

After Recording Mail To:

Randall B. Bateman, Esq.
Bateman Seidel
1000 SW Broadway, Suite 1910
Portland, Oregon 97205

THIRD AMENDMENT TO GROUND LEASE

DATED: As of September 9, 2022 (“Effective Date”)

BETWEEN:

CITY OF ST. HELENS, (“Landlord”)
Oregon, an Oregon
municipal corporation

AND

7TH STREET LOFTS (“Tenant”)
CONDOMINIUM
OWNERS ASSOCIATION,
LLC, an Oregon limited
nonprofit corporation

THIS THIRD AMENDMENT TO GROUND LEASE (“Third Amendment”) is dated as of the Effective Date and is between Landlord and Tenant.

RECITALS:

A. Landlord and 7th Street Container Lofts LLC, an Oregon limited liability company, entered into a Ground Lease dated as of August 12, 2018 (as amended by that certain First Amendment to Ground Lease dated as of June 1, 2021 and Second Amendment to Ground Lease dated as of October 31, 2022 the “Lease”), covering the real property described as Lots 16, 17, 18 and 19, Block 62, CITY OF ST. HELENS, in the City of St. Helens, Columbia County, Oregon more fully described in Exhibit A hereto. The Lease was assigned to 7th Street Lofts Owner's Association (“Tenant”), pursuant to an Assignment of Ground Lease dated May 18, 2022, and recorded in the real property records of Columbia County, Oregon under Recording Number 2022 – 004945.

B. Terms using initial capital letters in this Third Amendment that are not otherwise defined shall have the meanings given to them in the Lease.

C. Landlord and Tenant desire to amend the Lease and enter into this Third Amendment to evidence the same.

NOW, THEREFORE, based upon the foregoing Recitals, and the mutual covenants hereinafter set forth, Landlord and Tenant agree as follows:

AGREEMENT:

1. **Use (Section 1.3.1 of the Lease).** Section 1.3.1 of the Lease is replaced and modified in its entirety as follows:

"1.3.1 Tenant shall use the Premises solely for the development, construction and operation of the 7th Street Container Lofts (which may be operated under such other names as Tenant may select). The Units may be sold by Tenant to home buyers ("Unit Owners"). Units may be rented or Leased by Tenant (and for avoidance of doubt, by 7th Street Container Lofts, LLC) or by any Unit Owner (and for avoidance of doubt, 7th Street Container Lofts, LLC) upon such terms and conditions as Tenant, 7th Street Container Lofts, LLC and/or Unit Owners may determine."

2. **Revision of Condominium Documents.** Landlord and Tenant authorize without further action 7th Street Container Lofts LLC to amend any documents related to the condominium regime (including Condominium Declaration and Bylaws) to allow the rental of Units as set forth in Section 1 above.

3. **Full Force and Effect.** As otherwise expressly modified herein, the Lease remains in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, Landlord and Tenant execute this Amendment as of the date set forth above.

“LANDLORD”

CITY OF ST. HELENS, an Oregon municipal corporation

By: _____
Name: _____
Title: City Administrator

By: _____
Name: _____
Title: City Recorder

“TENANT”

7TH STREET LOFTS CONDOMINIUM OWNERS ASSOCIATION, INC.
an Oregon nonprofit corporation

By: _____
Carl T. Coffman, its President

(notarial jurats on following page)

STATE OF OREGON)
) ss.
County of Columbia)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, _____ as the City Administrator of the City of St. Helens, an Oregon municipal corporation, on behalf of such municipal corporation.

Notary Public for Oregon
My commission expires: _____
Commission No.: _____

STATE OF OREGON)
) ss.
County of Columbia)

The foregoing instrument was acknowledged before me this ____ day _____, 2022, by _____, _____ as the City Recorder of the City of St. Helens, an Oregon municipal corporation, on behalf of such municipal corporation.

Notary Public for Oregon
My commission expires: _____
Commission No.: _____

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Carl T. Coffman, as the President of 7th Street Lofts Condominium Owners Association, an Oregon nonprofit corporation, on behalf of such corporation.

Notary Public for Oregon
My commission expires: _____
Commission No.: _____

Exhibit A

Legal Description of Premises:

LOTS 16, 17, 18, AND 19, BLOCK 62, "SAINT-HELENS", COLUMBIA COUNTY PLAT RECORDS, LOCATED IN THE S.E. 1/4 OF SECTION 33, T.5N., R.1W., W.M., CITY OF SAINT HELENS, COLUMBIA COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, BEING A 5/8" IRON ROD WITH A RED PLASTIC CAP MARKED "CENTERLINE CONCEPTS" FOUND AT THE EAST CORNER OF LOT 4 OF SAID BLOCK 62; THENCE ALONG THE NORTHEAST LINE OF SAID LOT 4, AND CONTINUING ALONG THE NORTHEAST LINES OF LOTS 5, 6, AND 7 OF SAID BLOCK 62, NORTH 15°28'02"W 232.00 FEET TO THE NORTH CORNER OF SAID LOT 7; THENCE ALONG THE SOUTHEAST LINE OF LOT 15 OF SAID BLOCK 62, NORTH 74°37'36" EAST, 100.00 FEET TO THE EAST CORNER THEREOF; THENCE ALONG THE SOUTHWEST RIGHT OF WAY LINE OF NORTH 7TH STREET, BEING 40.00 FEET SOUTHWEST OF THE CENTERLINE THEREOF WHEN MEASURED AT RIGHT ANGLES, SOUTH 15°28'02" EAST, 232.00 FEET TO THE NORTH CORNER OF LOT 20 OF SAID BLOCK 62; THENCE ALONG THE NORTHWEST LINE OF SAID LOT 20, SOUTH 74°37'36" WEST, 100.00 FEET TO THE INITIAL POINT.

~~Original~~Third Amendment to Lease Revised Section 1.3.1

~~1.3.1~~ — "1.3.1 Tenant shall use the Premises solely for the development, construction and operation of the 7th Street Container Lofts (which may be operated under such other names as Tenant may select). The Units ~~will each~~may be sold by Tenant to home buyers ("Unit Owners""). Units may ~~not~~ be rented or ~~leased, either~~Leased by Tenant ~~or by Unit Owners as the landlord, provided, however, that Units may be rented or leased only for a term of one (1) year or thereafter successive terms of no longer than one (1) year each: (a) if short term rental is required by law or in order to accommodate short term family transitions (such as following the death of a Unit Owner and the closing of such Unit Owner's probate estate); or (b) for Units not sold to a Unit Owner within twelve (12) months of Substantial Completion of the Project which may be leased after such 12-month period. "Substantial Completion" means the issuance of a temporary certificate of occupancy from Landlord or an equivalent level of completion of the construction of the Project if no temporary certificate of occupancy is sought or issued before the final certificate of occupancy.~~(and for avoidance of doubt, by 7th Street Container Lofts, LLC) or by any Unit Owner (and for avoidance of doubt, 7th Street Container Lofts, LLC) upon such terms and conditions as Tenant, 7th Street Container Lofts, LLC and/or Unit Owners may determine."

