

DECLARATION FOR
PALISADES CONDOMINIUM

WHEREAS the undersigned Declarant desires to submit the property described in this Declaration, together with all improvements now existing or hereafter to be constructed thereon, to the provisions, restrictions and limitations of the Oregon Condominium Act, ORS 94.004 through ORS 94.480 and ORS 94.991;

NOW, THEREFORE, it is declared as follows:

Section 1. Definitions.

As used herein, the term

a. "Association of Unit Owners" means all the unit owners acting as a group through an unincorporated association in accordance with this Declaration and the Bylaws of the Association of Unit Owners.

b. "Common Expenses" means expenses of administration, maintenance, repair or replacement of the general common elements and the parking spaces which are limited common elements, but not including any other limited common elements, together with such expenses agreed upon as common by the Association of Unit Owners in the manner provided in the Bylaws.

c. "Manager" means the person or firm hired by the board of directors of the Association of Unit Owners to be in charge of the administration of and to manage the property.

d. "Property" means the land, all buildings, improvements and structures thereon and all easements, rights and

appurtenances belonging thereto which are hereby submitted to the provisions of the Oregon Condominium Act.

Section 2. Name of the Property.

The property subject to this Declaration shall be known by the name Palisades Condominium.

Section 3. Description of the Property.

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, the land owned in fee simple and described on Exhibit A attached hereto, together with the easements, rights and appurtenances belonging thereto and the units hereinafter described and all other improvements now existing or to be constructed on such land.

Section 4. General Description of the Units.

There shall be a total of 50 units situated in six structures, which shall be two story frame structures. The unit designation, location and approximate area of the units are indicated on Exhibit B attached hereto. Each unit is contained on one level. The lower units contain approximately 945 square feet, including two bedrooms, one bathroom, kitchen, living room, dining room and fireplace, with an outdoor covered deck off the dining room. The upper units are approximately 1045 square feet with two bedrooms, one bathroom, living room with a vaulted ceiling, dining room, kitchen, fireplace in the living room and an outdoor covered deck off the dining area. The dividing walls between adjoining outdoor covered decks are not part of the units. Each unit is designated for use as a

single family residence and has the exclusive right to use the deck which is attached to each unit. The buildings containing said units are of wood frame construction with concrete foundation, wood siding and roofing. The units shall be bounded by the undecorated surface of the interior perimeter walls, floors and ceilings, exclusive of any common elements. All doors, door frames, windows, window frames, and nonloadbearing walls within a unit are part of the unit.

Section 5. Common Elements.

a. The general common elements shall consist of all portions of the property not part of a unit or a limited common element including all the above-described land; all foundations, columns, girders, beams and supports; fireplace chimneys except for fireplace chimney flues; all stairs and corridors; all exterior walls of the buildings in which the units are situated and all walls and partitions separating units from corridors, other units or stairs together with the dividing walls between adjoining outdoor covered decks; parking areas not specifically reserved for use by units and designated as limited common elements, driveways, walkways, landscaping, recreational and other facilities, and utilities and all the appurtenances thereto.

b. The limited common elements shall consist of exterior wood decks attached to individual units, including the railings thereof but not the dividing walls between adjoining decks; parking spaces reserved for use by specified units as

set forth on the copy of the plat attached hereto as Exhibit C, and fireplace chimney flues, all of which shall be appurtenant to the units which they serve.

Section 6. Percentage of Interest in Common Elements.

Each unit shall have an equal two percent interest in the common elements. Interests in common elements are to be allocated to units on an equal basis. Such undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

The common elements shall remain undivided, and no unit owner may bring any action for partition or division of any part thereof while the property is subject to this Declaration. Any covenant to the contrary is void.

Section 7. Ownership to be Fee Simple.

Each individual unit, together with its undivided interest in the general common elements and its appurtenant interest in limited common elements, if any, shall be owned in fee simple by the unit owner and may be individually conveyed and encumbered and be the subject of ownership, possession, sale or other disposition as though it were solely and entirely independent of the other units, and the individual titles and interest shall be recordable. Each unit owner shall be entitled to the exclusive ownership, possession and enjoyment of his unit.

