

DISCLOSURE STATEMENT
of the
THE TREES CONDOMINIUM HOMEOWNERS' ASSOCIATION
MADE PURSUANT TO THE OREGON CONDOMINIUM ACT

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THE TREES CONDOMINIUM DISCLOSURE STATEMENT

1. INTRODUCTION

1.1 The Condominium Form of Ownership

A Condominium is a special form of property ownership that is created and governed in Oregon by statute (ORS 100.005 to 100.910 and 100.990), known as the Oregon Condominium Act (the “Act”).

A typical Condominium is a combination of two kinds of ownership. The Owner of a Condominium Unit holds title to their individual Unit together with an undivided interest in common with all Unit Owners in the Common Elements, that is, the land, either in fee simple or a leasehold interest, and those parts of the building or buildings intended for common use such as the foundations, columns, roofs and the like and may also include other facilities intended to be used by all Unit Owners. Each Unit Owner is entitled to the exclusive ownership and possession of his or her Unit. Each Unit may be individually conveyed, encumbered, or it may be disposed of by will or gift. The undivided interest in the Common Elements is inseparable from the ownership of the individual Unit.

A Condominium is created by recording a Declaration of Unit Ownership in the office of the recording officer of the county in which the property is located. Floor plans of the buildings showing the vertical and horizontal boundaries of each Unit in a building including Unit designation, location and dimensions of each Unit and the Common Elements to which each has access, a plat of the property, and a copy of the Bylaws must be recorded simultaneously with the Declaration.

The Act, the Declaration and the Bylaws control the rights and obligations of the Unit Owners with respect to the Common Elements, to each other and to their respective Units. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

1.2 Operation of the Condominium

The Act requires that an Association of Unit Owners (“Association”) 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. Each Unit Owner is automatically a member of the Association.

The Board of Directors (the “Board”) is the governing body of the Association. Unless you serve as a member of the Board, hold an office or are on a committee appointed by the Board, your control of the administration and operation of the Condominium will in most cases be limited to your right to vote as a member of the Association. There are actions that can be taken by the Board and the Officers without a vote of the members that can have a significant impact upon the quality of life for all Unit Owners.

Until there are a sufficient number of purchasers of Units to elect a majority of the Board, it is likely that the Declarant will effectively control the affairs of the Association. It is frequently necessary that the Declarant do so during the early stages of development and the Declarant may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is vitally important to all Unit Owners that the transition from Declarant to Owner control be accomplished in an orderly manner and in a spirit of cooperation.

In order to provide funds for the operation and maintenance of the Condominium, the Association will levy assessments against your Unit. If you are delinquent in the payment of assessments, the Association may enforce payment through a court proceeding or your Unit may be liened and sold through a foreclosure proceeding.

The anticipated expenses of the Association, including the amount you may expect to pay through assessment, are set forth in the estimated budget included in this Disclosure Statement.

1.3 Special Note

When contemplating the purchase of a Unit in a Condominium, you should consider factors beyond the attractiveness of the Units themselves. Study the Declaration and Bylaws. These documents usually contain important provisions relating to restrictions and requirements respecting use and occupancy of Units and Common Elements and rules of conduct. Such restrictions may relate to such matters as residential use, age, pets and parking. Give careful consideration to whether you wish to live in an atmosphere of community living where the interest of the group must be taken into account, as well as the interests of the individual.

All capitalized terms used in this Disclosure Statement have the meaning ascribed to them herein, or if not defined herein, then in the Declaration of Condominium Ownership for The Trees Condominium or the Bylaws of The Trees Condominium Homeowners' Association.

2. GENERAL DESCRIPTION AND CREATION OF CONDOMINIUM

2.1 Description of Declarant

ADW, L.L.C., an Oregon limited liability company (the "Declarant"), has created a Condominium known as The Trees Condominium. The Declarant's corporate and support offices are located at 541 Willamette Street, Suite 214, Eugene, Oregon. Its telephone number is 541-683-3279.