Document comparison by Workshare 10.0 on Friday, September 2, 2022 8:31:46 AM

Input:	
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Description	Original Ground Lease Section 1.3.1
Document 2 ID	file:///K:/61317 Norway Construction LLC/002 7th Street Development/Ground Lease/Third Amendment to Lease Revised Section 1.3.1.docx
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Insertion	
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Split/Merged cell	
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Total changes	16
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**CONDOMINIUM DISCLOSURE STATEMENT
FOR
7th STREET LOFTS CONDOMINIUM**

THIS CONDOMINIUM DISCLOSURE STATEMENT discloses certain pertinent information about 7th STREET LOFTS CONDOMINIUM (the "**Condominium**"), located at 245 N. 7th Street, in the city of St. Helens, Columbia County, Oregon. This Disclosure Statement has been prepared by 7th Street Container Lofts LLC, an Oregon limited liability company (the "**Developer**"). Developer's telephone number is (503) 656-7000, and its address is 13014 Clackamas River Drive, P.O. Box 387, Oregon City, Oregon 97045-1171.

On the date this Disclosure Statement was issued, Developer had prepared and submitted to the Oregon Real Estate Agency a form of Declaration submitting the Condominium to condominium ownership and a form of Bylaws of 7th Street Lofts Condominium Owners Association (the "**Association**"). Developer will record in the Deed Records of Columbia County, Oregon, a final Declaration submitting the Condominium to condominium ownership and final Bylaws of the Association. The final Declaration submitting the Condominium to condominium ownership is referred to in this Disclosure Statement as the "**Declaration**," and the final Bylaws of the Association are referred to in this Disclosure Statement as the "**Bylaws**."

General Description of Condominium

The project consists of eight (8) units. Each unit consists of two (2) standard shipping containers joined together. Each shipping container is eight (8) feet wide and forty (40) feet long. The two shipping containers are joined together creating one unit of approximately five hundred eight (580) square feet. Four of the eight units are located on the ground ("**Ground Units**"). The other four units are stacked on top of the Ground Units (the "**Upper Units**"). The Ground Units are connected to the Upper Units by structural connections. The Upper Units are accessed by two stair cases that lead to an open air walkway that provides access to each of the Upper Units. The Ground Units have a non-covered deck located on the backside of each of the Ground Units. The Upper Units have a non-covered deck located on the backside side of each of the Upper Units. The Upper Units have a canopy that extends over each of the Upper Unit Decks.

A Unit may have one or more dents resulting from prior shipping use or installation as part of the Condominium.

A framed roof will extend over the Upper Units.

Each Unit is a one bedroom unit. The floor plan for the Units are attached as Exhibit D.

The exterior walls of the Units consist of fourteen gauge steel (from the joined storage containers).

The Condominium includes twelve (12) parking spaces (the "**Project Parking Lot**") and a location for a trash enclosure as shown by the Site Plan and draft plat attached as Exhibit D. The use of the Project Parking Lot shall be determined by the board of directors of the Association. The Unit does not include a designated parking space for the exclusive use by a Unit Owner. The Condominium additionally includes a parking area which includes six (6) parking spaces, one of which is designated handicap as shown on the Site Plan (the "**City Parking Lot**"), which are closest (adjacent) to North 7th Street and are marked by cross-hatching on the Site Plan. Although the City Parking Lot is part of the Condominium, the City Parking Lot provides parking for the general public and pursuant to the Ground Lease (as such term is defined below), the Condominium Association is required to erect and maintain signage that the City Parking Lot is available for public parking.

The Condominium is located across the street from a baseball field and park.

Hot water will be provided to Unit owners as an Association common expense by means of three "on demand" commercial gas water heaters located on the northwest side of Unit 1. Water for each of the Units and the natural gas for the water heater will be provided as a common expense of the Association.

Each Unit will have its own separate electric meter and each Unit owner will be responsible for payment of electric costs for such Unit. There will be a "house meter" for electricity used in the Condominium common areas (e.g. parking lot, landscape meter, emergency lighting) and the cost for such electricity will be a common expense of the Association. Lights on the outside of each unit are used as egress lighting and controlled by the house meter. These lights will be on during dark hours to provide lighting to front doors at both floors.

Each unit is insulated by a high quality, environmentally friendly, closed cell spray foam. This provides a very high R-value per inch, while also eliminating the possibility of condensation. This superior insulation exceeds build standards for new homes by more than 10%. Additional natural insulation results from stacking the units that makes the Units more energy efficient.

Developer is offering a fee ownership interest in a unit to the prospective purchaser. The owner of a unit also receives a one-eighth undivided interest, in common with other unit owners, in the "common elements," including the "general common elements" described in Article 5 of the Declaration. See Article 7 of the Declaration. In addition, each unit owner also receives the exclusive right to use those "**limited common elements**" that pertain to his or her unit. The limited common elements consists of the decks that adjoin the units (see Article 6 of the Declaration).

Declarant has completed the construction, assembly and installation of the Units on the Land.

The Condominium is served by the following utility providers:

Water and Sewer Service:	City of St. Helens
Electricity:	Columbia River PUD
Natural Gas:	Northwest Natural Gas
Cable/Internet	Xfinity, Century Link, Hughesnet

Prospective purchasers may contact these providers for further information on current rates and charges. Access to the project is over public streets. Local services such as fire and police protection, schools, medical facilities and shopping facilities are available in the City of St. Helens.

Leasehold Interest

The underlying interest in the real property that is being submitted to the condominium form of ownership is a leasehold (and not fee) interest, specifically, the tenant's interest in that certain Ground Lease by and between the Declarant, as tenant ("**Tenant**"), and the City of St. Helens, Oregon, an Oregon municipal corporation, as landlord ("**Landlord**"), dated September 12, 2018, as amended by that certain First Amendment to Ground Lease dated June 1, 2021 ~~and~~, that certain Second Amendment to Ground ~~Lease~~ Lease dated October 31, 2021, and that certain Third Amendment to Ground Lease dated September __, 2022 and recorded in the real property records of Columbia County (the "**Ground Lease**"). A memorandum of the Ground Lease will be recorded in the real property records of Columbia County, Oregon prior to the recording of the Declaration. A complete copy of the Lease is attached hereto as Exhibit A. Certain terms and conditions of the Lease are described below under the heading "Certain Terms of the Lease." As each prospective purchaser's interest in the Condominium is subject to the terms of the Ground Lease, such prospective purchaser is encouraged to review all terms of the Lease and not just those that are summarized below.

Declarant will assign its interest in the Lease to the Association prior to the sale of the first Unit. After such assignment, the Association will hold the Tenant's interest in the Lease for the benefit of the Unit Owners and shall also be responsible for performing all obligations of the Tenant under the Lease. Notwithstanding the same, each Unit Owner is responsible under the Declaration for complying with the terms of the Lease as to such Unit Owner's Unit.