Section 8. Taxation of Units.

Each unit, with its percentage of undivided interest in the common elements and its appurtenant interest in limited common elements, if any, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing unit in like manner as other parcels of real property as required by ORS 94.285. The common elements shall not be considered a parcel for purposes of taxation.

Section 9. Voting Rights.

One vote shall be allocated to each unit.

Section 10. Maintenance, Improvement and Intended Use of Units.

A unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement or hereditament, unless the consent of the board of directors and the consent of all other unit owners affected is first obtained. The units are intended to be used as residential living quarters.

Section 11. Use and Maintenance of Common Elements.

Each unit owner may use the common elements in accordance with the purposes for which they are intended, but may not hinder or encroach upon the lawful rights of the other unit owners.

The necessary work to maintain, repair or replace the general common elements and additions or improvements to the general common elements, as well as the parking spaces which are limited common elements, shall be the responsibility of the

board of directors and shall be carried out as provided in the Bylaws; provided, however, that it shall be the responsibility of each unit owner to maintain the inside of the chimney flue serving his unit and to keep the flue free of any unreasonable accumulation of soot, ash and other residue and, unless otherwise determined by the Board of Directors pursuant to Section 13 of the Bylaws, to maintain the exterior wood deck, excluding dividing walls between adjoining decks, appurtenant to each unit. If the mortgagee of any unit owner determines that the board of directors is not providing an adequate maintenance, repair and replacement program for the project, such mortgagee, at its option, may deliver a written notice to the board of directors by delivering the same to the registered agent, required pursuant to ORS 94.029(j), setting forth the particular defects which it believes exist in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to the receipt of such notice, then, and in that event, the mortgagee upon written notice to the registered agent that he is exercising its proxy rights thereafter shall have the right to attend at succeeding annual or special meetings of the Association of Unit Owners and to cast a vote for each unit on which he holds a mortgage lien on all business coming before such meeting, which said proxy right shall continue until the defects listed on the aforementioned notice are corrected.

The Association of Unit Owners shall have the right, to be exercised by the board of directors, or the manager employed

by the board of directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, to make emergency repairs therein necessary for the public safety, to prevent damage to the common elements or to another unit, or to abate any nuisance existing in any unit.

Section 12. Management of Affairs of Association of Unit Owners.

Subsequent to the turnover meeting to be held in accordance with the Bylaws, the affairs of the Association of Unit Owners shall be managed by a board of directors and by officers consisting of a Chairman, a Secretary and a Treasurer. Prior to the turnover meeting, the affairs of the Association of Unit Owners shall be managed by Declarant as provided in Section 26. The board of directors shall adopt administrative rules and regulations governing the details of the operation, maintenance and use of the property and to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners. The board of directors may retain an individual or firm to act as manager of the property.

Section 13. Adoption of Bylaws.

The undersigned owner of the property, subject to this Declaration, has adopted, pursuant to the requirements of the Oregon Condominium Act, the Bylaws attached hereto, marked Exhibit D, to govern the administration of the property.

The Bylaws may be amended from time to time as provided therein.

Section 14. Compliance With Bylaws and Other Restrictions.

Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration or in the deed to his unit. Failure to comply therewith shall be grounds for an action maintainable by the Association of Unit Owners or by an aggrieved unit owner, in addition to other sanctions which may be provided by the Bylaws or by the administrative rules and regulations.

Section 15. Person to Receive Service of Process in Certain Cases.

Service of process in any action relating to the common elements or to more than one unit in cases provided in subsection (1) of ORS 94.280 shall be made upon

James VanHandel
3831 N. W. Highway 101
Lincoln City, Oregon 97367

Section 16. Easements and Other Interests.

The Association of Unit Owners has the authority to execute, acknowledge, deliver and record on behalf of the unit owners, easements, rights-of-way, licenses and other similar interests affecting the general common elements. The granting of any interest pursuant to this Section 16 shall be first approved by at least 75 percent of the units owners. The instrument granting an interest pursuant to this Section 16 shall be executed and acknowledged by the Chairman and Secretary and shall state that such granting was approved by at least 75 percent of the unit owners.