2.2 Creation of the Condominium

The Condominium will be created (submitted to the Condominium form of ownership) by the recording of the following instruments in the Records of Benton County, Oregon: (1) Declaration of Condominium Ownership for The Trees Condominium (the "Declaration"); (2) Bylaws of The Trees Condominium Homeowners' Association (the "Bylaws"); and (3) Plat of The Trees Condominium (the "Plat"). Supplemental Declarations and Plats may be recorded to add Units to the Condominium in the manner described in the Declaration.

2.3 Description of Condominium

The Condominium consists of two (2) two-story buildings with a total of seventeen (17) apartment style Units and one (1) townhouse style Unit. There is one (1) one-bedroom Unit, sixteen (16) two-bedroom Units and one (1) three-bedroom Unit. Each Unit's square footage is reflected in the chart below and as shown on the Plat. Both buildings have a concrete foundation with concrete masonry unit stem walls. All Units are wood framed with composition shingle roof, lap siding made of a concrete composite, and vinyl windows. There are no basements. In the event of any conflict between the Plat and this Declaration, the latter controls.

UNIT #	SQUARE FEET	Building
1	1,387	A
2	616	A
3	739	A
4	695	A
5	685	B
6	830	B
7	744	B
8	741	B
9	691	A
10	621	A
11	594	A
12	749	A
13	772	A
14	773	B
15	804	B
16	688	B
17	719	B
18	664	A

2.4 Nature of Interest in Condominium

A fee simple interest in the Property will be submitted to the Condominium form of ownership. The "Property" means Declarant's interest in the land legally described in Exhibit A attached hereto. The buildings and improvements constructed by Declarant are included in the Property. A purchaser of a Unit in the Condominium will receive a deed that conveys the particular Unit, together with an undivided interest (with the other Unit Owners) in the Common Elements as set forth in the Declaration.

2.5 Allocation of Interest in Common Elements

Each Unit's interest in the Common Elements is inseparable from the Unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary of an undivided interest in the Common Elements, is void unless the Unit to which that interest is allocated is also transferred. The allocation of interest in the Common Elements to each Unit is

described in Section 3.2 of the Declaration.

2.6 Boundaries of Units

Units 1 through 18 shall be bounded by the interior surfaces of its perimeter walls, floors, and ceilings, and the interior surfaces of windows' and doors' glazing and screens and shall include both the interior surfaces so described (including the unexposed face of the sheet rock 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 sheer capacity of the Condominium. Each Unit shall include the nonbearing interior partitions, fixtures and improvements within 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. All other portions of the walls, floors or ceilings shall be a part of the General Common Elements. Unit boundaries depicted in the elevation views on the Plat, and in the event of a conflict between the Plat and this Declaration, the latter controls.

2.7 General Common Elements

The general location of the Common Elements is shown on the Plat. 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:

2.7.1 The land and the buildings (except the Units and Limited Common Elements) including together with any rights and appurtenances, the foundation, columns, girders, beams, supports, bearing and shear walls, windows, except glazing and screening, Unit access doors, except glazing and screening, and roof.

2.7.2 All those portions of the Condominium exclusive of the Units and Limited Common Elements, as shown on the Plat, including, without limitation, the driveway and walkways, stairs, certain balconies not assigned to a specific Unit, fencing, irrigation systems, certain open space, landscaping, monument sign, and mailboxes.

2.8 Limited Common Elements

The Limited Common Elements consist of: (a) the balcony and/or patio assigned to the Unit(s) in the chart below which are reserved for the exclusive use of that Unit(s) to which it is assigned and if the balcony and/or patio is assigned to multiple Units, then the use is reserved to each Unit on an equal basis; (b) the one (1) parking space assigned to each Unit in the chart below which is reserved for the exclusive use of that Unit; and (c) the storage area assigned to certain Units in the chart below which storage area is reserved for the exclusive use of the Unit to which it is assigned. The Limited Common Elements described above are shown on the Plat.

