise valid under applicable law. Except to the extent set forth in this Section 12 and certain restrictions on leasing set forth in Section 7.1 of the Bylaws, this Declaration and the Bylaws impose no restrictions on the alienation of any Unit.

13. Intentionally Omitted.

14. Rights of Access and Use; Special Declarant Rights and Easements.

14.1 In General. Each Owner shall have a perpetual right of reasonable access and use to, through, over, and of each other Unit and the Common Elements as may be required for ingress and egress to and from such Owner's Unit; for the support of such Owner's Unit; and for the installation, operation, repair, maintenance, and replacement of utilities and other systems serving such Owner's Unit, including, but not limited to, water, natural gas, air conditioning, cable television, electrical power and wiring, light, or plumbing serving a Unit. An Owner shall use the foregoing rights only as necessary and shall use due care in the exercise of such right and be responsible for and indemnify, defend and hold harmless the other Owners from any harm or damage resulting from the exercise of his or her rights under this Section 14.1. The specific reference to or reservation of any rights of access and use in this Declaration does not limit or negate the general easement for Common Elements created by the Act.

14.2 Additional Rights Created by Association. The Association, upon prior approval of the Owners holding at least seventy-five percent (75%) of the voting power of the Association, may create on behalf of the Owners additional rights of access and use with respect to the Common Elements. No such right may be granted with respect to a Common Element unless the Owners and Mortgagees of the Units having the right to use such Common Elements

consent to the creation of such a right. Nothing in this Section 14.2 shall be construed to enable the Association to revoke, alter, modify, or terminate any easements, rights of way, licenses, or similar interests of record on the date this Declaration is recorded.

14.3 Water Intrusion and Mold Inspection. The Board, acting on behalf of the Association, may authorize entry into any Owner's Unit or Units to conduct a periodic inspection of the Owner's Unit for water intrusion into the Unit and/or the appearance of mold or mildew within such Unit. Such inspection shall be made by an agent of the Association appointed by the Board and shall occur at such time as is reasonably convenient to the Owner (or Owner's tenant) and the inspector. The right of entry and inspection provided in this Section 14.3 shall not in any way obligate the Association or the Board to make such an inspection, and the decision on whether to inspect Units and the frequency of such inspections, if any, shall be solely within the discretion of the Board. Nothing contained within this Section 14.3 is intended to modify the maintenance and repair obligations of any party as provided in the Bylaws and this Declaration.

14.4 Right of Entry. In addition to the rights granted to Declarant and the Association elsewhere in this Declaration, the Bylaws, or by the Act, the Board, acting on behalf of the Association, or Declarant or a managing agent, manager, or any other person authorized by the Board or Declarant, shall have the right to enter any Unit or Limited Common Element (i) in the case of any emergency or property damage originating in or threatening the Unit, Common Elements or other Units, (ii) requiring repairs necessary to protect public safety, whether or not the Owner is present at the time, (iii) for the purpose of performing installations, alterations, or repairs to any Common Element or Unit, inspecting the Property for defects or verifying that appropriate maintenance is being performed, (iv) to prevent damage to the Common Elements or another Unit, or (v) to inspect the Unit to verify that the Owner is complying with the restrictions and requirements described in this Declaration, the Bylaws, and/or the Rules and Regulations, *provided that* requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner unless otherwise stated above. Neither Declarant nor the Association shall be deemed guilty in any manner of trespass for entering a Unit, Limited Common Element or any other portion of the Condominium in accordance with this Section 14.4. The right of entry and inspection provided in this Section 14.4 shall not in any way obligate Declarant or Declarant's agents, successors or assigns to make such inspection, and the decision on whether to inspect Units or any other portion of the Property and the frequency of such inspections, if any, shall be solely within the discretion of Declarant or its successors or assigns.

14.5 Special Declarant Rights. As more particularly provided in this Section, Declarant, for itself and any successor Declarant, has reserved the following special Declarant rights in addition to any special Declarant rights that may be set forth elsewhere herein or in the Bylaws:

14.5.1 Completion of Improvements. Declarant and its agents, employees, and contractors shall have the right to complete improvements and otherwise perform work that is: (i) authorized by this Declaration; (ii) indicated on the Plans; (iii) authorized by building permits; (iv) provided for under any unit sales agreement between Declarant and a Unit

purchaser; (v) necessary to satisfy any express or implied warranty obligation of Declarant; or (vi) otherwise authorized or required by law.

14.5.2 Sales Facilities of Declarant. Declarant and its agents, employees, and contractors shall be permitted to maintain during the period of sale of the Condominium upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of Declarant may be required, convenient, or incidental to the construction or sale of Units and appurtenant interests, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective purchasers of Declarant. The provisions of this Section are subject to the provisions of other state law and to local ordinances. The number, size, location, and relocation of such facilities shall be determined from time to time by Declarant in the exercise of its sole discretion; *provided*, that the maintenance and use of such facilities shall not unreasonably interfere with an Owner's use and enjoyment of the Unit and those portions of the Common Elements reasonably necessary to use and enjoy such Unit.

14.5.3 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the special Declarant rights set forth in this Section 14.5 shall continue for so long as (i) Declarant is completing improvements which are within or may be added to this Condominium or (ii) Declarant owns any Units or any of the Additional Property; *provided*, that Declarant may voluntarily terminate any or all of such rights at any time by recording an amendment to this Declaration, which amendment specifies which right is thereby terminated.

14.5.4 Declarant's Easements. Declarant has a non-exclusive easement to, through, and over the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising special Declarant rights, whether arising under the Act or reserved in this Declaration.

14.5.5 Right of Review. Upon reasonable advance notice to the Board, Declarant shall have the perpetual right to review all inspection and maintenance records of the Association. In addition, upon request from Declarant, the Board shall provide Declarant at Declarant's cost copies of all inspection reports, proposed plans for alterations and copies of all warranty claims. As provided in Section 7.4 of the Bylaws, the Board shall provide Declarant with copies of submissions for alteration requests, advance notice of the Board's inspections of such alterations, and an opportunity for Declarant, its contractors or agents to accompany the Board's professional advisors on any such inspection.