Certain Terms of the Lease

The initial term of the Lease is fifty (50) years and commenced on September 12, 2018, and is subject to two separate extension options terms of fifty (50) years each (See Section 1.2 of the Lease).

~~Units may not be rented or leased, either by Tenant or by Unit Owners as the landlord, provided, however, that Units may be rented or leased only for a term of one (1) year or thereafter successive terms of no longer than one (1) year each if short term rental is required by law or in order to accommodate short term family transitions (such as following the death of a Unit Owner and the closing of such Unit Owner's probate estate) (See Section 1.3 of the Lease).~~

Units may be rented, including the Declarant, subject to written rental agreements complying with Section 7.7 of the Bylaws.

The initial Base Rent payable by Tenant to Landlord under the Lease is Eight Thousand One Hundred Sixty and no/100 Dollars (\$8,160.00) per year (the "**Rent**"), payable in advance or in twelve (12) equal monthly installments payable on or before the first business day of each calendar month. Rent does not include property tax for the Premises, which will be paid separately by Tenant. As each Unit is sold to a Unit Owner, the Rent allocated to that Unit (one eighth (1/8th) of the Rent is allocated to each Unit, resulting in rent of eighty-five dollars (\$85) per month per Unit, (the "**Unit Rent**") shall commence and be due and payable from Tenant to Landlord simultaneously with the closing of the sale to the Unit Owner, prorated for any partial initial month of Unit Owner's ownership (See Section 1.4 of the Lease).

After the initial sale of a Unit, any unpaid Unit Rents will be an assessment lien held by the Condominium Association against the Unit and collected and paid to Landlord when the Unit is sold, as provided in Section 1.4.4 of the Lease. The interest of a Unit Owner in its Unit shall not be extinguished by Landlord until after at least ninety (90) days written notice to such Unit Owner of (a) the failure of Tenant (or the Condominium Association as assignee of Tenant) to perform any obligations of Tenant under the Lease, including failure to pay Landlord the Rent required for the entire Project; and (b) the Unit Owner's right to "cure" the Tenant's default by paying the Unit Owner's Unit proportionate share of the Rent directly to Landlord or to commence action to cure any other default attributable solely the Unit Owner's Unit under the Lease and cure such default within a reasonable time thereafter which shall in all events be no less than ninety (90) days and the failure of the Unit Owner and any of its lenders to so "cure" within such ninety (90) days. Provided, however, that if a Unit Owner cannot reasonably cure any default (other than payment of its Unit Rent to Landlord) attributable solely the Unit Owner's Unit, there shall be no continuing default of the Lease as to a Unit Owner and its lienholder, but such Unit Owner, at Landlord's request, shall attorn directly to Landlord. Insolvency of Tenant shall not impair the rights of a Unit Owner, provided that such Unit Owner continues to pay Landlord its Unit Rent directly. This provision is intended to comply with the provisions of ORS 100.445 and all Unit

Owners and their secured lenders have the benefit of Section 1.4.4 of the Lease and the provisions of ORS 100.445.

Under the Lease, Tenant is entitled to a credit against Rent in the amount of \$35,000. Contemporaneous with the conveyance of the first Unit, Declarant shall contribute to the Association \$3804 (the "Declarant's Rent Credit Contribution" and together with the \$35,000 the "Rent Credit Amount). Pursuant to a resolution of the Board of Directors of the Association, the Association shall apply the Rent Credit Amount to reduce the Rent payable by each owner as set forth in the Reduced Rent Schedule attached to the initial projected budget (Exhibit C hereto).

The Tenant is responsible for the payment of all taxes assessed against the Premises and for all utilities used in connection with the Premises (See Section 4.1 and 4.2 of the Lease). Pursuant to ORS 100.555, each Unit (including its allocated interest in the common elements) shall be assessed separately in the name of the unit owner.

The Tenant is required to maintain "all risk" property insurance and commercial general liability insurance (See Section 5.1 of the Lease).

The City leased the Premises to Tenant in its "as is – where is" condition and Tenant fully assumed the risk of any adverse latent or patent physical, structural or environmental conditions may not have been revealed by Tenant's investigations. The Condominium Association as the successor Tenant and the Unit Owner's (to the extent of their respective interests) are subject to the terms of the Lease.

The Tenant is responsible for all ordinary maintenance and repair of the Parking Lot, including the City Parking Lot, including, without limitation, sweeping, landscaping, replacement, striping, and painting. Landlord will not reimburse Tenant for any such maintenance and repair costs for the Parking Lot. Landlord is responsible for (i) any damage beyond ordinary wear and tear to the City Parking Lot caused by City and persons using the City Parking Lot and (ii) removal of trash and debris resulting from use of the adjacent City park by persons apparently using the adjacent City park and parking in the City Parking Lot.

The Ground Lease contains certain provisions for the benefit of Unit Owners and lenders that make mortgage loans to Unit Owners secured by the Units (referred to in Article 7 of the Lease as a "Leasehold Mortgagee." These provisions are set forth in Article 7 of the Ground Lease.

Specifically, under the terms of Section 7.12 of the Ground Lease, the City has agreed to pursue its remedies for a breach of or default under the Lease only against the Condominium Association, and not to pursue remedies against the Unit Owners. The City further has agreed not to seek to recover possession of the Premises from the Unit Owners. Any recovery of possession from the Condominium Association shall be subject to the condominium estates of the Unit

Owners and their respective Leasehold Mortgagees. Under the Lease, the City has agreed not to disturb the possession of the Unit Owner and their Leasehold Mortgagees during the term of the Lease notwithstanding a recovery of possession of the Premises from the Condominium Association. A Unit Owner shall have no obligations to the City as to any Unit owned by another Unit Owner and shall have no payment obligations to the City as all such payment obligations are the responsibility of the Condominium Association. Each Unit Owner shall have the right to pay its Unit Rent directly to Landlord if not paid by the Condominium Association. No party is entitled to disturb a Unit Owner's condominium estate other than as may be allowed under the Declaration.

Construction

The Units are constructed and installed in accordance with the Uniform Building Code and are inspected and permitted by the State of Oregon as residences. The land use planning, foundation, and utility connections are governed by approvals from the City of St. Helens.

Sales Agreements - Financing

Developer is not offering any financing to prospective purchasers. Within the time specified in the purchase agreement, each purchaser must apply for loan approval by an institutional lender, or if the purchaser plans to pay in cash without obtaining financing, such purchaser must furnish Developer with any credit information requested by Developer. If the purchaser is unable to obtain a loan on satisfactory terms or to satisfy Developer of the purchaser's ability to pay by the date specified in the purchase agreement and after making diligent efforts to do so, either party may terminate the Unit Sales Agreement and the purchaser's earnest money will be refunded, unless the time for obtaining such credit approval is extended by the parties. If the agreement has not been terminated within the specified financing contingency period, then the purchaser's financing contingency will be deemed waived. Thereafter, if the purchaser is unable to close the purchase because of inability to obtain a satisfactory loan, a change in financial status or a change in loan terms, or for any other reason (other than a breach of the agreement by Developer), then the purchaser's earnest money deposit will be paid to and retained by Developer. See Section 3.2 of the Unit Sales Agreement.