UNIT	PARKING SPACE	STORAGE AREA	BALCONY	PATIO
1	P-1	N/A	N/A	LCE-UNIT 1 PATIO
2	P-2	LCE S-1	N/A	LCE-UNIT 2 PATIO
3	P-3	N/A	N/A	LCE-UNIT 3 PATIO
4	P-4	N/A	N/A	LCE-UNIT 4 PATIO
5	P-5	LCE S-2	N/A	LCE-UNIT 5 PATIO
6	P-6	N/A	N/A	LCE-UNIT 6 PATIO
7	P-7	N/A	N/A	LCE-UNIT 7 PATIO
8	P-8	LCE S-3	N/A	LCE-UNIT 8 PATIO
9	P-9	N/A	LCE-UNITS 9 & 10 BALCONY	N/A
10	P-10	N/A	LCE-UNITS 9&10 BALCONY AND LCE-UNIT 10 BALCONY	N/A
11	P-11	LCE S-4	LCE-UNIT 11 BALCONY	N/A
12	P-12	N/A	LCE-UNITS 12 & 13 BALCONY	N/A
13	P-13	N/A	LCE-UNITS 12 & 13 BALCONY AND LCE-UNIT 13 BALCONY	N/A

UNIT	PARKING SPACE	STORAGE AREA	BALCONY	PATIO
14	P-14	LCE S-5	LCE-UNIT 14 BALCONY	N/A
15	P-15	N/A	LCE-UNIT 15 BALCONY	N/A
16	P-16	N/A	LCE-UNIT 16 BALCONY	N/A
17	P-17	LCE S-6	LCE-UNIT 17 BALCONY	N/A
18	P-18	N/A	LCE-UNIT 18 BALCONY	N/A

3. **Condominium Status**

All of the Units will be constructed by June 2008. Attached as Exhibit B is the professional opinion of the Eric Hoff of Western Architectural, licensed architects, with respect to the condition and an estimate of the useful life of the elements of the condominium. Attached as Exhibit C is the Maintenance Plan describing how the Condominium shall be maintained by the Association.

THE FOREGOING STATEMENT OF OPINIONS IN EXHIBIT B REGARDING THE CURRENT CONDITION AND USEFUL LIFE OF THE CONDOMINIUM UNITS AND COMMON ELEMENTS WAS PREPARED BY ERIC HOFF OF WESTERN ARCHITECTURAL.

4. **CONSTRUCTION STATUS AND DEVELOPMENT TEAM**

Assisting the Declarant in the development and construction of The Trees Condominium are the following team members:

Surveyor	Jim S. Peterson, Peterson & Associates
Engineer/Architect	Western Architectural, Portland, OR
Legal Counsel	Davis Wright Tremaine LLP, Portland, OR
General Contractor	ADW, L.L.C.

Property Management Sterling Management
Owner ADW, L.L.C.

Declarant painted the exterior of the Buildings, replaced certain exterior doors, installed new vinyl siding and completed the work described in the Inspection Report. The Units were constructed in the 1950's and Declarant's remodeling was completed in August 2008.

5. TERMS OF FINANCING

Declarant intends to sell the Condominium Units on a cash basis. Declarant anticipates that a purchaser financing for the purchase of a Unit in the Condominium will obtain such funds from a third party lender, and not from Declarant.

6. WARRANTIES

In the Declaration and each Unit Sales Agreement, Declarant, as seller, and each Owner purchasing a Unit from Declarant have contracted for a disclaimer of any warranties express or implied and have waived and released any and all claims with respect to the physical condition of the Condominium. These provisions are incorporated herein by this reference as if fully set forth herein in order to bind all Owners for themselves and their successors and assigns to such provisions. All of the employees and agents of the Declarant are intended third-party beneficiaries of these provisions. Any and all claims of Owners against the Declarant, its employees and agents based upon allegations of defective physical conditions in the Condominium shall be subject to this Declaration.

**7. PROJECTED ANNUAL CONDOMINIUM ASSOCIATION BUDGET:
OPERATING FUND**

The monthly Common Expense assessment for each Unit, which will be allocated to the Operating Fund, is determined by the Common Expense liability allocated to each Unit, as shown in the Declaration, times the total monthly installment for Common Expenses for all Units. Declarant is projecting an initial monthly budget of the Association of Unit Owners for the operation and maintenance and any other Common Expenses of the Condominium as set forth on attached Exhibit D.

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. ACTUAL EXPENSES INCURRED BY THE ASSOCIATION MAY VARY FROM THOSE SHOWN IN THE PROJECTED BUDGET.