14.5.6 Right of Approval. For a period of ten (10) years after the Turnover Meeting, Declarant shall have the right to approve amendments proposed by the Owners to this Declaration, the Bylaws, the Plans, and the Rules and Regulations.

15. Encroachments.

15.1 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 other movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection as long as the physical boundaries of the Units are in substantial accord with the description of the boundaries as set forth in the Plans. There shall be a valid easement for the maintenance of the encroaching Units so long as the encroachment shall exist and the rights and obligations of Owners shall not be altered in any way by the encroachment.

15.2 The easement described in this Section 15 does not relieve an Owner of liability in case of willful misconduct of an Owner or relieve any contractor, subcontractor, or materialman of liability for failure to adhere to the Plans.

15.3 The encroachments described in this Section 15 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

16. Notices to Mortgagees. The Association shall provide timely written notice of the following matters to any Mortgagee of a Unit, or any insurer or guarantor of a Mortgage on a Unit:

16.1 Any condemnation or casualty loss that affects either a material portion of the Condominium or a Unit in which it holds an interest;

16.2 Any delinquency of sixty (60) days in the payment of common expenses assessed to a Unit in which it holds an interest;

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

16.4 Any proposed action that requires the consent of a specified percentage of Mortgagees under this Declaration or the Bylaws.

17. Operating Entity. Wygant Lofts Condominiums Owners' Association, an Oregon nonprofit corporation, has been organized to administer the operation and management of the Condominium and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and the Bylaws. A copy of the Bylaws, which have been adopted by Declarant as required by Section 100.410(1) of the Act, are attached hereto as Exhibit C. The Owner of each Unit shall automatically become a member of the Association upon such Owner's acquisition of an ownership interest in any Unit and the membership of an Owner shall terminate automatically upon such Owner's being divested of all of such Owner's ownership interest in the Units, regardless of the means by which such ownership interest is divested. Each Owner shall be entitled to vote in the manner prescribed in the Articles of Incorporation of the Association and the Bylaws. Until the Turnover Meeting, the members of the Board need not be Owners. No person or entity holding any Mortgage, lien, or other encumbrance on any Unit shall be entitled, by virtue of such Mortgage, lien, or other encumbrance, to membership in the Association or to any of the rights or privileges of such

membership, except as specifically described in this Declaration. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments, and to adopt, promulgate, and enforce Rules and Regulations in the manner provided herein and in the Bylaws. Acquisition of an ownership interest in a Unit by an Owner shall constitute appointment of the Association as that Owner's attorney-in-fact in connection with proceedings, negotiations, settlements, and agreements arising from condemnation, destruction, liquidation, or termination of the Condominium, subject to the rights of the Owners described in the Bylaws and the Act.

18. Managing Agent. Subject to the rights of the Association to terminate such agreement without penalty or cause upon not more than thirty (30) days written notice given not later than sixty (60) days after the Turnover Meeting, the Board shall have the authority, on behalf of the Association, to enter into a management agreement with respect to the Condominium prior to the Turnover Meeting for a term not to exceed three (3) years. On behalf of the Association, the Board may, after the Turnover Meeting, employ or contract for a managing agent or manager in accordance with the Bylaws at a compensation to be established by the Board. The Board may delegate to the managing agent or manager such duties and powers as the Board may authorize. In the absence of such appointment, the Board shall act as manager of the Condominium.

19. Taxation of Units. Each Unit, together with the undivided fractional interest in the Common Elements, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing authority in a manner comparable to the taxation of other parcels of real property. The Common Elements shall not be considered a separate parcel for purposes of taxation.

20. Administrative Control. Except as otherwise provided in this Declaration or in the Bylaws, until the earlier to occur of the date that is three (3) years after the date on which the first Unit is conveyed or the date at which seventy-five percent (75%) of the six (6) Units planned for the Condominium have been conveyed to persons other than Declarant:

20.1 Declarant may appoint and remove officers and members of the Board;

20.2 Declarant shall have five (5) votes for each Unit owned by it, notwithstanding the provisions of Section 8; and

20.3 Declarant shall have the right to exercise all powers of the Association, the Board, or the Association officers under this Declaration, the Bylaws, and the Act, except that Declarant may not bind the Association to any management agreement, service contract, employment contract, lease of recreational areas or facilities, or contract or lease (other than a ground lease) to which Declarant is a party, which is made prior to the Turnover Meeting unless the Association or the Board is granted therein a right of termination thereof which is exercisable without cause or penalty upon not more than 30 days written notice given to the other party thereto not later than 60 days after the Turnover Meeting.

21. Casualty.

21.1 Responsibility of Association. The Association shall be responsible for repairing, reconstructing, or rebuilding all damage or destruction of the Common Elements by casualty and, to the extent of the Association's insurance coverage, all such damage or destruction to the Units. Each Owner shall be responsible for the repairing, reconstructing, or rebuilding of his Unit to the extent not covered by the Association's insurance within twelve (12) months of the occurrence of such casualty. The Association shall rebuild and restore the damaged or destroyed portions of the Common Elements and, to the extent of the Association's insurance coverage, of the Units, so that the Property is rebuilt and restored to substantially the same condition in which it existed prior to such damage or destruction, unless Owners of at least sixty percent (60%) of the Units and fifty-one percent (51%) of all first Mortgagees of Units agree that the Property shall not be rebuilt or restored. The Association shall represent the Owners in any proceeding, negotiation, settlement, or agreement relating to the payment of proceeds under any insurance policies held by the Association. Any such proceeds shall be payable to the Association to the extent of its interest therein. If the Property is to be rebuilt and restored and the proceeds of the insurance policies held by the Association are insufficient to fund the full cost of rebuilding and restoration, the difference between the amount of such proceeds and such cost may be charged to all Owners as a common expense. If the required number of Owners and first Mortgagees agree that the Property shall not be rebuilt and restored, the Property shall be considered removed from the provisions of the Act in accordance with Section 100.605 thereof, and any proceeds resulting from such removal shall be distributed in accordance with Section 100.615 of the Act.