The ability to obtain financing now or in the future on a leasehold condominium is not certain and Declarant makes no representation or warranty of any kind as to the availability of financing for a Unit. The ability for any current or future purchaser to obtain financing for the purchase of the Unit may affect the marketability and value of the Unit now and in the future.

The purchase agreement provides that the purchaser may elect to have professional inspections of the property. If the purchaser notifies Developer of defective conditions disclosed by the reports within the time allotted in the purchase agreement, and Developer does not agree to correct the defective conditions, the purchaser may elect to terminate the agreement and receive a refund of the earnest money deposit. See Section 4.9 of the Unit Sales Agreement.

At closing, the purchaser will be responsible for the recording fee for the deed and warranty, any sales or transfer tax, an initial contribution to the working capital of the Association equal to two months of Association assessments, the next month's assessment for the unit, a pro rata share of the current month's assessment, the purchaser's portion of the escrow fee, any additional premium for title insurance coverage for construction liens, if required, and all fees, costs and expenses in connection with the purchaser's loan, if any, including the premium for any mortgagee's title insurance policy. See Section 5.3 of the Unit Sales Agreement. Any trust deed on

the project will provide for release of individual units as they are sold upon payment of a portion of the sales price to the lender. Closing of each sale is conditioned upon release of the unit from any trust deed.

If \$50,000 or more of original construction on the unit was completed within three months prior to closing, the title insurance policy may not contain any exception for filed or unfiled claims of construction liens.

If the purchaser should fail to make any deposit or payment required under the Unit Sales Agreement, Developer may declare the purchaser to be in default, and, without prejudice to any other rights of Developer, declare the entire amount paid by the purchaser forfeited to Developer. If the purchaser fails to deposit the balance of the purchase price with the escrow agent within the time set forth for closing, Developer may, in lieu of terminating the agreement, require the purchaser to pay to Developer at closing 12 percent per annum of the total purchase price, plus tax and assessment prorates, from such date to the date of actual closing, or pay \$50 per day, whichever is greater. See Section 9.2 of the Unit Sales Agreement.

Each purchaser will receive a warranty in the form attached as Exhibit B.

Certain claims, controversies, or disputes relating to the sale must be resolved through mediation or arbitration. See Sections 10 and 11 of the Unit Sales Agreement.

Common Expenses, Assessments and Budget

The Association has the right to levy assessments against unit owners for the maintenance of the common elements and other purposes. Failure of a unit owner to pay his or her share of assessments will entitle the Association to file and foreclose a lien on the unit or institute an action to recover a money judgment for unpaid common expenses without foreclosing or waiving the lien.

The Bylaws specify that all owners are obligated to pay all assessments imposed by the board of directors on behalf of the Association to meet common expenses of the property. Such assessments will be made by the board of directors in accordance with the terms of the Declaration, which provides that the common profits and common expenses of the Condominium will be allocated to the owner of each unit. See Section 8.1 of the Declaration.

Developer has prepared an initial projected budget of the Association for the operation and maintenance and other common expenses of the Condominium. A copy of the projected budget is attached to this Disclosure Statement as Exhibit C.

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.

Provisions have been made in the projected budget for a reserve account for replacement of those common elements all or a part of which will normally require replacement in more than one and less than 30 years, for significant future maintenance items as required by the Maintenance Plan established pursuant to Section 7.2 of the Bylaws and for exterior painting if the common elements include exterior painted surfaces. The reserve account need not include those items that could reasonably be funded from operating assessments. The amount of such reserves has been computed on the basis of a reserve study provided by Joel L. Tax, d/b/a Reserve Data Analyst. A copy of the reserve study is attached to this Disclosure Statement as Exhibit E. The information constituting the basis for the reserve assessment is attached to this Disclosure Statement. Except as otherwise provided in the Bylaws, the reserve account may be used only for the purposes for which reserves have been established and must be kept in a separate account. The board of directors must annually conduct a reserve study or review and update an existing study to determine and adjust reserve account requirements. See Section 5.5 of the Bylaws for specific provisions relating to reserves.

Operation and Management of the Condominium

Prospective purchasers should carefully review all of the sections of the Declaration and Bylaws, including those identified below that relate to the operation and management of the Condominium.

As provided in Section 14.1 of the Declaration, no later than the recording of the Declaration Developer will organize an association of unit owners to serve as a means through which the unit owners may take action with regard to the administration, management and operation of the Condominium. The Association will be an Oregon nonprofit corporation. As provided in Section 14.2 of the Declaration, each unit owner will be a member of the Association. The affairs of the Association will be governed by a board of directors as provided in the Bylaws. Each owner will be entitled to one vote for each unit owned by that unit owner. See Section 8.2 of the Declaration.

Article 2 of the Bylaws describes the meetings of the Association and the method of voting by members. Article 3 of the Bylaws describes the board of directors, including the number and qualification of directors, appointment of directors, the powers and duties of the board of directors, meetings of the board of directors, and liability and indemnification of directors, officers and the managing agent. Article 4 of the Bylaws describes the officers of the Association.

Article 5 of the Bylaws describes the budget, expenses, and assessments of the Association, including collection of assessments. Records and audits of records of the Association are discussed in Article 6 of the Bylaws.

Article 7 of the Bylaws sets forth the obligations of the unit owners with respect to the maintenance and use of the units and common elements. A unit owner may be held liable for damages caused by the owner's pets, family, guests, visitors or other occupants of the unit. In addition, Section 7.6 of the Bylaws sets forth the use and occupancy restrictions, such as limitations on commercial activities in units and restrictions on pets, and establishes the ability of the board of directors to adopt additional rules and regulations.

The governing documents contain no provisions resulting in restrictions on alienation of the unit, other than rental restrictions set forth in Bylaws Section 7.7 which prohibit rental of units by Unit Owners other than the Developer. See also Declaration Article 10.

Article 8 of the Bylaws deals with insurance to be carried by the Association and by unit owners. The Association is required to carry property damage insurance on the common elements, Association property and all fixtures, improvements and alterations within units, together with liability, workers' compensation, fidelity and directors' and officers' liability insurance. Unit owners must insure their units and limited common elements for the deductibles under the Association's policies and for insuring their own personal property. Article 9 deals with the method of adopting amendments to the Bylaws. Article 10 relates to dispute resolution, including mediation and mandatory arbitration of disputes.