8. PROJECTED CONDOMINIUM RESERVES

8.1 Projected Monthly Reserve Fund

In addition to the Operating Fund to be set up to pay the ongoing monthly expense items described in Section 7 above, a Reserve Fund will be established in the name of the Association for replacement of Common Elements of the Condominium that normally require replacement in more than one (1) and less than thirty (30) years in accordance with ORS 100.175. Each Unit Owner will be assessed a monthly pro-rata share for contribution to the Reserve Fund, the estimated initial amount per month for each Unit is described in Exhibit E. This amount will be subject to adjustment by the Association each year based upon the Annual Reserve Study described below. The determination of Common Expenses will be calculated on the basis of expected repair and replacement costs and the life expectancy of the items comprising the Common Elements and the assets of the Association such that the amount of the Reserve Fund is reasonably calculated to provide sufficient funds for major repair and replacement of the Common Elements and assets of the Association. Declarant is projecting an initial monthly budget of the Association of Unit Owners for the Reserve Fund as set forth on attached Exhibit E.

8.2 Initial Contributions

At the time of closing of the initial sale of each Unit, the Purchaser must make an initial (one-time) contribution to the Operating Fund and Reserve Fund equal to two (2) months of their monthly Condominium assessments, together with an advance payment of the monthly assessment for the first full month following the date of closing and a prorated assessment for the balance of the month during which closing occurs. Declarant will pay the amount of any Reserve Fund assessments that have accrued since the closing of the first sale of a Unit in the Condominium to the Reserve Fund, as provided in the Bylaws. The Reserve Fund will be funded by equal assessments against the individual Units in the amount determined as described above in Section 8.1. The Reserve Fund assessments will accrue from the time of the conveyance of the first individual Unit assessed. The Declarant may elect to defer payment of the accrued Reserve Fund assessment for a Unit until the time of conveyance of the Unit. The books and records of the Association of Unit Owners will reflect the amount owing from the Declarant for all Reserve Fund assessments.

8.3 Annual Reserve Study

The Association will administer the Reserve Fund and the amount of the payments in the Reserve Fund must be adjusted at least annually to recognize changes in current replacement costs over time. The Board of Directors of the Association annually must conduct a reserve study, or review and update an existing study, of the Common Elements to determine the Reserve Fund requirements. The reserve study must include: (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan for the maintenance, repair and replacement of Common Elements and Association property with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule. The 30-year plan shall be appropriate for the size and complexity of the Common Elements and Association Property and address issues that include by are not limited to warranties and the useful life of the Common Elements and Association Property. Within 30 days after conducting the reserve study, the Declarant or the

Board of Directors as applicable, shall provide a written summary of the reserve study and any revisions made to the 30-year plan as a result of the reserve study.

8.4 Use of Reserves

Assessments paid into the Reserve Fund are the property of the Association and are not refundable to the Owner or Owners of a Unit upon the sale of any Unit owned by them. Following the second year after the Turnover Meeting, the Association may, on an annual basis, elect not to fund the Reserve Fund by unanimous vote of the Owners, or elect to reduce or increase future assessments for the Reserve Fund by an affirmative vote of at least seventy-five percent (75%) of the Owners. The remaining balance of the Reserve Fund must be distributed to the Owners on termination of the Condominium and the Association. The Reserve Fund is to be used only for maintenance, repair and replacement of Common Elements for which reserves have been established and is to be kept separate from other funds. However, after the Turnover Meeting, the Board of Directors may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees.

9. Projected Total Monthly Condominium Fee: Operating Fund plus Reserve Fund

Each Unit will have an approximate total monthly fee assessed which includes the applicable Operating Fund figure and the applicable Reserve Fund figure as described in Exhibits D and E and described above.