21.2 Responsibility of Owner. If, due to the act or neglect of an Owner, or of a member of his family or his household pet or of a guest, servant, invitee, or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a common expense, then such Owner shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance. Owners of Units are required to carry homeowner's insurance on a Unit, as specified in Section 9 of the Bylaws.

22. Condemnation.

22.1 Total Condemnation. In the event of condemnation of the whole of the Condominium, the compensation to be paid to Owners of Units shall be negotiated and finalized, including, if required, by representation in any proceeding, by the Association, subject to ratification of such compensation by the Owners of at least seventy-five (75%) of the Units at a special meeting called for that purpose, whether or not proceedings are necessary, and compensation, less expenses involved, if any, in obtaining the compensation shall be paid to the Association and then distributed among the Owners of Units in equitable proportions and payable to any Mortgagee to the extent required to obtain a discharge of Mortgage. Notwithstanding the award for the condemnation of the whole Condominium, the rights of each Owner of a Unit shall

be separate to negotiate and finalize his personal compensation for improvements made to the Unit, cost of moving, and other similar items personal to each Owner.

22.2 Partial Condemnation. In the event of a partial condemnation of the Condominium which includes some Units, each Owner whose Unit is condemned shall deal with the condemning authority with regard to compensation therefor, and the compensation for such Unit shall be paid to such Owner (or the Mortgagee of that Owner's Unit). The Association shall negotiate compensation relating to any Common Elements. The cost, if any, of restoring the balance of the Condominium so that it may be used shall be determined by the Association and the Association shall negotiate with the condemning authority with regard to compensation for this expenditure and shall, unless the Condominium is terminated within thirty (30) days after the receipt of such compensation in accordance with the Act, reconstruct the Condominium, using the funds received for such reconstruction. Any moneys received by the Association for any such reconstruction shall be held in trust by the Association for the purpose of such reconstruction.

23. Fidelity Bond. The Board shall require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds, whether or not such person or entity receives compensation for services, shall furnish a fidelity bond as the Board deems adequate under this Section 23. In no event, however, may the aggregate amount of such insurance be less than the sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. Such bonds shall name the Association as the obligee and shall cover the maximum funds that may be in the custody of the Association or any manager at any time while such bonds are in force but, in any event, not less than the sum of three months of common expense assessments on all Units. Any such bond shall include a provision requiring not less than ten (10) days written notice to the Association, any Mortgagee of a Unit requesting a copy thereof and each servicer on behalf of the Federal National Mortgage Association ("Fannie Mae") before cancellation or substantial modification of the bond for any reason. The premiums on such bonds shall be paid by the Association.

24. Amendment.

24.1 Approval by Owners. Amendments to the Declaration shall be proposed by either a majority of the Board or by the Owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment. Except as may otherwise be provided in this Declaration or by the Act, this Declaration may be amended if such amendment is approved by the Owners holding at least seventy-five percent (75%) of the voting power of the Association and the consent of Declarant, for so long as Declarant owns a Unit. Sections 14.1, 14.3, 14.4 and 16 may not be changed unless all Owners agree to such change as evidenced by their signature on an amendment to the Declaration implementing such change. Except as otherwise provided in the Act, no amendment may change the method for determining liability for common expenses, right to common profits, or voting rights of or with respect to any Unit unless such amendment has been approved by the Owners of the affected Unit. Voting on any amendment to this Declaration shall be without regard to Declarant's enhanced voting power under Section 20.2, except for an amendment to

approve a plat amendment, or to correct any provision of or exhibit to this Declaration, whether such correction is required due to a surveyor's error, factual error, miscalculation, omission or to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for condominiums or to comply with the Act. This Declaration shall not be modified, added to, amended, or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses, or exemptions granted therein or herein to Declarant or its designee, or otherwise so as adversely to affect Declarant or such designee, without Declarant's or such designee's prior written consent in each instance.

24.2 Approval by Mortgagees. Except when a greater percent is required by the Declaration or Bylaws, or a greater or lesser percent is required by the Act, the consent of the Owners of Units holding at least seventy-five percent (75%) of the voting rights and the approval of at least fifty-one percent (51%) of the Mortgagees holding first Mortgages on Units shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws that changes any of the provisions of such documents governing the following shall constitute a material change:

24.2.1 Section 4.3, which addresses Unit boundaries;

24.2.2 Section 7.1, which addresses the allocation of common profits and expenses and related matters;

24.2.3 Section 8, which addresses voting rights;

24.2.4 Section 12, which addresses restrictions on alienation of Units;

24.2.5 Sections 14.1, 14.2, 14.3, 14.4, and 14.5, which address use of and access to Units and Common Elements;

24.2.6 Section 16, which addresses notices to Mortgagees;

24.2.7 Section 21, which addresses casualty loss;

24.2.8 Section 22, which addresses condemnation;

24.2.9 Section 23, which addresses fidelity bonds;

24.2.10 This Section 24;

24.2.11 Section 25, which addresses termination of the Condominium;

and

24.2.12 Any other provision of this Declaration which expressly benefits Mortgagees of a Unit or insurers or guarantors of a Mortgage on a Unit.

In addition, except as otherwise provided in the Act, no amendment to this Declaration may change the method for determining liability for common expenses, right to common profits, or voting rights of or with respect to any Unit unless such amendment has been approved by the holders of any first Mortgages on the affected Units. Any approval of a Mortgagee required under this Section 24.2 may be presumed by the Association if such Mortgagee fails to submit a response to a written proposal for an amendment to this Declaration within sixty (60) days after it receives notice of such proposal by certified or registered mail, return receipt requested.