Section 17. Apportionment of Receipts and Expenses.

The receipts of the property shall be distributed among and the common expenses shall be charged to the unit owners according to their respective interests in the common elements. Receipts by unit owners for rental of their unit shall not constitute common receipts. No unit owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

Section 18. Liability Upon Conveyance for Common Expenses.

In a voluntary conveyance of a unit the grantee shall be jointly and severally liable with the grantor for all unpaid charges against the grantor for his proportionate share of the common expenses up to the time of the conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Upon request of the prospective purchaser, the manager shall make and deliver a statement of the unpaid charges against the grantor, and the grantee in that case shall not be liable for, nor shall the unit when conveyed be subject to, a lien filed thereafter for any unpaid charges against the grantor accruing prior to the date of the statement in excess of the amount therein set forth.

Section 19. Lien of Association Against Unit.

Whenever the Association of Unit Owners levies any assessment for common expenses against a unit, the Association of Unit Owners, upon complying with this section, shall have a

lien upon the individual unit and the undivided interest in the common elements appertaining to such unit for the reasonable value of such common expenses allocable to such unit and for any unpaid assessments and interest as provided in ORS 94.195(2)(b), and the lien shall be prior to all other liens or encumbrances upon the unit, except

- a. tax and assessment liens, and
- b. a first mortgage or trust deed of record.

Each assessment shall be a separate and personal debt and obligation of the unit owner against whom the same is assessed at the time the assessment is made and shall be collectible as such. The board of directors shall cause to be filed a notice of lien claim pursuant to ORS 94.195 with respect to any assessment which has not been paid within 30 days from the mailing of the notice of assessment. The notice of lien claim shall be filed within 10 days following the expiration of such 30-day period. The Association shall be entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid common expenses, interest on the delinquent assessment at the rate of 10 percent per annum and costs, including reasonable attorneys' fees in such suit or action, or any appeal therefrom.

In case of foreclosure, the unit owner shall be required to pay a reasonable rental for the unit; and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard

to the value of the security. An action to recover a money judgment, together with reasonable attorneys' fees for unpaid common expenses, may be maintained without foreclosing or waiving the lien securing the claim for common proceeds.

Section 20. Power of Property Manager to Bid at Foreclosure Sale.

In any suit to foreclose a lien of the Association of Unit Owners against a unit, the board of directors or the manager, acting on behalf of the unit owners, shall have power to bid on the unit at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. The board of directors or the manager, acting on behalf of the unit owners, is prohibited from bidding on or otherwise acquiring a unit in any other foreclosure suit.

Section 21. Insurance.

The board of directors shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws.

The board of directors shall not be responsible for procuring fire and extended coverage insurance covering the furniture, fixtures, equipment or contents located in the individual units.

The insurance obtained by the board of directors as required by this section shall be a common expense.

Section 22. Damage or Destruction.

If one or more of the buildings within the property are damaged or destroyed, the board of directors shall immediately proceed to rebuild and restore the building or

buildings so damaged or destroyed so that the same will be returned to substantially the same condition in which the building or buildings existed prior to such damage or destruction, with each unit and the general and limited common elements having substantially the same vertical and horizontal boundaries as before, unless 90 percent of all the unit owners agree that the property shall not be rebuilt and restored. If the property is to be rebuilt and restored and the insurance proceeds be insufficient to rebuild and restore, the unit owners shall be liable for assessment for any deficiency as a common expense. If 90 percent of all the unit owners agree that the property shall not be rebuilt or restored, the property shall be considered removed from the provisions of the Oregon Condominium Act in accordance with ORS 94.306.

Section 23. Easements for Encroachment.

If any part of the common elements now or hereafter encroaches upon any unit or if any unit now or hereafter encroaches upon any other unit or upon any portion of the common elements, an easement for such encroachment and the maintenance thereof, as long as it continues, shall exist. In the event a unit or a building containing units shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any unit, any unit upon any other unit, or upon any portion of the common elements due to the construction shall be permitted as set forth in ORS 94.250; and easements for such encroachments and the maintenance thereof shall exist.