10. CONDOMINIUM OPERATION AND MANAGEMENT

10.1 Formation of the Condominium Association of Unit Owners

The Act requires the formation of an Association and the adoption of Bylaws to govern the operation and management of the Condominium. The Act further requires the election from among the Unit Owners of a Board of Directors and an election by the Board of Directors of the following officers: President, Secretary, and Treasurer. The Condominium will be governed by The Trees Condominium Homeowners' Association, an Oregon nonprofit corporation. The rights and obligations of the Association and its Board are set forth in the Declaration and in the Bylaws. If the Association is not self managed, the Association must be professionally managed by a property manager experienced with condominium management. If the Association assumes self-management at any time by the agreement of the Owners, thereafter the Association must resume professional management and appoint a managing agent upon the request of any ten (10) Owners. The initial managing agent shall be ADW, L.L.C.

10.2 Control of Association.

The Condominium will be governed by the Trees Condominium Homeowners' Association, an Oregon nonprofit corporation. As provided in ORS 100.200(1) and (2), the Declarant may retain administrative control of the Association for a period not exceeding the earlier of (a) three (3) years from the date of conveyance of the first unit to a person other than a successor declarant, (b) conveyance of 50 percent (50%) of the units, or (c) the date on which Declarant elects to relinquish permanently its control. 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 less than thirty (30) days written notice given to the other party not later than sixty (60) days after the Turnover Meeting. Administrative control of the Association by the Declarant is more particularly set forth in the Bylaws.

10.3 Membership in the Condominium Association

Each Owner, by virtue of being a Condominium Owner and so long as such Owner continues in that capacity will be a member of the Condominium Association. The membership of an Owner will terminate automatically upon an Owner being divested of its ownership interest in the Condominium. Each membership in the Condominium Association is appurtenant to the Unit owned by an Owner and may not be transferred in any manner whatsoever except upon a transfer of title to such Unit and then only to the transferee of such title. Any attempt to make a prohibited transfer of a membership is void.

10.4 Meetings and Voting of Owners

A Unit Owner's control of the operation and management of the Condominium project is generally limited to the right to vote at the meetings of the Owners. The Declaration and the Bylaws provide that each Unit is entitled to one (1) vote. Co-Owners of a Unit will have only one (1) vote per Unit owned. In the absence of protest by a co-Owner, the vote may be exercised by any one of the Owners present at a meeting at which the owners are asked to vote. In the event of a disagreement among co-Owners, the vote of the Unit or Units owned will be disregarded completely in determining the proportion of votes given with respect to the matter at issue. A valid court order may establish the rights of co-Owners to vote.

11. SALES AND CLOSING

11.1 Sales Documents

The Declarant intends to sell the Units by means of a document entitled The Trees Condominium Unit Sale Agreement. Prospective purchasers should be aware that unless agreements dealing with the purchase or sale of real property are reduced to writing and made a part of the contract, it may be difficult or impossible to enforce.

11.2 Statutory Rights of Purchasers

Under the Act, a purchaser of a Condominium Unit has the statutory rights outlined below:

11.2.1 A purchaser of a Condominium Unit may cancel for any reason the sale of a Condominium Unit or any contract agreement or evidence of indebtedness associated with the sale of the Condominium Unit within five (5) business days (excluding Saturdays and holidays)

after the date on which the latest of the following events occurs: (1) the signing of the Unit Sale Agreement; (2) the signing of the receipt required under ORS 100.705(2) upon delivery of the Disclosure Statement; or (3) the signing by the purchaser of the receipt required under ORS 100.725(4) upon delivery of a copy of the documents specified in ORS 100.725(1).

11.2.2 A purchaser's right to cancel set forth above terminates at the time of the closing of the Unit purchase transaction even if the five-day cancellation period has not expired.

11.2.3 The Unit Sale Agreement must contain either upon the first page, or upon a separate sheet attached to the first page, a Notice to Purchaser which sets forth the purchaser's right of cancellation and other important information process specified in ORS 700.740. A purchaser must immediately be given a copy of the Notice to Purchaser and a copy of the Unit Sales Agreement when it has been fully executed by all parties.

11.2.4 A copy of this Disclosure Statement must be given to a purchaser by the Declarant or an agent of the Declarant not later than the date the Unit Sale Agreement is fully executed by all parties.

11.3 Closing Escrow Arrangements

11.3.1 **Place of Closing.** Sales will be closed at Ticor Title, 456 SW Monroe, Suite 108, Corvallis, OR 97333, which will serve as "Escrow Agent" pursuant to the Escrow Agreement between Declarant and Escrow Agent.