24.3 Approval by Governmental Authorities. The Association shall use reasonable efforts to obtain the approval of an amendment to this Declaration by a governmental authority engaged in the guaranty of, or the issuance of insurance with respect to, Mortgages, if required by such authority.

24.4 Recordation. Amendments to this Declaration shall be effective upon recordation of the Declaration as amended, or of the amendment thereto, certified by the chairman and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Act and approved by the county assessor and the Oregon Real Estate Commissioner, if required by law, in the deed records of Multnomah County, Oregon.

25. Termination. Termination of the Condominium shall be effected in accordance with Section 100.600 and any other applicable provision of the Act, but in no event shall be consummated without the prior written consent of at least fifty-one percent (51%) of those holders of first Mortgages on Units (based upon one vote for each first Mortgage held). Any approval of a Mortgagee required under this Section 25 may be presumed by the Association if such Mortgagee fails to submit a response to a written request within sixty (60) days after it receives notice of such request by certified or registered mail, return receipt requested. The common profits and expenses of the Property following termination of the Condominium shall be allocated in accordance with the Act.

26. Dispute Resolution.

26.1 Required Procedure. Except as provided in this Section 26 below, to the fullest extent allowed by law, if a dispute arises, all claims, controversies, or disputes, whether they are statutory, contractual, tort claims, and/or counterclaims between or among Declarant, Declarant's successors and assigns, the Association, and/or Owner(s) (collectively, the "Parties" and individually, a "Party") which arise out of or are related to the Condominium, the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations, or which relate to the interpretation or breach of the Act, this Declaration or the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations (collectively referred to as "Claims") shall be resolved in accordance with the procedures specified herein. The following matters are excluded from this dispute resolution clause and do

not constitute Claims: (i) judicial or non-judicial foreclosure or any other action or proceeding to enforce assessments, fines, interest or a trust deed, mortgage, Association lien, or land sale contract; (ii) a forcible entry and detainer action; or (iii) actions by the Association pursuant to Section 5.6 of the Bylaws prior to summary abatement and removal of a structure or other condition that violates this Declaration, the Bylaws or any Rules and Regulations; (iv) actions for the appointment of a receiver pursuant to Section 5.9 of the Bylaws; (v) provisional remedies such as injunctions or the filing of a lis pendens, or (vi) the filing or enforcement of a mechanic's lien. The filing of a notice of pending action (lis pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in Rules 79 through 85 of the Oregon Rules of Civil Procedure (or corresponding federal statutory remedies), including a restraining order, attachment, or appointment of receiver, shall not constitute a waiver of the right to mediate or arbitrate under this Section, nor shall it constitute a breach of the duty to mediate or arbitrate. The proceeds resulting from the exercise of any such remedy shall be held by the Party obtaining such proceeds for disposition as may be determined by an agreement of the Parties pursuant to a mediation or by the arbitration award.

26.2 Negotiated Resolution. The Parties will seek a fair and prompt negotiated resolution of Claims and shall meet at least once to discuss and seek to resolve such Claims, but if this is not successful, all Claims shall be resolved in small claims court, by mediation or by binding arbitration as set forth in Sections 26.3, 26.4 or 26.5 below, as applicable.

26.3 Mediation. Prior to mediation of any Claim, the Parties shall have endeavored to resolve disputes through the process set forth in Section 26.2 above. All Claims that are not resolved by such process shall be subject to mediation as a condition precedent to arbitration. The request for mediation may be made concurrently with the filing of a demand for arbitration as set forth in Section 26.5 below, but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties. All mediation shall be in Multnomah County, Oregon with any dispute resolution program available that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended. The foregoing requirement does not apply to circumstances in which irreparable harm to a Party will occur due to delay or litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines.

26.4 Small Claims. All Claims that have not been resolved by mediation and which are within the jurisdiction of the Small Claims Department of the Circuit Court of the State of Oregon shall be brought and determined there, and all Parties shall be deemed to have waived their right to a jury trial with respect to such Claims.

26.5 Arbitration. Prior to arbitration of any Claim, the Parties shall have endeavored to resolve disputes through the processes set forth in Section 26.2, 26.3 and 26.4 above, as applicable. All Claims that have not been resolved by such processes shall be resolved by binding arbitration.

Such arbitration shall be conducted by one arbitrator selected by the parties, or, if the parties cannot agree on an arbitrator within thirty (30) days after a request for arbitration, the arbitrator shall be appointed by the presiding judge of the Circuit Court for Multnomah County, Oregon. The arbitration shall be conducted by and pursuant to the then effective arbitration rules of Construction Arbitration Services, Inc., or another reputable arbitration service selected by Declarant. If Declarant is not a party to such dispute, the arbitration service shall be selected by the Association. Any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

26.6 Claims Procedure. An Owner or the Association may not commence arbitration against Declarant or any contractor, subcontractor or supplier for construction defects unless the Owner or Association, as applicable, has given written notice of the claim and permitted them to view, inspect and respond to the claimed defect, as required by law.

OREGON LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY COMMENCE ARBITRATION OR A COURT ACTION AGAINST ANY CONTRACTOR, SUBCONTRACTOR OR SUPPLIER FOR CONSTRUCTION DEFECTS. BEFORE YOU COMMENCE ARBITRATION OR A COURT ACTION YOU MUST DELIVER A WRITTEN NOTICE OF ANY CONDITIONS YOU ALLEGE ARE DEFECTIVE TO THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER YOU BELIEVE IS RESPONSIBLE FOR THE ALLEGED DEFECT AND PROVIDE THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW. FAILURE TO MEET THOSE DEADLINES OR FOLLOW THOSE PROCEDURES WILL AFFECT YOUR ABILITY TO COMMENCE ARBITRATION OR A COURT ACTION.