Section 24. Mortgage Protection.

The liens created hereunder upon any unit shall be subject to and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage or deed of trust (meaning a mortgage with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 18 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as unit owner after the date of such foreclosure sale, which said lien, if any is claimed, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this section shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

Section 25. Limits on Use of Units and Common Elements..

Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the project without the prior written consent of the board of directors. No owner shall permit anything to be done or kept in his unit which will result in the cancellation of the insurance on any part of the project. The board of directors shall have the power to adopt rules and regulations for use of

the common elements and there shall be no violation of such rules.

Section 26. Administrative Control.

Until the date of conveyance to persons other than Declarant of 75 percent of the units,

a. Declarant may appoint and remove officers and members of the board of directors of the Association of Unit Owners;

b. Declarant shall have three votes with respect to each unit owned by it, notwithstanding the provisions of Section 9;

c. Declarant shall have the right to exercise all the powers of the board of directors under this Declaration and the Oregon Condominium Act;

d. Declarant shall have the right to approve amendments to this Declaration and the Bylaws, and

e. Declarant shall have the right to occupy the common elements in connection with its construction activities so long as such activities do not unreasonably interfere with use of the common elements by other unit owners.

Section 27. Amendment.

Except as otherwise provided in the Oregon Condominium Act, no amendment may change the allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits or voting rights of any unit as expressed in this Declaration

unless such amendment has been approved by the owners of the affected units, and such unit owners shall record an amendment to this Declaration setting forth the altered percentage of each unit owner having an interest and the amendment is approved by the Real Estate Commissioner pursuant to ORS 94.059.

This Declaration may not be amended to diminish any special declarant right without the prior written consent of Declarant.

Except as hereinabove provided, this Declaration may be amended consistent with the provisions of the Oregon Condominium Act by the affirmative vote of 75 percent of the voting rights at the annual meeting of the Association of Unit Owners, or at any special meeting called for such purpose, or by written proxy or written consent of 75 percent of the voting rights, such amendment to be effective upon the recordation of an instrument executed and acknowledged by the Chairman and Secretary of the Association of Unit Owners with the Lincoln County Recording Officer, setting forth such amendment in full and the amendment is approved by the Real Estate Commissioner pursuant to ORS 94.059.