11.3.2 **Conditions to Closing.** No funds of a purchaser will be distributed until the Declaration is recorded and the Declarant can convey title to the Unit free and clear of all encumbrances except those specified in the Unit Sale Agreement, or the Unit Sale Agreement is terminated according to the provisions contained therein.

11.3.3 **Documents by which the Purchasers are Bound.** In addition to the Declaration, any Supplemental Declaration, the Articles and Bylaws of the Association, purchasers of the Units will be bound by the Notice to Purchaser (Right of Cancellation), Unit Sale Agreement, the Escrow Agreement, the Plat and any Supplemental Plat for the Condominium and the conditions, restrictions and easements of record imposed by the City of Corvallis. Copies of these items are available upon request from the Escrow Agent.

11.3.4 **Existing Loan.** There is no loan encumbering the land and improvements constituting The Trees Condominium.

12. ALIENATION AND OCCUPANCY RESTRICTIONS

The Condominium is intended solely for residential use. The Units may be used only in a manner appropriate to maintain the Condominium's status as a residential condominium on an ownership, rental, or lease basis, and for social, recreational, or other reasonable purposes normally incidental to residential use. Units may be used for accessory home businesses subject to Board approval of the business as compatible with the residential character of the Condominium, such approval to not be unreasonably withheld, conditioned or delayed. The Unit Owner must also satisfy any local governmental requirements for, or restrictions upon, an

accessory home business use of their Unit. Units may be used for operating the Association and for management of the Condominium. Conducting Association business from a Unit or use of a Unit in association with managing the Condominium shall not be considered a violation of the use restrictions set forth in this Section. Units may only be leased in accordance with and to the extent allowed by the Bylaws. Fractional ownership in a Unit is permitted; provided, however, there shall not be more than twelve (12) separate fractional ownership interests for any one Unit. The right of an Owner to sell, transfer or otherwise convey a Unit shall be subject to a right of first refusal to the Declarant. If the Declarant declines the offer, then the Owner has the right to sell, transfer or otherwise convey a unit on the same terms as proposed to the Declarant without the approval, disapproval or similar restriction by the Declarant.

An Owner intending to sell a Unit shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying: (i) the Unit to be sold; (ii) the name and address of the purchaser, the closing agent, and 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 notice requirement shall not invalidate a sale, transfer or other conveyance of a Unit which is otherwise valid under applicable law but may result in the imposition of a reasonable charge against the Unit for the cost of obtaining such transfer information from other sources. Except to the extent set forth in this Section and certain restrictions on leasing set forth in the Bylaws, this Declaration imposes no restrictions on the alienation of any Unit.

13. GENERAL INFORMATION

The Condominium will be serviced by the following:

Water	City of Corvallis
Sewage disposal	City of Corvallis
Electricity	Pacific Power
Trash collection	Allied Waste
Telephone	Qwest, Comcast or Vonage
Cable TV	Comcast Cable
Fire Protection	City of Corvallis Fire Department
Police	City of Corvallis Police Department

All Units are separately metered for electricity service and cable. All water and sewer service to the Units share one common meter, which shall be separately sub-metered by the Association, the costs of which shall be allocated to each Unit in the monthly Association assessments. The lawn areas share one common meter for common irrigation, the costs of which shall be allocated equally to each Unit in the monthly Association assessments.

14. MAINTENANCE AND REPAIR EXPENSES

14.1 Common Elements

The necessary work to maintain, repair or replace all the Common Elements shall be carried out by the Association except Limited Common Elements reserved to the use of a single Unit, which shall be carried out by the Owner or Owners of the Unit to which such elements are reserved. No Owner may alter the Common Elements without first obtaining the consent of the Association in accordance with the procedures set forth in the Bylaws. All work will be specially assessed to the benefited Units if the work pertains to less than all of the Units in the Condominium. For example, if the roof of a single building needs repair, then the cost will be specially assessed only to the Unit Owners of the affected Building. Any such special assessment to the benefited Units shall be as reasonably and uniformly determined by the Association Board. The Association may make any repairs or perform maintenance that an Owner is obligated to make and that such Owner does not make within a reasonable time.