26.7 No Attorneys' Fees. Except as specifically provided for in this Declaration or the Bylaws, no party in the arbitration, mediation or other proceeding shall be entitled to recover costs or attorneys' fees in connection therewith.

26.8 Claims by Association. To the fullest extent allowed by law and except for Claims in an amount less than or equal to \$7,500, no Claim shall be initiated by the Association without approval from the Owners holding seventy-five (75%) of the voting power of the Association. The foregoing vote requirement shall not be required to institute or respond to the following actions: actions for delinquent assessments, fines or other charges under the Declaration, the Bylaws or the Rules and Regulations; for actions initiated by the Association during Declarant's period of administrative control pursuant to Section 20 of the Declaration; for

actions challenging ad valorem taxation or condemnation proceedings; initiated against any contractor or vendor hired by the Association or supplier of goods and services to the Association; to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it; actions to appoint a receiver pursuant to Section 5.9 of the Bylaws; actions to summarily abate, enjoin and remove a structure or condition that violates the Declaration or the Bylaws; or for the defense of the Association of an action or proceeding brought against the Association (except for non-mandatory counterclaims).

26.9 Confidentiality. The Parties shall keep all discussions of disputes, all settlements and arbitration awards and decisions confidential and shall not disclose any such information, whether directly or indirectly, to any third parties unless compelled to do so by an order of a court of competent jurisdiction. The Parties agree in the event a Party breaches its confidentiality obligation that the other Party or Parties to the dispute shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance and each Party hereby waives any claim or defense that the other Party has an adequate remedy at law for any such breach and the Parties agree that the aggrieved Party shall not be required to post any bond or other security in connection with any such equitable relief.

27. General Provisions.

27.1 No Impairment. The creation of this Condominium shall not be impaired and title to the Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of any insignificant failure of this Declaration or the Plans or any amendment thereto to comply with the Act.

27.2 No Partition. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of interest in the Common Elements made without the Unit to which that interest is allocated is void.

27.3 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

27.4 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to this Declaration and the Bylaws, neither the Association nor the Board nor Declarant shall be liable for: (i) any failure of any utility or other service to be obtained and paid for by the Board; (ii) injury or damage to person or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust, or sand

which may leak or flow from the outside or from any parts of Unit structures, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other places; or (iii) inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

27.5 Rule Against Perpetuities. The rule against perpetuities may not be applied to defeat any provisions of this Declaration or the Bylaws or Rules and Regulations.

27.6 Transfer of Declarant's Powers. Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges, and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges, and authority are in addition to those arising from Declarant's ownership of one or more Units).

28. Severability. Each provision of this Declaration and the Bylaws shall be deemed independent and severable and shall be valid and enforceable to the fullest extent permitted by law. If any term or provision of this Declaration or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, whether under the Condominium Act or otherwise, the remainder of this Declaration and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby.

29. Warranty, Releases and Waiver of Claims.

29.1 Home Builder's Limited Warranty. In each Unit Sales Agreement, Declarant, as seller, provided to each Owner a Home Builder's Limited Warranty (the "PWC Warranty"), which warranty is effective from the date of closing of such Owner's purchase of a Unit through the date which is 10 years thereafter. The PWC Warranty is administered by Professional Warranty Service Corporation. On or before closing, each Owner was provided with a sample copy of the PWC Warranty and acknowledged that he or she read and understood the PWC Warranty.

29.2 Dispute Resolution Process. Each Owner and the Association acknowledges and agrees that the PWC Warranty sets forth the procedures for resolving claims thereunder. Such process includes the right of Declarant to investigate and to cure alleged defects. The PWC Warranty compels arbitration of disputes that Declarant and any Owner and/or the Association are unable to resolve by the other processes set forth therein. The dispute resolution procedures set forth in the PWC Warranty will be the sole method for resolving any and all disputes and/or claims between Declarant, any Owner and/or the Association with respect to alleged defects and/or claims set forth in Section 29.3 below.