Rights of Developer

Developer has reserved certain rights in the Unit Sales Agreement, the Declaration, and the Bylaws. Under the Unit Sales Agreements, these rights include the right to substitute materials of equal quality and the right to make such changes or modifications in the details of the plans and specifications of the unit and project as Developer, in Developer's sole opinion, deems appropriate. In the event of a variation, change or modification that materially and adversely reduces the value of the unit, the purchaser will have the right to terminate the Agreement by notice to Developer and the escrow agent given not later than the earlier of (a) within 10 days after notice of the change was given to the purchaser, or (b) at the time of the purchaser's inspection and acceptance of the unit. In the event of such termination, the purchaser's sole remedy will be the return of the earnest money the purchaser previously paid to the escrow agent, plus any interest earned on such amount. If the purchaser fails to terminate the Agreement within such period, the purchaser will be deemed to have accepted such changes and modifications.

The Unit Sales Agreement will not be affected by minor variations in unit size or by modifications to the design, plan or appearance of other units within the Condominium.

Developer has reserved the right to revise or amend the Declaration, Bylaws, and Escrow Agreement to the extent that reasonable changes may be required by governmental authorities, lenders or title insurance companies or that any changes may be required to conform to or utilize the provisions of the Oregon Condominium Act or applicable federal or state law, FannieMae guidelines or FannieMae, Federal Housing Authority or Veterans Affairs regulations, or any amendments or revisions thereto. Any other changes to such documents that materially and adversely affect the purchaser will require the purchaser's consent. If the purchaser does not object to the change within 10 days after notice, the purchaser will be deemed to have approved the change. If the purchaser does object in writing within the 10-day period, Developer may terminate the purchase agreement, in which case the purchaser's earnest money, together with any interest earned on such funds, will be refunded.

Developer has reserved the right to adopt, on behalf of all unit buyers, the initial Bylaws and administrative rules and regulations for the Association, to appoint an interim board of directors of the Association, and to enter into a management agreement on behalf of the Association with a managing agent. Developer has also reserved certain easements over the common elements. See Sections 12.5 and 14.4 of the Declaration.

Developer will have three votes for each unit owned by Developer until the earlier of when Developer has sold 75 percent of the units in the Condominium, or three years from the date of the first conveyance of a unit, and will have the right to appoint the board of directors of the Association until the first organizational and turnover meeting called by Developer. See Sections 3.2 and 33 of the Bylaws. Developer must call the organizational and turnover meeting within three years after the date of the first conveyance of the first unit to a person other than Developer, or within 90 days after Developer has sold and conveyed 75 percent or more of the units in the Condominium, whichever is earlier. See Section 2.2 of the Bylaws. At that meeting, the interim directors will resign and the unit owners will appoint two directors. See Section 3.3 of the Bylaws. In the event of a deadlock by the two directors, the matter will be resolved by mediation or arbitration.

Developer's prior written consent is required for any amendment to the Declaration or Bylaws for a period of 10 years from the date of closing of the sale of the last unit by Declarant to a person other than a successor declarant. See Section 16.2 of the Declaration and Section 9.2 of the Bylaws.

Additional Information

Purchasers should be aware that condominium living differs from detached single-family living in that such structures inherently are subject to some sound transmission from unit to unit and from common areas to units and from street noise. Developer and the general contractor are installing and constructing the units and related improvements to meet building codes and as

approved by the City, the architects and the engineers. Nevertheless, this is a multi-family structure where there will be activities that may cause sound transfer from one unit to another, such as fluid through pipes, music from sound systems and televisions, and noises from other activities. Before deciding to purchase, each prospective purchaser should satisfy himself or herself that the level of sound transmission at this project will be acceptable to the purchaser. This includes checking (personally or through a qualified inspector of the purchaser's choice) the noise level that exists in the unit now and that may exist when other units are occupied.

Developer is making 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. Purchasers acknowledge that Developer will have no liability if the current level of noise, light, air, or view affecting the unit changes due to future developments. Purchasers acknowledge that as is typical in residential condominiums, the units are not sound-proof and Developer makes no warranty or representation regarding the degree that exterior sounds will infiltrate the unit. Unit occupants may hear some degree of noise from the street, from nearby residences and from nearby common areas. The Association will have the responsibility of enforcing rules against disturbing other members of the Association, but even reasonable levels of noise occurring outside the unit may be audible inside the unit to some degree. Purchasers should obtain independent advice regarding any question concerning sound transmission and any additional insulation desired at the purchasers' expense to further soundproof the unit beyond what is standard.

Any completion date set forth in the unit sales agreement or this Disclosure Statement or otherwise furnished by Developer or Developer's agents, is only an estimate. Developer does not guarantee that the unit will, in fact, be ready for occupancy on such date.

Any square footages of the unit provided by Developer or Developer's agents are approximate and based upon "architectural" measurements taken from architectural plans. Final square footages may differ, and the square footages in the Condominium declaration and plat will be based upon condominium measurement standards, which are not the same as "architectural" measurements and often reflect a smaller square footage than when measured by other methods. Developer does not guarantee any specific square footage.

The project may or may not be built according to the specific plans and specifications in existence on the date of the sales agreement. In any case, no structure is built 100 percent in accordance with its plans and specifications. Minor variations in unit size or modifications to the design plan or appearance of other units within the Condominium, or variations, changes or modifications in the detail of the plans and specifications do not require the purchaser's consent unless they materially and adversely reduce the value of the unit.

The Condominium will need certain periodic maintenance and inspections to ensure the safety of the property and that its various components last for their projected useful lives. The

Maintenance Plan established pursuant to Section 7.2 of the Bylaws identifies the components of the common elements requiring periodic and regularly scheduled maintenance and inspections. Seller may deliver an Owner's Manual to each purchaser that describes the periodic inspections and maintenance required to keep the unit in good condition. Failure to follow the Maintenance Plan or Owner's Manual could impair the safety of the Condominium, reduce the useful lives of its components and increase future maintenance costs and release Developer and its design professionals, contractors and subcontractors and their consultants from claims for loss or damage to the extent that such loss or damage results from such failure to follow the Maintenance Plan or Owner's Manual.

Under the terms of the Unit Sales Agreement, Developer will be liable to the purchaser or the Association for mold, dry rot or other results of water intrusion only to the extent caused by construction defects and will not be liable for damage relating to mold or dry rot (a) caused by sources other than construction defects, such as living conditions and personal living habits, (b) to the extent resulting from failure of the unit owner or the Association to properly manage and maintain the project, including, without limitation, failure to regularly inspect for water intrusion or to maintain caulking and seals, or (c) to the extent resulting from failure to promptly notify Developer of evidence of moisture penetration, mold or dry rot or to permit Developer to inspect or remedy the problem. Developer's responsibility is limited to correcting the construction defect and repairing the resulting damages to the project. Developer will not be responsible for consequential damages such as damages to personal property, personal injury, loss of income or emotional distress.

Units are being offered to the public for the personal use by the purchasers, not for any expectation of profit or return from the unit. Developer is making no representations of any investment potential of the units, including potential for rental income, for resale at a profit, or for any expected tax benefit.