14.2 Individual Units

The necessary work to maintain, repair or replace the elements of each Unit shall be carried out by the Unit Owner, and each Owner must keep the Owner's improvements in good order, condition and repair.

14.3 Payment of Expenses

All Owners will be obligated to pay on a monthly basis, in advance, the Owner's pro rata share Common Expenses for the Operating Fund and Reserve Fund and any additional charge assessed to them by the Board of Directors on behalf of the Association pursuant to the Bylaws or the Declaration. The Board will, from time to time, at least annually, prepare a budget for the Association, estimating the Common Expenses expected to be incurred in the following year, less any previous over-assessment, and assess the Common Expenses to each Owner. The Board will advise each Unit Owner in writing of the amount of Common Expenses payable by the Owner and furnish copies of the budget and any amended budget on which such Common Expenses are based to all Owners and, if requested, to their mortgagees, at least fourteen (14) days prior to the annual meeting of the Association.

14.4 Default and Payment of Expenses

In addition to the provisions contained in the Declaration and Bylaws, the Act provides that the Association has the right to levy assessments against Unit Owners for Common Expenses. Failure of a Unit Owner to pay their share of the Common Expenses will entitle the Association to file and foreclose a lien on that Owner's Unit. This statutory provision further provides that an action to recover a money judgment for unpaid Common Expenses may be maintained without foreclosing or waiving the lien securing the claim for Common Expenses.

15. SPECIAL DECLARANT RIGHTS

During the period of sale and construction of the Units, Declarant and its agents, successors and assigns have an easement for access and use of, over and upon the Common Elements for the purpose of completing or making improvements and repairs to the Condominium and carrying out marketing activities reasonably necessary for the sale of Units, including, without limitation, the right to post signs on the Common Elements, use the Units owned by the Declarant as model Units and the right to use such model Unit(s) for real estate

marketing with respect to the Units or other property. If the Declarant causes damage to the Common Elements in the exercise of the easement then Declarant must restore the Common Elements, ordinary wear and tear excepted. The Declarant and its agents, contractors or employees may maintain daily hours of exterior Unit construction work from 7:30 A.M. until 5 P.M., Monday through Saturday. The Declarant and its agents, contractors or employees may do interior Unit construction work from 7:30 A.M. until 9:00 P.M., on any day. The Association has no approval right or other power by amendment, rules or otherwise to control, limit, regulate or affect Declarant's design, construction or marketing of Units, which is in Declarant's sole discretion. Declarant in its sole discretion may remove trees and other vegetation for the construction of the Units and any improvements to the Common Elements and burn or chip such vegetation within the Property. By appointment made in advance, Declarant 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 legally or contractually responsible.

For so long as Declarant owns a Unit, Declarant shall have the right to approve amendments proposed by the Owners to this Declaration, the Bylaws, the Plat, and the Rules and Regulations.

EXHIBIT A

Legal Description of Property

Lot 14, Block 1, HIGHLAND LAWN ACRES (a subdivision of record in Benton County, Oregon).

ALSO: That portion of a vacated street, as described by M-5938 of the Benton County Deed Records, which inured to Lot 14, Block 1, HIGHLAND LAWN ACRES (a subdivision of record in Benton County, Oregon), and being more particularly described as follows:

Beginning at the Northwest corner of Lot 14, Block 1, HIGHLAND LAWN ACRES (a subdivision of record in Benton County, Oregon); thence North $02^{\circ}48'24''$ West, along the Northerly extension of the West line of said Lot 14, a distance of 1.58 feet to a $5/8''$ iron rod on the Southerly right-of-way line of NW Circle Boulevard; thence along said Southerly right-of-way line, along the arc of a 1064.66 foot radius curve to the left (the long chord of which bears South $85^{\circ}12'46''$ East, 12.02 feet), a distance of 12.02 feet to a 1" copper plug on the North line of said Lot 14; thence South $87^{\circ}14'32''$ West, 11.91 feet to the point of beginning.

EXHIBIT B
OPINION OF ARCHITECT

EXHIBIT C
MAINTENANCE PLAN

EXHIBIT D
BUDGET

EXHIBIT E
RESERVE STUDY