29.3 RELEASE AND WAIVER OF ALL FUTURE CLAIMS. IN EXCHANGE AND CONSIDERATION FOR THE PWC WARRANTY AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, EACH OWNER, FOR ITSELF AND ALL SUBSEQUENT OWNERS OF A UNIT, HEREBY WAIVES AND RELINQUISHES ANY AND ALL CLAIMS WHEREVER ARISING AGAINST DECLARANT AND ITS AGENTS, SUCCESSORS, EMPLOYEES, AFFILIATES, CONTRACTORS, REPRESENTATIVES, OFFICERS, DIRECTORS, MEMBERS AND PARTNERS, AND AGAINST THE ASSOCIATION OR ANY BOARD MEMBER THEREOF (COLLECTIVELY, THE "DECLARANT PARTIES"), RELATING TO OR ARISING FROM THE CONDITION OF THE PROPERTY AT ANY TIME. THIS WAIVER IS ABSOLUTE AND UNCONDITIONAL, AND THIS RELEASE AND WAIVER APPLIES WHETHER OR NOT OWNER HAS KNOWLEDGE OF ANY POTENTIAL CAUSE OF ACTION FOR SUCH CLAIMS. THIS WAIVER APPLIES TO CLAIMS UNDER ANY LEGAL THEORY OTHER THAN THE WARRANTY GIVEN IN EACH UNIT SALES AGREEMENT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, NEGLIGENCE PER SE, NEGLIGENT OR INTENTIONAL MISREPRESENTATION, DEFECTIVE CONSTRUCTION, BREACH OF CONTRACT, UNLAWFUL TRADE PRACTICE, BREACH OF FIDUCIARY DUTY, STRICT LIABILITY, NUISANCE, TRESPASS OR ANY OTHER THEORY, WHETHER ARISING FROM STATUTE, CONTRACT, TORT OR OTHERWISE. THIS WAIVER INCLUDES, WITHOUT LIMITATION, CLAIMS RELATING TO CONSTRUCTION DEFECTS, WATER INTRUSION, MOLD, MILDEW, FUNGUS AND/OR ODORS IN THE UNIT OR COMMON ELEMENTS; PRODUCTS OR CONDITIONS IN THE UNIT OR COMMON ELEMENTS, INCLUDING FOR EXAMPLE CARBON MONOXIDE, RADON OR CARPET GLUE; NOISE OR SOUND TRANSMISSION; LOSS OF USE; EMOTIONAL DISTRESS; INCIDENTAL OR CONSEQUENTIAL DAMAGES; ATTORNEY FEES AND COSTS; OR RELOCATION EXPENSES (TEMPORARY OR OTHERWISE). OWNER ACKNOWLEDGES THAT DECLARANT IS NOT OBLIGATED TO PROVIDE OWNER ANY WARRANTY OTHER THAN THE ONE-YEAR WARRANTY AND THAT THE PWC WARRANTY IS PROVIDED IN EXCHANGE FOR OWNER'S VOLUNTARY AND INTENTIONAL WAIVER OF THE CLAIMS SET FORTH IN THIS SECTION 29.3. OWNER ACKNOWLEDGES THAT DECLARANT WOULD HAVE REQUIRED A SIGNIFICANTLY HIGHER PURCHASE PRICE FOR THE UNIT IF OWNER DECLINED TO PROVIDE THE FOREGOING RELEASE AND WAIVER. THIS RELEASE AND WAIVER SHALL BE BINDING UPON OWNER, ALL SUCCESSOR OWNERS OR OCCUPANTS OF THE UNIT, THE ASSOCIATION, AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, PROPERTY MANAGERS, BROKERS, HEIRS, SUCCESSORS, ASSIGNS, GUESTS AND INVITEES. OWNER AGREES THAT CLAIMS OF THE ASSOCIATION ARE DERIVATIVE OF CLAIMS OF UNIT OWNERS AND THAT THE ASSOCIATION WILL BE BOUND BY THE FOREGOING WAIVER. THIS WAIVER SHALL ACT AS A COMPLETE BAR AND DEFENSE AGAINST ANY RELEASED OR WAIVED CLAIM. OWNER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS WAIVER, THAT IT HAS HAD AN OPPORTUNITY TO SEEK AND CONSULT COUNSEL REGARDING THIS WAIVER.

29.4 TIME LIMITATION ON ACTIONS. IT IS THE INTENT OF THE PARTIES THAT THE RELEASES AND WAIVERS OF CLAIMS IN THIS SECTION 29 BE COMPREHENSIVE AND FINAL. TO THE EXTENT IT IS DETERMINED THAT ANY CLAIM AGAINST ANY DECLARANT PARTY, UNDER ANY LEGAL THEORY, SURVIVES THE FOREGOING RELEASE AND WAIVER FOR ANY REASON, SUCH CLAIM MUST BE BROUGHT ON THE EARLIER OF (A) WITHIN 60 DAYS AFTER THE DATE OWNER KNEW OR REASONABLY SHOULD HAVE KNOWN OF FACTS SUFFICIENT TO PUT OWNER ON NOTICE OF THE CLAIM, OR (B) WITH RESPECT TO THE UNIT AND RELATED LIMITED COMMON ELEMENTS, BY NO LATER THAN THE FIRST ANNIVERSARY OF THE CLOSING DATE OR (C) PRIOR TO THE EXPIRATION OF THE APPLICABLE STATUTE OF LIMITATIONS OR (D) WITH RESPECT TO THE GENERAL COMMON ELEMENTS, ON THE LATER TO OCCUR OF (I) THE FIRST ANNIVERSARY OF THE DATE OF THE FIRST CONVEYANCE OF A UNIT IN THE CONDOMINIUM TO A UNIT OWNER OTHER THAN DECLARANT OR (II) THE FIRST ANNIVERSARY OF THE DATE OF COMPLETION OF CONSTRUCTION OF THE GENERAL COMMON ELEMENT IN QUESTION. ANY AND ALL SUCH CLAIMS NOT BROUGHT WITHIN THIS TIME PERIOD WILL BE DEEMED TIME BARRED, REGARDLESS OF WHEN OWNER ACTUALLY DISCOVERED THE ALLEGED BASIS FOR THE CLAIM. FOR PURPOSES OF THIS SECTION 29, A CLAIM IS "BROUGHT" WHEN ARBITRATION IS FORMALLY INITIATED OR A COMPLAINT IS FILED IN THE APPROPRIATE COURT AND SERVED PROMPTLY ON DECLARANT.

29.5 Personal Property. Notwithstanding any other provision of this Section 29, Declarant has given no warranty with respect to any appliances, equipment, and other consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code installed in the Unit or Common Elements. Each Owner has agreed that the warranties of appliances, equipment and other consumer products installed in the Unit or Common Elements are those of the manufacturer or supplier and are not warranted by Declarant. To the extent assignable, all such manufacturer or supplier warranties have been assigned to Owner, effective on the closing of such Owner's purchase of his or her Unit(s) from Declarant. Declarant has made no representations or guarantees regarding the existence or validity of any manufacturer or supplier warranties or the performance by any manufacturer or supplier of its warranty obligations. With respect to any manufactured products, Owner expressly has assumed the risk, as against Declarant, that such products may be defective. Owner warranted that Owner had adequate opportunity to investigate the condition of the manufactured products, and Owner relied solely on such independent investigation in purchasing the Unit.