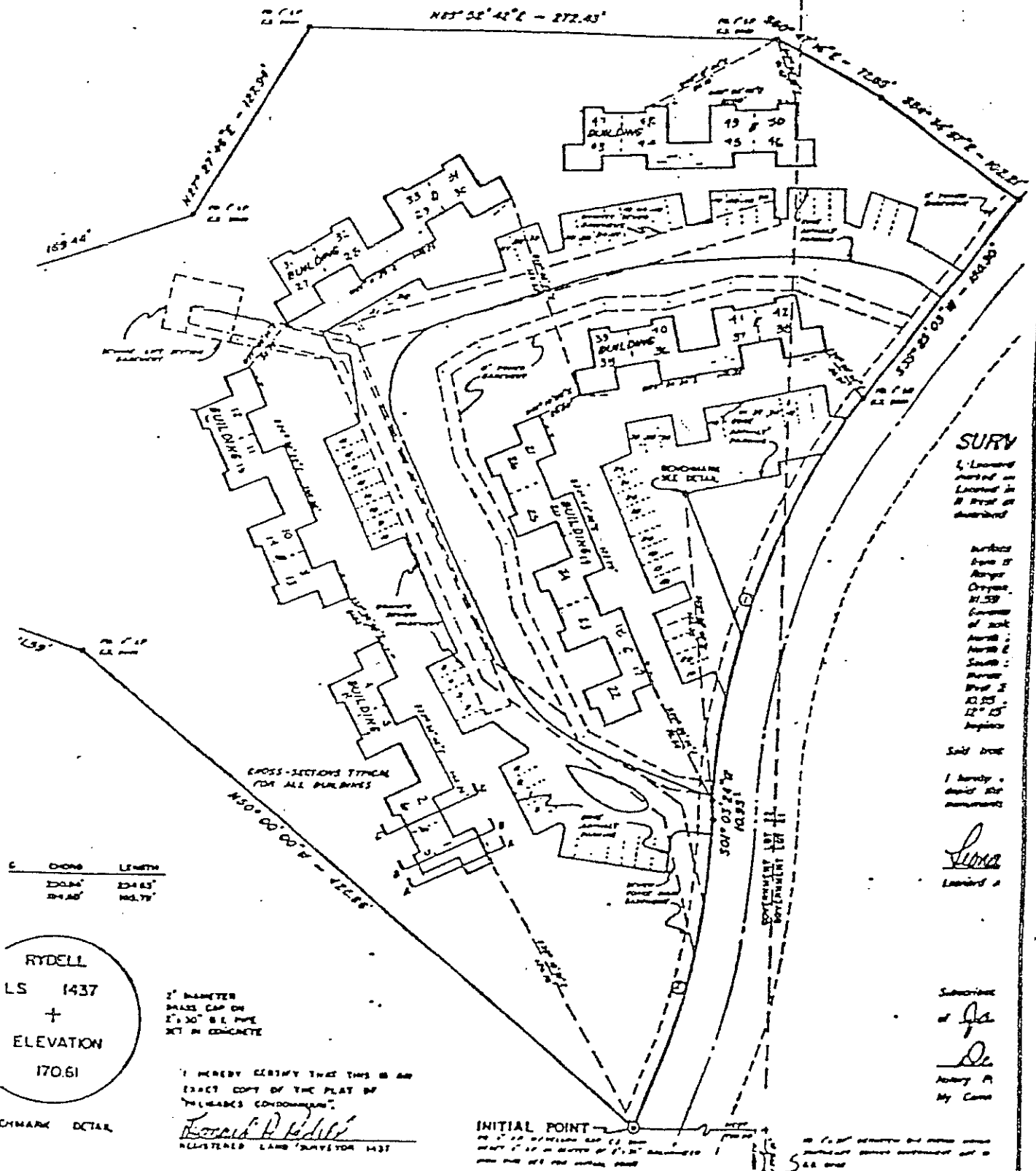
IN WITNESS WHEREOF the undersigned has executed this Declaration this 10th day of March, 1982.

PALISADES CONDOMINIUM

By George Marshall Company

By [Signature]
George Marshall, President

A 50 Unit Condominium Development located in Portions of Government Lots 21 and Section 35, Township 6 South, Range 11 West of the Willamette Meridian City of Lincoln City, Lincoln County, Oregon



PALISADES CONDOMINIUM

<u>UNIT</u>	<u>TYPE</u>	<u>APPROX. SQ. FT.</u>
1	L	945
2	L	945
3	L	945
4	L	945
5	U	1045
6	U	1045
7	U	1045
8	U	1045
9	L	945
10	L	945
11	L	945
12	L	945
13	U	1045
14	U	1045
15	U	1045
16	U	1045
17	L	945
18	L	945
19	L	945
20	L	945
21	L	945
22	U	1045
23	U	1045
24	U	1045
25	U	1045

U - Upper
L - Lower

EXHIBIT B-1

PALISADES CONDOMINIUM

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<u>UNIT</u>	<u>TYPE</u>	<u>APPROX. SQ. FT.</u>
26	U	1045
27	L	945
28	L	945
29	L	945
30	L	945
31	U	1045
32	U	1045
33	U	1045
34	U	1045
35	L	945
36	L	945
37	L	945
38	L	945
39	U	1045
40	U	1045
41	U	1045
42	U	1045
43	L	945
44	L	945
45	L	945
46	L	945
47	U	1045
48	U	1045
49	U	1045
50	U	1045

U - Upper
L - Lower

EXHIBIT B-1

STATE OF OREGON } ss.
County of Lincoln

I, Albert H. Bryant, County Clerk, in and for said county, do hereby certify
that the within instrument was received for record, and recorded in the
record of deeds
of said County of Newport, Oregon.

on March 15, 1982 A.M. 3:02 P.M.