Purchasers should be aware that even though each unit is essentially a separate structure, certain matters must be handled by the incorporated association of owners as provided in the Bylaws. These include, without limitation, common maintenance of the general common elements, master insurance policy, budgets and reserve studies, assessments, maintenance of bank accounts, filing of tax returns and annual renewals with the Oregon Secretary of State and Real Estate Agency. In the event the owners are unable to agree on any matter, it may need to be resolved by mediation or arbitration, which is expensive.

Documents by which Purchasers will be Bound

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

1. Declaration submitting 7th Street Lofts Condominium to Condominium Ownership. The Declaration contains, among other things, provisions describing the units, the common elements, the rights of mortgagees, easements, and Developer's rights.

2. Bylaws of the 7th Street Lofts Condominium Owners Association. This document contains, among other things, provisions relating to the management, use and operation of the Association and the rights and obligations of the unit owners.

3. Plat of 7th Street Lofts Condominium. The plat shows the location of all buildings, the designation, location, dimensions and square footage of the units, the limited common elements, if any, pertaining to each unit and the general common elements of the condominium project.

4. Escrow Agreement between Developer and Columbia County Title & Escrow Services Inc. This document provides for deposit of funds into escrow and outlines a general procedure for the closing of unit sale transactions.

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

6. Articles of Incorporation of the 7th Street Lofts Condominium Owners Association. This document contains provisions outlining the purpose and powers, membership, voting rights and dissolution of the Association.

7. Purchasers should review each of the easements and use restrictions referred to in the preliminary title report which will be furnished to them by Columbia County Title & Escrow Services, Inc.

8. In addition, purchasers may be bound by financing instruments, escrow instructions and provisions of the Oregon Condominium Act. Prospective purchasers should also inquire regarding rules and regulations, if any, that may have been adopted since the date of this Disclosure Statement.

EXHIBIT A

[Attach Copy of Lease]

EXHIBIT B

[Attach Form of Warranty]

EXHIBIT C

[Budget]

EXHIBIT D

[Site Plan and Draft Plat]

EXHIBIT E

[Reserve Study]

Document comparison by Workshare 10.0 on Friday, September 2, 2022 8:44:04 AM

Input:	
Document 1 ID	file:///K:/61317 Norway Construction LLC/002 7th Street Development/Condominium Documents/3. 7th Street Lofts Condominium Disclosure Statement (Residential) [v6].docx
Description	3. 7th Street Lofts Condominium Disclosure Statement (Residential) [v6]
Document 2 ID	file:///K:/61317 Norway Construction LLC/002 7th Street Development/Condominium Documents/3. 7th Street Lofts Condominium Disclosure Statement (Residential) [v8].docx
Description	3. 7th Street Lofts Condominium Disclosure Statement (Residential) [v8]
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	7
Deletions	5
Moved from	0

Moved to	0
Style change	0
Format changed	0
Total changes	12

AFTER RECORDING, RETURN TO:

Bateman Seidel
1000 SW Broadway, Suite 1910
Portland, Oregon 97205
Attn: Chresten J. Gram

PREPARED BY:

Chresten J. Gram
Bateman Seidel
1000 SW Broadway, Suite 1910
Portland, Oregon 97205

**AMENDMENT TO
DECLARATION SUBMITTING
7th STREET LOFTS CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

**DECLARANT
7th STREET CONTAINER LOFTS LLC**

**AMENDMENT TO
DECLARATION SUBMITTING
7th STREET LOFTS CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

THIS AMENDMENT TO DECLARATION, pursuant to the provisions of the Oregon Condominium Act, is made and executed by 7th Street Container Lofts LLC, an Oregon limited liability company ("**Declarant**"), and will be effective upon recordation in the Records of Columbia County, Oregon.

Declarant created a condominium known as 7th Street Lofts Condominium, located in the City of St. Helens, Columbia County, Oregon pursuant to that certain Declaration Submitting 7th Street Loft Condominium To Condominium Ownership recorded on the real property records on May 16, 2022 under recording number 2022-004580 (the "**Declaration**"). Declarant desires to amend the Declaration and the Bylaws of the Association pursuant to this Amendment to remove restrictions on the rental of units.

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

AMENDMENT

1. **Amendment of Article 10 of Declaration.** Article 10 of the Declaration is amended and restated in its entirety as follows:

**Article 10
USE OF PROPERTY**

Each unit is to be used for residential purposes as described in the Bylaws. Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each unit owner is bound by each of these documents.

2. **Amendment of Section 7.6 (a) and (b) of Bylaws.** Section 7.6 (a) and (b) of the Bylaws are amended and restated in their entirety as follows:

(a) Residential use. No commercial activities of any kind may be carried on in any unit or on the Condominium property without the consent of the board of directors of the Association, except activities relating to the sale or rental of units. This provision, however, may not be construed to prevent or prohibit a unit occupant from using the unit as a home office or studio for a permitted home occupation, including meeting with associates, clients or customers on a by- appointment basis, to the extent permitted by applicable zoning codes, subject to the unit owner maintaining any required permits or registrations for such activities with the local jurisdiction.

(b) Use of common elements. The common elements will be used for the furnishing of services and facilities for which they are reasonably intended, for the enjoyment of the units. The use, operation, and maintenance of the common elements may not be obstructed, damaged or unreasonably interfered with by any unit owner. Any owner may extend the owner's right of use and enjoyment of the common elements to the members of the owner's family and social invitees, as applicable, subject to reasonable regulation by the board of directors. A tenant who rents a unit shall have the same right to use the common elements as a unit owner for the period of the rental agreement, but this provision will not be deemed to restrict the owner's access to the unit to the extent permitted by the rental agreement.

3. **Amendment of Section 7.7 of Bylaws.** Section 7.7 of the Bylaws is amended and restated in its entirety as follows:

7.7 **Leasing and Rental of Units.** The following apply to all leases and rentals of units:

(a) Any unit owner (and for avoidance of doubt, including Declarant) may rent a unit subject to the following requirements, and the rental agreement will be subject to these requirements whether or not they are included within the rental agreement:

- (1) all rentals must be in writing;
- (2) the unit may not be rented for transient or hotel purposes, and all rentals must be for a term of not less than 30 days;
- (3) the rental must be for the entire unit and not merely parts of the unit; and
- (4) all such rentals are subject in all respects to provisions of the Declaration and these Bylaws.

(b) Any failure of a tenant to comply with the Declaration, Bylaws, and Association rules and regulations, is a default under the lease or rental agreement, regardless of whether the lease or rental agreement so provides. In the event of any such default, the applicable unit owner shall take all actions to cure the default including, if necessary, eviction of the tenant.

(c) If a tenant is in violation of the provisions of the Declaration, Bylaws, or rules and regulations of the Association, the Association may bring an action in its own name or in the name of the unit owner renting the unit to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is violating, or has violated any of the provisions of the Declaration, these Bylaws or the rules and regulations of the Association, the court may find the tenant guilty of unlawful detainer notwithstanding the fact that the unit owner is not the plaintiff in the action or that the tenant is not otherwise in violation of tenant's lease. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or

remedies that the Association may have. If permitted by present or future law, the Association may recover all its costs, including court costs and reasonable attorneys' fees incurred in prosecuting the unlawful detainer action.