29.6 No Other Warranties. TO THE FULLEST EXTENT ALLOWED BY LAW DECLARANT MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF HABITABILITY, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES REGARDING CONSUMER PRODUCTS AS DEFINED IN THE MAGNUSSON-MOSS WARRANTY ACT OR THE UNIFORM COMMERCIAL CODE, WITH RESPECT TO THE BUILDING, THE UNIT, COMMON ELEMENTS, OR ANY OTHER PART OF THE CONDOMINIUM OTHER THAN THOSE EXPRESSLY

DESCRIBED IN EACH UNIT SALES AGREEMENT. WITHOUT LIMITATION TO THE FOREGOING, AND EXCEPT FOR THE EXPRESS WARRANTY OF EACH UNIT SALES AGREEMENT, DECLARANT MADE NO REPRESENTATION OR WARRANTY REGARDING (I) COMPLIANCE WITH APPLICABLE BUILDING CODES, (II) ACOUSTICS, CONSISTENCY OF FLOOR SLOPE, OR SOUND TRANSFERENCE WITHIN THE CONDOMINIUM, (III) LIGHT, AIR OR VIEW, OR (IV) THE ABILITY OF THE BUILDING ENVELOPE OR ANY COMPONENTS OF THE CONDOMINIUM TO WITHSTAND WATER INTRUSION. Declarant made no warranty regarding sound transmission between Units or the level or adequacy of sound insulation in a Unit or the Common Elements. The terms of the warranties set forth in each Unit Sales Agreement shall not be extended by any warranty repair or replacement work performed or caused to be performed by Declarant or its representatives. Declarant shall not be responsible for and the warranties set forth in each Unit Sales Agreement shall not cover: (i) damage exacerbated by Owner, the Association, or other parties, or allowed by Owner or the Association to be exacerbated, including, without limitation, damages exacerbated by Owner or the Association, as applicable, failing to allow Declarant access to the Unit or Condominium, as applicable, to perform warranty work; (ii) any modifications to the Unit, Common Elements, or the Condominium made by parties other than Declarant; (iii) any items covered by a manufacturer's or supplier's warranty as set forth in Section 29.5 above; (iv) damage caused by normal wear and tear; or (v) conditions or defects caused by or resulting from the failure of Owner or the Association to perform normal and routine maintenance of the Unit and Common Elements, as applicable.

29.7 Defects. For purposes of Declarant's warranties as set forth in each Unit Sales Agreement, "defect(s)" or "defective" means a flaw in the materials or workmanship used in constructing the Unit or Common Elements that: (i) materially affects the structural integrity of the Unit or Common Elements; (ii) has an obvious and material negative impact on the appearance of the Unit or Common Elements; (iii) jeopardizes the life or safety of the occupants of the Unit; or (iv) results in the inability of the Unit or the applicable Common Elements to provide the functions that can reasonably be expected in a condominium dwelling. So long as the Unit is completed substantially in accordance with Declarant's plans and specifications, minor deviations and variations therefrom such as, without limitation, paint color, window and floor coverings, countertops and cabinets, appliances, plumbing and electrical fixtures, hardware and other decorations, and other finish work shall not be considered "defects." Deficiencies inherent in the quality of a particular component or element of the Unit or Common Elements shall not be considered defects due to workmanship or materials. Conditions caused by or resulting from the failure of the Owner or the Association to perform normal and routine maintenance of the Unit and Common Elements, as applicable, shall not be considered "defects." Owner's maintenance obligations are set forth in the PWC Warranty. Any warranty work performed by Declarant and its representatives will be during Declarant's normal weekday hours, and Owner agrees to provide access therefor.

29.8 Right of Inspection. By appointment arranged in advance, Declarant, its agents and assigns shall have the continuing right, but not the obligation, after the conveyance of each Unit by Declarant to inspect Owner's Unit and the Common Elements at reasonable times

to identify and correct any conditions for which Declarant could potentially be responsible under the Unit Sales Agreements or the law.

29.9 Acoustics, Light, Air and View. Declarant made no representation or warranty regarding the existence of or changes in the level of noise, light, air or view benefiting or burdening the Unit specifically or the Condominium generally. Owner acknowledges that Declarant will have no liability if the current level of noise, light, air or view affecting the Unit changes due to future developments. Owner acknowledges that as is typical in residential condominiums, the Units are not soundproof and Declarant made no warranty or representation regarding the degree that exterior sounds will infiltrate the Unit. Unit occupants may hear some degree of noise from the nearby streets, from nearby residences and from nearby common areas. The Association, and not Declarant, will have the responsibility of enforcing rules against disturbing other members of the Association, however noise occurring outside the Unit may be audible inside the Unit to some degree. Owner also acknowledges that any removal of the finished flooring or other alterations within the Unit or Condominium may adversely affect the noise levels within the Unit.

29.10 Mold. Owner acknowledges that mold is a commonly occurring natural substance that can grow in the Unit and the Common Elements where water infiltration and humidity exist. Owner also acknowledges that there is controversy regarding whether and to what extent certain types of mold are toxic to humans. Owner understands and agrees that Declarant will not be liable for any property damage or bodily injury suffered by the Unit's occupants and resulting from the presence of mold. Owner is hereby advised to regularly cause the Unit and the Common Elements to be inspected for mold or any other dangerous condition. Owner should take prompt action to remedy underlying water infiltration and humidity conditions that are causing any mold discovered and thereby avoid any possibility of damage or injury from long-term exposure to mold.

29.11 Covenants Running with the Land. The provisions of this Section 29 are intended to touch and concern the Condominium and shall be deemed covenants running with the land. Each and every term of this Section 29 shall, to the fullest extent allowed by law, bind each Owner, the Association and each subsequent owner or transferee of a Unit.

30. Disclosures; Disclaimers.

30.1 Unit Square Footage. Unit square footage may be different from the square footage shown on plans and specifications or advertising brochures, which are based on good faith estimates. Variations in size may be seen even between units having the same floor plan. Owner waives any claims relating to minor variations in the actual square footage of the Unit from the square footage shown on plans and specifications or advertising brochures.