Book 131 Page 228

WITNESS my hand and seal of said office, offered
ALBERT H. BRYANT, County Clerk

By Ann Curtis Deputy
Per. Cl. B 80.00 pmt

Legal Description

A tract of land located in a portion of Government Lots 21 and 22 in Section 35, Township 6 South, Range 11 West of the Willamette Meridian, City of Lincoln City, Lincoln County, Oregon, and more fully described as follows:

Beginning at a point which is North 1770.21 feet and West 750.90 feet from the Southeast corner of Government Lot 28 in Section 35, Township 6 South, Range 11 West of the Willamette Meridian, City of Lincoln City, Lincoln County, Oregon; thence North 50° 00' 00" West 426.86 feet; thence North 70° 27' 23" West 111.59 feet; thence South 89° 40' 56" West 150.00 feet to the West line of said Government Lot 22; thence North 00° 19' 04" West 190.13 feet along the West line of said Government Lot 22; thence South 80° 29' 03" East 152.24 feet; thence North 70° 21' 47" East 169.44 feet; thence North 27° 27' 46" East 127.94 feet; thence North 89° 52' 42" East 272.43 feet; thence South 60° 47' 16" East 72.85 feet; thence South 54° 36' 57" East 102.21 feet; thence South 35° 23' 03" West 150.30 feet; thence on a 425.00 foot radius curve left (long chord bears South 18° 13' 14" West 250.84 feet) an arc distance of 254.63 feet; thence South 01° 03' 24" West 10.95 feet; thence on a 475.00 foot radius curve right (long chord bears South 12° 15' 41" West 184.60 feet) an arc distance of 185.78 feet to the point of beginning.

Said tract containing 5.9071 acres.

EXHIBIT A

PLANNED DEVELOPMENTS • RESIDENTIAL SUBDIVISIONS
WATER, SANITARY SEWER AND STORM DRAINAGE SYSTEMS
LAND SURVEYS • SOLAR-CONSERVATION HOMES



STATE OF OREGON)

COUNTY OF CLACKAMAS)

Personally appeared the within-named George Marshall, who being first duly sworn did say that he is the President of George Marshall Company, the corporation hereinbefore named, that said instrument was executed in behalf of said corporation by authority of its board of directors and the execution of said instrument was its voluntary act and deed..

Before me:

Lucy M. Better
Notary Public for Oregon
My commission expires: 1-17-85

Ross Miller by RB
County Assessor

Mary K. Kuehli
County Tax Collector

The foregoing Declaration is approved pursuant to
ORS 94.036 this 12th day of March, 1982.

By
Barbara Ransford
Real Estate Commissioner of Oregon



PALISADES CONDOMINIUM ASSOCIATION

These 2005 Amended and Restated Bylaws of the Palisades Condominium Association are made this 7th day of DECEMBER, 2005, by unit owners of the association, an Oregon nonprofit corporation.

RECITALS

A. The Palisades Condominium Association is a condominium located in Lincoln County, established pursuant to the following documents recorded in the records of Lincoln County, Oregon:

Declaration for Palisades Condominium Association, recorded March 15, 1982, in Book 131, beginning at page 228.

Bylaws of the Palisades Condominium Association recorded March 15, 1982, in Book 131, beginning at page 249.

B. Association is an association of unit owners formed pursuant to the Declaration and the Bylaws, and incorporated as an Oregon nonprofit corporation under ORS Chapter 62 by Articles of Incorporation filed June 29, 1981, in the office the Oregon Secretary of State, Corporation Division.

C. The bylaws were amended by the following document recorded in the records of Lincoln County, Oregon:

Resolution amending the Bylaw of Palisades Condominium Association, recorded September 13, 2000, in Book 407, beginning at page 2342.

D. The Palisades Condominium Association and the unit owners wish to amend the 1982 Association bylaws (as amended) and restate and amend the 1982 bylaws in their entirety.