(d) The Association must give the tenant and applicable unit owner notice in writing of the nature of the violation, and 20 days from the mailing of the notice in which to cure the violation before the Association may file for eviction.

(e) The unit owner renting a unit shall provide a copy of the Declaration, these Bylaws and all rules and regulations of the Association to each tenant of the unit. By becoming a tenant, each tenant agrees to be bound by the Declaration, these Bylaws and the rules and regulations of the Association, and recognizes and accepts the right and power of the Association to evict a tenant for any violation by the tenant of the Declaration, these Bylaws, and rules and regulations of the Association.

(f) The unit owner renting a unit is responsible for any violations by tenant and is directly responsible for either correcting or eliminating such violations or causing tenant to do the same.

4. **Recordation.** The Amendment will be effective upon recordation in the Deed Records of Columbia County, Oregon, of the Declaration as amended or of the amendment thereto, certified to by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Oregon Condominium Act, and the Real Estate Commissioner if such approvals are required by the Oregon Condominium Act.

5. **Approval by Association As Tenant.** To the extent necessary, the Association upon the approval of the Board of Directors of the Association hereby approves and joins in this Amendment.

(THIS SPACE INTENTIONALLY LEFT BLANK -
DECLARANT SIGNATURE AND NOTARY JURAT ON FOLLOWING PAGE)

(DECLARANT SIGNATURE PAGE)

7TH STREET CONTAINER LOFTS LLC,
an Oregon limited liability company,

By: NORWAY CONSTRUCTION LLC,
an Oregon limited liability company d/b/a
Relevant Building Company,
Its: Sole and Managing Member

By: _____
Carl T. Coffman, its Manager

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Carl T. Coffman, as the Manager of Norway Construction LLC, an Oregon limited liability company, the Sole and Managing Member of 7th Street Container Lofts LLC, an Oregon limited liability company, on its behalf.

Notary Public - State of Oregon

(THIS SPACE INTENTIONALLY LEFT BLANK -
ASSOCIATION SIGNATURE AND NOTARY JURAT ON FOLLOWING PAGE)

(ASSOCIATION SIGNATURE PAGE)

7TH STREET LOFTS OWNERS ASSOCIATION,
an Oregon nonprofit corporation,

By: _____
Carl T. Coffman, its President

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Carl T. Coffman, as the Manager of Norway Construction LLC, an Oregon limited liability company, the Sole and Managing Member of 7th Street Container Lofts LLC, an Oregon limited liability company, on its behalf.

Notary Public - State of Oregon

(CITY OF ST. HELENS SIGNATURE AND NOTARY JURAT
ON FOLLOWING PAGE)

The City of St. Helens hereby consents to this Amendment to Declaration.

CITY OF ST. HELENS

By: _____

Name: _____

Title: City Administrator

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____, as the City Administrator of the City of St. Helens, an Oregon municipal corporation, on behalf of such corporation.

Notary Public - State of Oregon

(OREGON REAL ESTATE COMMISSIONER SIGNATURE ON FOLLOWING PAGE)

The foregoing amendment is approved pursuant to ORS 100.110, this _____ day of _____, 2022, and in accordance with ORS 100.110(8), this approval automatically expires if this Amendment is not recorded within one year from this date.

OREGON REAL ESTATE COMMISSIONER

By: _____
Steve Strobe, Commissioner

Article 10

USE OF PROPERTY

Each unit is to be used for residential purposes as described in the Bylaws. Additional limitations on use (~~including the prohibition of the rental of units other than a Declarant Allowed Rental (as such term is defined in the Bylaws)~~) are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each unit owner is bound by each of these documents.

Article 11

MAINTENANCE OF COMMON ELEMENTS

11.1 **Responsibility for Maintenance.** The necessary work to maintain, repair, or replace the common elements is the responsibility of the board of directors of the Association and will be carried out as provided in the Bylaws. Replacement and repair of wood patios and porches, as well as any structural component of such limited common elements are the responsibility of the Association. The Association's maintenance of the common elements does not include repair or replacement of exterior light bulbs or light fixtures, windows or window glazing, or exterior doors, except to the extent of the proceeds of the Association's insurance or to prevent water intrusion into the common elements at the expense of the Owner (subject to insurance reimbursement) who otherwise has responsibility for such maintenance.

11.2 **Mortgagee's Rights upon Failure to Maintain.** If the Mortgagee of any unit determines that the board of directors is not providing an adequate maintenance, repair, and replacement program for the common elements, such Mortgagee, at its option, may give a notice to the board of directors by delivering it to the registered agent, setting forth the particular defect that the Mortgagee believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, will have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each unit on which it holds a Mortgage on all business coming before such meeting. Such proxy rights will continue until the defects listed on the notice are corrected.

11.3 **Rights of City upon Failure to Maintain.** The provisions of this Declaration and of the Bylaws regarding the maintenance, repair, and replacement of the common elements are deemed to be for the benefit of City of St. Helens, as well as the unit owners, and the City may enforce such provisions by appropriate proceedings at law or in equity.

7.5 **Condemnation.** If any portion of the Condominium is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition will promptly be given to each unit owner and to each Mortgagee. The Association will represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the common elements, and each unit owner appoints the Association to act as his attorney-in-fact for such purposes. All compensation, damages or other proceeds of the taking, other than any award for moving expenses of specific unit owners, is payable to the Association and allocated and distributed as provided in this Section 7.5.

(a) **Complete taking.** If the entire Condominium property is taken, or if all unit owners agree that such a substantial portion of the Condominium has been taken as to make the project obsolete, then the property will be deemed removed from unit ownership. In such event, any proceeds of the condemnation paid to the Association, together with any other proceeds upon sale of the remaining Condominium property, must be distributed among the unit owners and their Mortgagees, as their interests may appear, in accordance with the provisions of the Oregon Condominium Act.

(b) **Partial taking.** If less than the entire Condominium property is taken and the property is not determined to be obsolete as provided in paragraph (a) above, then as soon as practicable the board of directors will, reasonably and in good faith, allocate the award among the units in accordance with the reduction in the value of each unit and its interest in the common elements, compared to the total reduction in value of all units and their interest in the common elements. Any portion of the award allocated to a unit owner under this paragraph must be paid first to all Mortgagees and holders of liens on the unit owner's interest in accordance with the existing priorities, and the balance to the unit owner. If any reconstruction or repair is undertaken as a result of the condemnation, the board may retain and apply such portion of each unit owner's share of the award as is necessary to discharge the owner's liability for any special assessment arising from such reconstruction or repair.

(c) **Dispute Regarding Allocation.** If any unit owner or Mortgagee objects to the allocation determined by the board, the matter will be submitted to arbitration in accordance with Article 10 below. The cost of such determination will be paid out of the proceeds of the condemnation.