30.2 Model Units. Model units and their appurtenances and furnishings are displayed only for illustration purposes and shall not be deemed to be an agreement or commitment by Declarant to deliver the Unit being purchased by Owner in accordance with any such model unit or with the same or similar appurtenances and furnishings shown in such model

unit. The furnishings, decorations, gas fireplaces, appliance drip pans, custom colors or textures, and other appurtenances and finish work in or to any model unit are not included in the sale of the Unit(s); provided, however, that such items may be included in the sale of a specified model unit if, and only to the extent, the Unit Sales Agreement for that model unit specifically describes appurtenances and furnishings as part of the sale. Unless expressly stated otherwise in the Unit Sales Agreement, each Owner acknowledges that he or she did not purchase a model unit, each of which was professionally decorated and furnished.

30.3 Wood Flooring Disclosure. Wood is not a man-made product and consequently it is subject to variations in grain and color. These variations are among the characteristics which make wood attractive for use as a floor covering. On the other hand, because wood is a natural product, it is subject to seasonal expansion and contraction as a result of the normal fluctuation of temperature and humidity. There is more moisture in indoor air during warm wet weather such as is common in early summer than during winter months when forced air heating results in very dry indoor conditions. Wood flooring will absorb moisture from the air during wet conditions, consequently expanding in width, and lose moisture, then contracting, when conditions are drier. This gradual and continual expansion and contraction can result in cracks appearing in wood flooring from time to time. This cracking may be more accentuated near heat registers and appliances where warm dry air blows across the wood. These cracks may also appear accentuated due to the white stain used in today's popular floor finishes. Declarant cannot control moisture conditions during the life of the product and therefore cannot warrant the product against cracks which appear after move-in unless they exceed 1/8" in width and occur within the One-Year Warranty (as defined in the Unit Sales Agreement) period. When selecting wood as a floor finish, Owner is advised to take into account the proper care which it requires: wood is very sensitive to liquid, therefore spills left standing will result in floor damage; detergents and waxes cannot be used without damaging the finish; and scratches and depressions are often the result of normal foot traffic and are difficult and costly to repair. High heeled shoes are often the culprit. Various carpet backings may cause a chemical reaction causing color gradation to the wood floor. Owner is advised to use caution in placing rugs over hardwood.

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

30.5 Sound Transmission. As provided in the Unit Sales Agreement, Owner acknowledges and agrees that it is normal to experience some transmission of sound between Condominium Units, that on occasion these sounds are heard in normal conditions with typical noise levels, that Declarant made no warranty regarding soundproofing, transmission of sound between units and/or levels or adequacy of sound insulation, and that transmission of sound between Units shall not be considered a construction defect. Owner further acknowledges that Owner has had ample opportunity to discern to his or her satisfaction the level of sound and sound transmission at the Unit at various times of day, that sound levels may differ over time

depending on a variety of factors, and that Owner accepts current and potential future sound levels. The consideration paid to Declarant for the Unit reflects Owner's acceptance of sound transmissions, and Owner acknowledges that Declarant would have required a higher purchase price for any additional sound insulation or any warranties regarding sound.

(Remainder of Page Intentionally Left Blank;
Signatures on Following Page)

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 31st day of July, 2006.

Declarant:

WYGANT LOFTS, LLC,
an Oregon limited liability company

By: [Signature]
Timm Ready, Co-Managing Member

By: [Signature]
Taka Nakagawa, Co-Managing Member

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 2 day of ^{August} ~~July~~, 2006, by Timm Ready, as the Co-Managing Member of Wygant Lofts, LLC, an Oregon limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public for Oregon
My Commission Expires: 6/12/2010

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 2 day of ^{August} ~~July~~, 2006, by Taka Nakagawa, as the Co-Managing Member of Wygant Lofts, LLC, an Oregon limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public for Oregon
My Commission Expires: 6/12/2010

The foregoing Declaration is approved pursuant to ORS 100.110 this 5th day of October, 2006 and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR
Oregon Real Estate Commissioner

By: Laurie Skillman
Name: LAURIE SKILLMAN
Title: LAND DEVELOPMENT MGR

[Signature]
County Assessor 10/13/06

[Signature]
County Tax Collector 10/13/06

EXHIBIT A

Property Description

A Portion of Lots 11 and 12, Block 1, "Maegly Highland", a duly recorded subdivision, Multnomah County Plat Records, situated in the NE 1/4 of Section 22, T. 1 N., R. 1 E., W.M., City of Portland, Multnomah County, Oregon, and being more particularly described as follows:

Beginning at the Initial Point, a 5/8" iron rod with yellow plastic cap marked "Westlake Consultants", at the northeast corner of said Lot 12; thence South 0°00'36" West, along the east line of said Lots 11 and 12, 69.99 feet to the north right-of-way line of N.E. Wygant Street (30.00 feet from the centerline thereof, when measured at right angles); thence South 89°04'37" West, along said north right-of-way line, 106.18 feet to the east right-of-way line of N. Williams Avenue, as widened by Document No. 2005-188388, Multnomah County Deed Records (32.00 feet from the centerline thereof, when measured at right angles); thence North 0°03'18" West, along last said east right-of-way line, 69.99 feet to the north line of said Lot 12; thence North 89°04'37" East, along last said north line, 106.26 feet to the Initial Point.

EXHIBIT B

Area of Units and Allocations

| <u>Unit</u> | <u>Area in Square Feet</u> | <u>Allocation of Ownership Interest in Common Elements and of Common Profit and Expense</u> |
|--------------------|-----------------------------------|--|
| 1 | 690 | 1/6 th |
| 5 | 690 | 1/6 th |
| 9 | 690 | 1/6 th |
| 13 | 690 | 1/6 th |
| 17 | 690 | 1/6 th |
| 21 | 690 | 1/6 th |
| | | 1 |

EXHIBIT C

Bylaws of Wygant Lofts Condominiums Owners' Association