7.6 **Restrictions, Requirements and Rules Respecting Use of Condominium Property.** The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws

(a) **Residential use.** No commercial activities of any kind may be carried on in any unit or on the Condominium property without the consent of the board of directors of

the Association, except activities relating to the sale of units or ^{or rental} ~~Declarant Allowed Rental~~ (as such term is defined below). This provision, however, may not be construed to prevent or prohibit a unit occupant from using the unit as a home office or studio for a permitted home occupation, including meeting with associates, clients or customers on a by- appointment basis, to the extent permitted by applicable zoning codes, subject to the unit owner maintaining any required permits or registrations for such activities with the local jurisdiction.

(b) Use of common elements. The common elements will be used for the furnishing of services and facilities for which they are reasonably intended, for the enjoyment of the units. The use, operation, and maintenance of the common elements may not be obstructed, damaged or unreasonably interfered with by any unit owner. Any owner may extend the owner's right of use and enjoyment of the common elements to the members of the owner's family and social invitees, as applicable, subject to reasonable regulation by the board of directors. A tenant who leases a unit from ~~Declarant as a Declarant Allowed Rental~~ shall have the same right to use the common elements as a unit owner for the period of the rental agreement, but this provision will not be deemed to restrict the owner's access to the unit to the extent permitted by the rental agreement.

(c) Offensive or unlawful activities. No noxious or offensive activities may be carried on in any unit nor may anything be done in or placed on any unit or common element that interferes with or jeopardizes the enjoyment of other units or the common elements or which is a source of annoyance to occupants. Unit occupants must exercise extreme care not to make noises that may disturb other unit occupants, including the use of musical instruments, radios, televisions and amplifiers. No unlawful use may be made of the Condominium or in any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof must be observed. Owners and other occupants may not engage in any abusive or harassing behavior, either verbal or physical, or in any form of intimidation or aggression directed at other owners, occupants, guests, or invitees, any director of the Condominium Association, or any property manager engaged by the Condominium Association or its agents or employees, or vendors.

(d) Sound transmission. Declarant and the general contractor have built the building and related structure to meet building codes and as approved by the City, the architects and the engineers. Nevertheless, this is a multi-family building and structure where there will be activities that may cause sound transfer from one unit to another, such as fluid through pipes, music from sound systems and televisions and noises from other activities. Owners may not make holes for mounting flat screen televisions or install speakers or sound equipment on common element walls, without the prior approval of the board of directors.

(e) Animals. No animals or fowls may be raised, kept or permitted within the Condominium or any part thereof, except domestic dogs, cats, and other ordinary household pets kept within a unit. The board of directors has the authority to determine what is an

time to time may adopt, modify or revoke such rules and regulations governing the conduct of persons and the operation and use of the units and common elements as it may deem necessary or appropriate in order to insure the peaceful and orderly use and enjoyment of the Condominium property, including, without limitation, establishment of reasonable administrative fees, such as fees for new owner set-up and owner's packet, move-in and move-out fees, etc. Any action by the board adopting, modifying or revoking any rule or regulation may be overruled by a vote of not less than 75 percent of the voting rights present, in person or by proxy, at any meeting, the notice of which has stated that such adoption, modification or revocation of rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, must be delivered by the secretary promptly to each unit owner and are binding on all unit owners and occupants of all units from the date of delivery.

7.7 **Leasing and Rental of Units.** The following apply to all leases and rentals of units:

(a) ~~Notwithstanding that the Lease may allow rental of units under limited circumstances, except for a Declarant Allowed Rental, units may not be rented or leased. As used herein, "Declarant Allowed Rental" means the rental of a unit by the Declarant if the Declarant has not sold the applicable unit to be rented on or before September 30, 2022. Provided that the lease is a Declarant Allowed Rental, the Declarant must meet each of the following requirements, and the rental agreement will be subject to these requirements whether or not they are included within the rental agreement:~~ *Any unit owner (and for avoidance of doubt, include Declarant) may rent a*

unit subject to

- (1) all rentals must be in writing;
- (2) the unit may not be rented for transient or hotel purposes, and all rentals must be for a term of not less than 30 days;
- (3) the rental must be for the entire unit and not merely parts of the unit;
- (4) all such rentals are subject in all respects to provisions of the Declaration and these Bylaws.

(b) Any failure of a tenant to comply with the Declaration, Bylaws, and Association rules and regulations, is a default under the lease or rental agreement, regardless of whether the lease or rental agreement so provides. In the event of any such default, the Declarant shall take all actions to cure the default including, if necessary, eviction of the tenant.

(c) If a tenant is in violation of the provisions of the Declaration, Bylaws, or

rules and regulations of the Association, the Association may bring an action in its own name or in the name of the unit owner ^{renting the unit} to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is violating, or has violated any of the provisions of the Declaration, these Bylaws or the rules and regulations of the Association, the court may find the tenant guilty of unlawful detainer notwithstanding the fact that the unit owner is not the plaintiff in the action or that the tenant is not otherwise in violation of tenant's lease. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies that the Association may have. If permitted by present or future law, the Association may recover all its costs, including court costs and reasonable attorneys' fees incurred in prosecuting the unlawful detainer action.

(d) The Association must give the tenant and ^{the unit owner} Declarant notice in writing of the nature of the violation, and 20 days from the mailing of the notice in which to cure the violation before the Association may file for eviction.

(e) The ^{unit owner renting the unit} Declarant shall provide a copy of the Declaration, these Bylaws and all rules and regulations of the Association to each tenant of the unit. By becoming a tenant, each tenant agrees to be bound by the Declaration, these Bylaws and the rules and regulations of the Association, and recognizes and accepts the right and power of the Association to evict a tenant for any violation by the tenant of the Declaration, these Bylaws, and rules and regulations of the Association.

(f) The ^{unit owner renting a unit} Declarant is responsible for any violations by tenant and is directly responsible for either correcting or eliminating such violations or causing tenant to do the same.

~~7.8 Failure to Follow Maintenance Plan and Owner's Manual.~~

(a) Association. The Association must perform all inspections and maintenance as recommended by the Maintenance Plan described in Section 7.2 above and make such repairs and maintenance as may be necessary to reasonably address the results of the inspections. Following turnover of control of the Association by Declarant, if the Association fails to follow the maintenance and inspection requirements or fails to perform any maintenance or repairs contained in any inspection report furnished to the Association by Declarant, then neither the Association nor any unit owner will have any claim against Declarant, its Affiliates or design professionals, contractors and subcontractors and their consultants, including without limitation, all of their officers, members, managers, directors, employees, agents and brokers, for loss or damage to the extent that they result from such failure and hereby indemnifies such persons and entities from and against claims by unit owners or other persons or entities for loss or damage resulting from such failure. Nothing in this Section may be construed, however, in derogation of the statutory warranty provided by Declarant to purchasers pursuant to the terms thereof.

~~(b) Unit owners. Each unit owner must perform such inspections of and~~